Reference document 2014

gecina

Bien plus que des mètres carrés

Reference document

including the Annual Financial Report
and the Sustainable Development Report

2014

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

This reference document was filed with the French securities regulator (Autorité des marchés financiers, AMF) on 02/20/2015, 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.

Content

EDITORIAL BY BERNARD MICHEL

2014, A SATISFACTORY YEAR DESPITE UNCERTAIN CONDITIONS

For Gecina, 2014 was a satisfactory year, despite a difficult and uncertain economic environment. Our recurrent net income (Group share) rose by 1.8% to €316.6 million, exceeding our forecasts even though the proceeds from the sale of the Beaugrenelle shopping center were only partially reinvested. This good performance reflects the stringent real-estate and operational management we have set up, as well as the efforts made to rationalize our financial expenses and debt.

On the basis of these good results, we will be able to propose, at the upcoming General Meeting of April 2015, the payment of a dividend of €4.65 per share, up 1.1%, delivering a 4.5% yield based on the Gecina stock price at the end of 2014.

OUR CALLING: STRENGTHENING OUR LEADERSHIP IN THE PARIS OFFICE MARKET

Gecina confirms its ambition to reinforce its leadership in the Paris office market. Indeed, the Paris Region remains buoyant, being Europe's No. 1 market and one of the global leaders in corporate real estate. The outlook in this region is promising over the medium/long term, especially with the opportunities arising from the Greater Paris project.

Here, Gecina will continue to develop an offering of responsible, efficient, new-generation buildings, integrated in all components of the city and district, adaptable and multi-purpose, abounding in services, healthy and comfortable, for the wellbeing and performance of customers/users.

MORE DYNAMIC MANAGEMENT OF THE ASSET PORTFOLIO

Gecina will continue to specialize in office real estate while diversifying, in a controlled way.

In support of this ambition, we will pursue an active asset turnover strategy, resolutely aimed at creating value. Against the relative rarity of assets and high prices, our solid knowledge of the segment and our talent will enable us to seize the best opportunities on the market, which still remains very attractive. We will continue to invest our own portfolio in areas where we have identified significant value-creating opportunities to be exploited. We will also seize good investment opportunities by capitalizing on our strengths and our differences, also taking advantage of a favorable market to sell mature or non-core assets.

STABLE SHAREHOLDING STRUCTURE AND CLEAR STRATEGIC VISION

In 2014, Gecina underwent in-depth changes enabling it to look ahead to the future. Our shareholding structure has been totally renewed with the sale of Metrovacesa's stake in July, the investments of Ivanhoé Cambridge, Blackstone and Norges Bank in Gecina's capital, and the increase in the stake of Crédit Agricole Assurances, our long-time shareholder. The stabilization of our shareholding structure was accompanied by the modification of our Board of Directors.

Our new shareholders share a clear strategic ambition with us, favoring a long term approach. It combines the establishment of sustainable value-creating dynamics and respect for the company's human values and strong CSR commitment.

We are now ready and on course to write a new page in the history of Gecina.

ONE OF OUR STRENGTHS: A RECOGNIZED CSR POLICY

Again this year, we continued to improve Gecina's performance in terms of Corporate Social Responsibility (CSR), a topic which is now firmly rooted in the heart of our strategy.

Our stance was commended by extra-financial rating agencies. Gecina thus ranked as No. 1 real estate company in the Novethic study which analyses the environmental reporting of listed players every year. Our Group was also awarded the SIIC 2014 trophy in the CSR category and was rated by the Carbon Disclosure Project as one of the top performing French companies in terms of energy efficiency criteria. We were also awarded the highest EPRA distinction in this area.

Through these achievements, Gecina confirms its role as a socially responsible company involved in the city's policies and sustainable innovation efforts, capable of integrating social and environmental concerns on an equal footing with economic objectives. This ambitious CSR policy drives us to anticipate and constantly reinvent our business activities based on our vision of the buildings of the future, in order to meet the expectations of our stakeholders – our customers as well as our shareholders – today and tomorrow. I am convinced that this approach will create value for everyone.

Bernard Michel

Chairman

EDITORIAL BY PHILIPPE DEPOUX

DIFFICULTIES REMAINING IN THE OFFICE MARKET, BUT ENCOURAGING SIGNS FOR THE FUTURE

While 2014 showed a few signs of improvement in comparison with 2013, the year remained fairly difficult for the office real estate market. Nevertheless, a certain number of factors have come into place, reinforcing our confidence in the future.

Indeed, take-up increased by 13% in the Paris Region compared to the previous year, even though this level is well below the long-term average observed. Certain markets in the Paris Region are still marked by oversupply, but the situation seems to be stabilizing in several areas. Since the quality offering should become rarer in the longer term, we are rather confident in the development of those markets and look to the future with serenity, convinced that a certain number of opportunities will arise for Gecina.

SOLID FINANCIAL, OPERATIONAL AND REAL ESTATE PERFORMANCE

Given the still unfavorable economic environment, we are particularly satisfied with the performance achieved by Gecina in 2014. The sale of the Beaugrenelle shopping center for €700 million including fees was a great success for our Group's teams, creating significant value with our development know-how. Alongside this, the acquisition of the Le France building for €133 million illustrates our capacity to make high-added-value investments.

In 2014, our recurrent net income (Group share) rose by 1.8% to €316.6 million, even though our disposals exceeded our investments during the year. This performance reflects the major efforts we made to rationalize the Group's operating, administrative and financial expenses. The optimization of our financial structure was one of the year's key achievements. We diversified our resources and extended the maturity of our debt while reducing its cost. The last two bond issues carried out in July 2014 and January 2015 were greatly over-subscribed, confirming the markets' growing appetite for Gecina. This also gave rise to the improvement of our financial rating, thus rewarding the efforts made over recent years. In this respect, the solidity of Gecina's balance sheet was once again commended by Standard & Poor's and Moody's which respectively increased our rating to BBB+/ Outlook stable and Baa1/ Outlook stable.

In 2014, we also achieved good real estate performance. Indeed, during the year, we earned nearly €27 million in rental revenue, for nearly 84,000 sq.m. of office rentals, relettings, renegotiations and renewals. In a still difficult market, we maintained our average vacancy rate at 4.7% across our office portfolio, very near the minimum rate and much lower than the average observed in the Paris Region (7.2%).

GECINA, READY TO GEAR UP ITS STRATEGY...

The strategy we are putting in place is based on the notion of overall yield. We want to give priority to the creation of value for our shareholders rather than growth at all cost. We will launch ambitious disposal programs when we deem that certain assets have become mature. We may contemplate stepping up the refocusing of our portfolio on the office segment through sales of non-strategic assets when market conditions are favorable. We also intend to acquire high-added-value assets in geographical areas that we are perfectly familiar with.

... ON THE STRENGTH OF ITS NEW SHAREHOLDING STRUCTURE AND OPERATIONAL REORGANIZATION

We now have the possibility of writing a new page in the history of Gecina. The stabilization of our shareholding structure and consequent modification of the Board of Directors give us the required stability to implement our new strategic ambitions. Moreover, at the beginning of 2014, we thoroughly reorganized the Group. Indeed, the operational teams, who used to work under a "vertical" product-based organizational structure (i.e. silo structure), now work under a business-line structure. This structure promotes cross-functional approaches based on three business lines: Investment and Arbitrage, Asset Management, and Real Estate Management.

The first effects of this new organizational structure are already visible. Indeed, through our Asset Management teams, we carried out a full review of our portfolio, making it possible to precisely identify the value creation potential of each of our assets. At the end of 2014, 62% were thus fully examined, and by the end of 2015, all of our asset will have undergone an in-depth study. This active monitoring revealed an additional investment potential in our own portfolio, generating a yield of nearly 7%, which will feed our pipeline in the upcoming years and account for a total of almost €1.3 billion.

It also enables us to identify certain assets or portfolios which it might be wise to sell in the current market conditions, both in the office segment (our core trade) and among our "diversification" assets. We also launched an ambitious plan, aimed at getting the most out of our residential portfolio through disposals. This program, which covers a significant part of our housing portfolio, involves putting in place the required conditions for the gradual sale of units as they become vacant, without any impact on existing tenants.

Moreover, the gearing-up of our strategy is reflected in our investment teams. We now strive to create value by controlling operational and market risks. Our in-depth knowledge of the real estate markets on which we operate, as well as our know-how in general contracting, asset management and marketing will enable us to seize investment opportunities for which our competitive edge will make the difference. We now have the capacity to seize opportunities on major assets or portfolios to be restructured or repositioned, and we know how to manage rental risk. Our knowledge of the cycle should also enable us to move into solid but convalescent markets whose prospects are encouraging, such as La Défense or certain parts of the Croissant Ouest.

We are going into 2015 with confidence, banking on a vacancy rate close to actual levels and a drop in the average cost of our debt similar to that observed in 2014. At this stage, investments of nearly €200 million have been secured since the beginning of the year, in particular through the acquisition of the City 2 building in Boulogne-Billancourt for €188 million, rented to Solocal Group and to be delivered in 2016. Moreover, the company is contemplating the sale of €800 million worth of non-core and/or mature assets this year. Based on those figures, the net income (Group share) should at least remain stable in 2015. However, the Group is contemplating new investments which could prompt the company to raise its forecast during the year.

Philippe Depoux

Chief Executive Officer

Executive Committee members

Philippe Depoux
Chief Executive Officer

Nathalie Bardin
Head of Marketing & Communications

Yves Dieulesaint
Head of CSR

Nicolas Dutreuil
Chief Financial Officer

Loïc Hervé
Director of Real Estate Holdings

André Lajou
Director of Acquisitions & Sales

Vincent Moulard
Director of Asset Management

Philippe Valade
General Secretary

01

Group profile

01

1.1. KEY FIGURES

€ million	Change	2014	2013
Gross rental revenue	**-3.0%**	**571.0**	**588.9**
Offices	+1.1%	348.9	345.0
• Paris CBD - Offices	+2.0%	102.6	100.6
• Paris CBD - Retail	+4.9%	35.3	33.7
• Paris excl. CBD	+2.8%	43.3	42.1
• Western Crescent	-2.7%	116.3	119.5
• Others	+4.6%	51.5	49.2
Residential	-4.0%	135.3	140.8
Healthcare	-0.8%	73.4	74.0
Others (Beaugrenelle/Logistics/Hotels)	n.a.	13.4	29.1
Net recurring income (1)	**+1.4%**	**317.8**	**313.4**
Net recurring income – Group share(1)	**+1.8%**	**316.6**	**311.1**
Value in block of property holding (2)	**-4.1%**	**10,341**	**10,781**
Offices	-6.2%	6,482	6,908
• Paris CBD - Offices	+4.1%	1,803	1,732
• Paris CBD - Retail	+9.0%	894	821
• Paris excl. CBD	-39.8%	838	1,391
• Western Crescent	-0.9%	2,130	2,149
• Others	+0.2%	817	815
Residential	-1.7%	2,750	2,797
Healthcare	+3.3%	1,106	1,071
Others (logistics)	n.a.	4	6
Net capitalization rate on property holding (3)	**-1.6%**	**5.74%**	**5.84%**

Data per share *(€)*	Change	2014	2013
Net recurring income	+0.9%	5.19	5.14
Net recurring income - Group Share	+1.3%	5.17	5.10
Diluted block triple net NAV (EPRA) (4)	-1.0%	101.2	102.2
Net dividend (5)	+1.1%	4.65	4.60

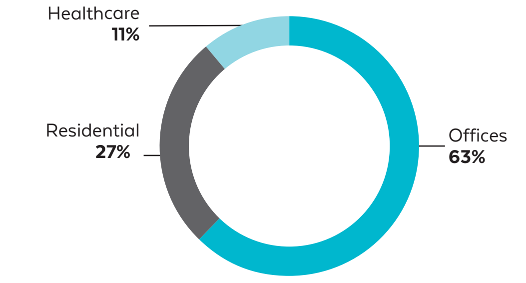
Number of shares	Change	2014	2013
Number of shares comprising share capital as at December 31	+0.4%	63,104,820	62,870,496
Number of shares excluding treasury stock as at December 31	+0.5%	61,317,661	60,997,495
Diluted number of shares excluding treasury stock as at December 31	+0.5%	61,967,103	61,658,902
Average number of shares excluding treasury stock	+0.4%	61,260,603	60,991,382

(1) EBITDA less financial expenses and recurring tax.
(2) See note 2.3. « Valuation of property holding ».
(3) Like-for-like basis 2014.
(4) See note 2.5. « Triple Net Asset Value ».
(5) Dividend 2014 submitted for approval by General Meeting 2015.

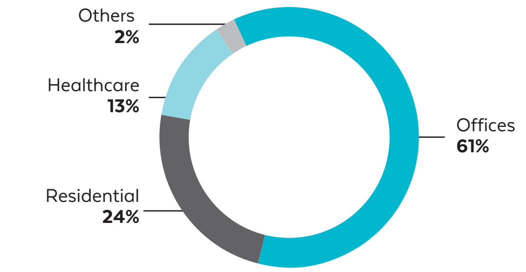
CSR	Change	2014	2013
Energy consumption trend of office assets (in kWhep/sq.m/year) (1)	+1%	367	364
Percentage of office space with HQE® Operation certification	-19 pt	63%	44%

(1) Primary energy at constant climate.

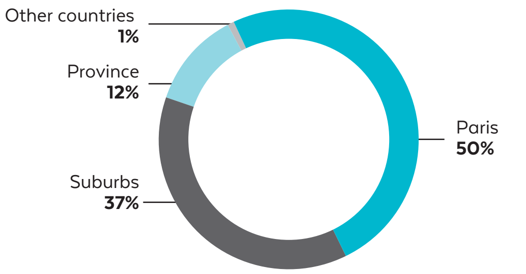
PROPERTY HOLDING APPRAISAL BY BUSINESS



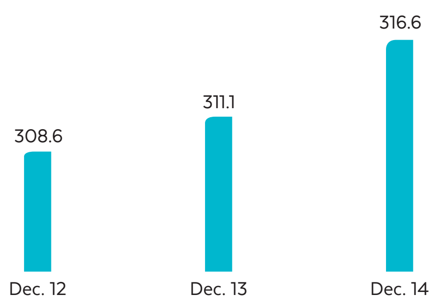
BREAKDOWN OF RENTAL REVENUES BY BUSINESS



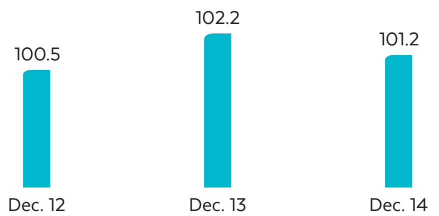
GEOGRAPHIC BREAKDOWN OF RENTAL REVENUES



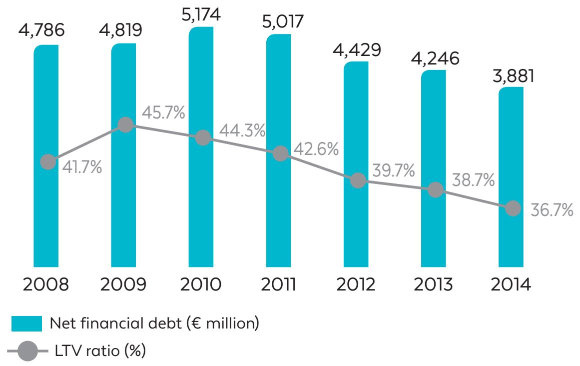
NET RECURRING INCOME – GROUP SHARE *(€ million)*



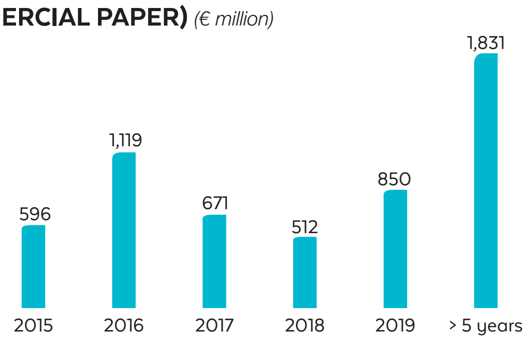
DILUTED BLOCK TRIPLE NET EPRA NAV PER SHARE *(€)*



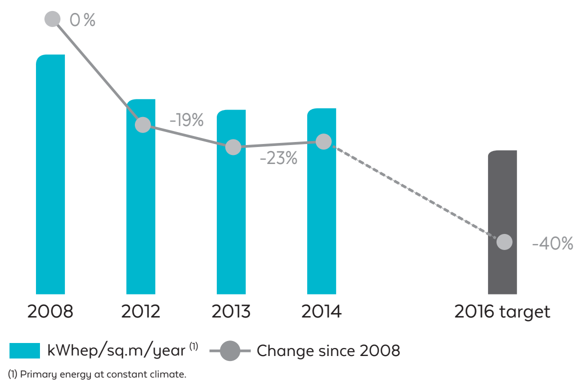
LTV RATIO



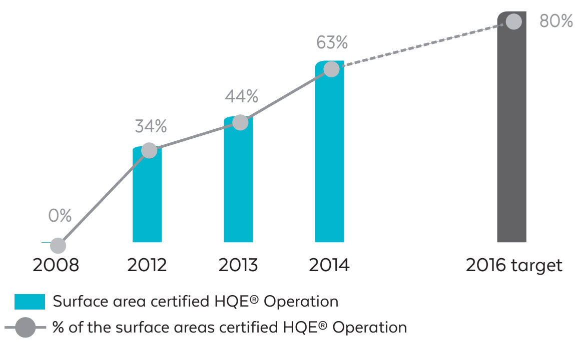
SCHEDULE OF AUTHORIZED FINANCING (INCLUDING UNUSED CREDIT LINES AND EXCLUDING COMMERCIAL PAPER) *(€ million)*



ENERGY CONSUMPTION TREND OF OFFICE ASSETS



PERCENTAGE OF OFFICE SPACE WITH HQE® OPERATION CERTIFICATION



01

1.2. GECINA IN BRIEF

Gecina holds, manages and develops property holdings worth €10.3 billion as at December 31, 2014, mainly located in the Paris region and primarily made up of office buildings.

The company's office building portfolio, valued at €6.5 billion, represents 63% of its total property assets. Nearly half of these assets are made up of Parisian assets, the majority of which are located in the Central Business District, and nearly one-third of the office building portfolio is located in the Western Crescent.

Gecina also owns "diversification" assets, which make up 37% of its portfolio (*i.e.* nearly €3.8 billion). They are composed of traditional residential property and student residences (26% of the total portfolio), as well as clinics and nursing homes (11%).

In recent years, Gecina has reinforced its exposure on offices in the Paris region through the active turnover of its portfolio. It has disposed of nearly €5.8 billion assets since 2008 and invested over €2.7 billion. Thanks to this active turnover of its property holdings, Gecina succeeded in raising the weight of office property in its portfolio from 52% in 2006 to over 63% at end 2014. Its declared target is to continue this strategic repositioning by achieving reach a weight of over 80% in the future.

As part of this, Gecina will give priority to Paris region offices, offering a unique breadth of market within the euro zone, as well as good prospects both in economic and development terms through in particular the Greater Paris project.
With a shareholding structure that is now stable and a stronger balance sheet, the company is prepared and ready to build its future. Gecina's ambition is to consolidate its status as the leader on the French office property market:

- by seizing investments opportunities that create value;
- by identifying and exploiting the untapped intrinsic opportunities of its own real estate portfolio;
- by selling non-core and mature assets in buoyant context;
- by developing the new generation building, offering differentiating services that will meet the needs of its tenants, and also the environmental criteria through "sustainable innovation".

Gecina's objective is then making 80% of its property holdings certified HQE® Operations by 2016 (63% at end 2014).

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, Euronext 100 and Vigeo indices.

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.
- Gecina creates the risk management and sustainable development department.

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 building" category, awarded at SIMI.
- The "Cristallin" building in Boulogne is the first HQE® Construction certified building.

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%.
- Merger by absorption of Société des Immeubles de France by Gecina.
- Creation of an energy/carbon mapping of all the property holdings.

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.
- The "Mercure" building is the first HQE® Operations certified building.
- Signing of the first green lease with Barclays.

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%.
- Gecina is included on the FTSE4Good and DJSI indices.

2011

- 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.
- Gecina is included on the Stoxx Global ESG Leaders index.

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 disposes of its logistics assets.
- "Newside" is the first building to obtain triple certification (HQE®, LEED® and BREEAM®).
- The "96-104" building in Neuilly-sur-Seine is the first building to obtain the BBC (low-energy building) label.

2013

- The "Pierre d'Or 2013" is awarded to Bernard Michel in the manager category.
- Gecina decides to separate the 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 disposes of its hotel assets.
- Reopening of Beaugrenelle shopping center in October.

2014

- The "Pierre d'Or 2014" is awarded to Beaugrenelle in the "Programs" category.
- The concert party Blackstone and Ivanhoé Cambridge acquire a 22.98% stake in Gecina.
- As part of its refocusing policy, Gecina disposes of its Beaugrenelle shopping centre.
- Gecina acknowledges the disposal by Metrovacesa of all its shares (26.74%) to institutional investors, including, in particular Blackstone and Ivanhoé Cambridge, Crédit Agricole Assurances and Norges Bank.
- Gecina wins the "SIIC Trophy" in the "CSR" category.

1.4. GROUP STRUCTURE AND ORGANIZATION CHART

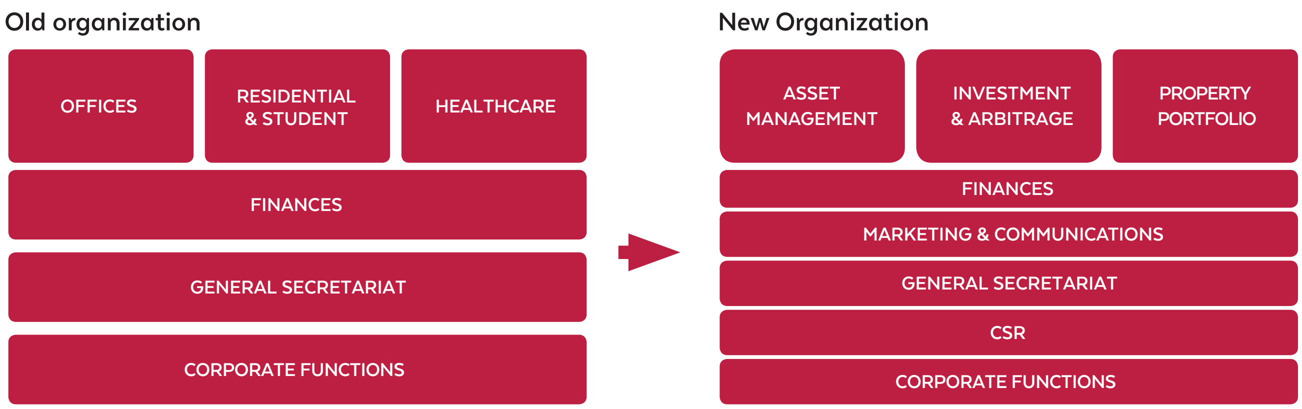
1.4.1. GROUP STRUCTURE AND ORGANIZATION CHART

The Group's operations are organized around France's leading office property holdings, as well as around "diversification" assets (residential assets, student residences and healthcare facilities).

To ensure its strategic refocusing on the office property market and to consolidate its model, in 2014, Gecina adopted a new organization adjusted to the property value creation chain.

The operational teams, which were previously organized "vertically" by product, *i.e.* in silos, now work "horizontally" across business lines. It led to the creation of three multi-product divisions: Acquisitions & Sales, Asset Management, and Real Estate Holdings. The Acquisitions & Sales Department identifies opportunities and manages acquisition and sale processes. The Asset Management department is in charge of the real estate strategy, business plans per building and the management of major account customers. The Real Estate Holdings Department is responsible for managing construction operations, the oversight of renovation and property management.

Under this new organization, Gecina has made CSR a key component of its strategy, under the direct responsibility of Executive Management, as is the case of the new Marketing and Communications department. These two Departments will contribute to the Group's vision of becoming the trailblazer for tomorrow's buildings, which will meet environmental criteria and offer enhanced solutions to the needs of tenants and to the expectations of the stakeholders.

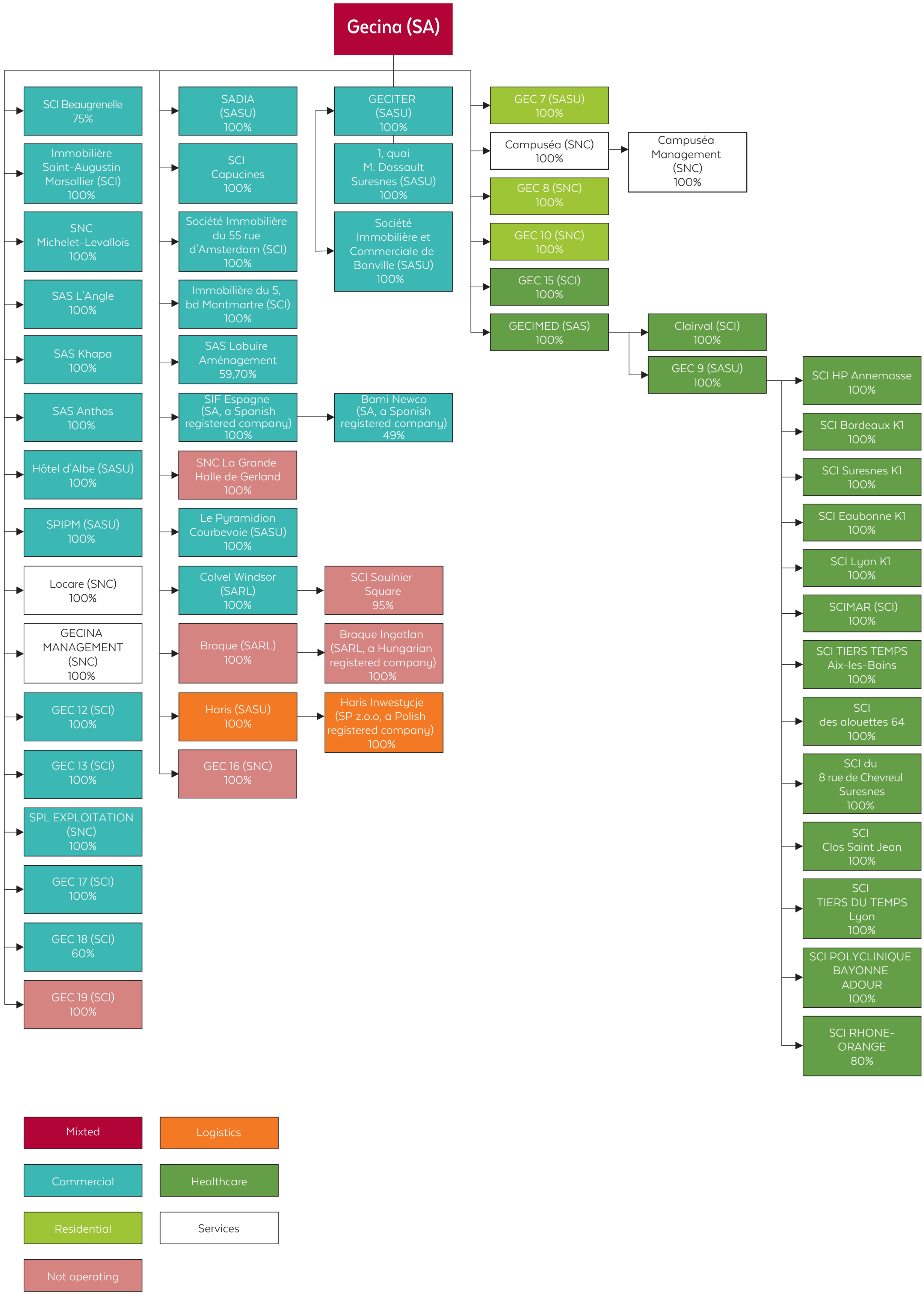


Moreover, as at December 31, 2014, the Gecina group consisted of 58 distinct legal entities including (i) 48 real estate companies with property holdings or real estate rights, and (ii) four service companies.

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:

- 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.
- SCI Beaugrenelle, in which Gecina holds a 75% equity stake;
- SCI GEC 18, in which Gecina holds a 60% equity stake;
- SCI Rhône-Orange, in which Gecina holds an 80% equity stake through GEC 9, a wholly-owned subsidiary of Gecimed.


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%
Hôtel 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) 60%
GEC 19 (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, a Spanish registered company) 100%
Bami Newco (SA, a Spanish registered company) 49%
SNC La Grande Halle de Gerland 100%
Le Pyramidion Courbevoie (SASU) 100%
Colvel Windsor (SARL) 100%
SCI Saulnier Square 95%
Braque (SARL) 100%
Braque Ingatlan (SARL, a Hungarian registered company) 100%
Haris (SASU) 100%
Haris Inwestycje (SP z.o.o, a Polish registered company) 100%
GEC 16 (SNC) 100%
GECITER (SASU) 100%
1, quai M. Dassault Suresnes (SASU) 100%
Société Immobilière et Commerciale de Banville (SASU) 100%
GEC 7 (SASU) 100%
Campuséa (SNC) 100%
Campuséa Management (SNC) 100%
GEC 8 (SNC) 100%
GEC 10 (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 TIERS DU TEMPS Lyon 100%
SCI POLYCLINIQUE BAYONNE ADOUR 100%
SCI RHONE-ORANGE 80%
Mixted
Logistics
Commercial
Healthcare
Residential
Services
Not operating

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

In July 2014, Nikad (SARL) was merged by Gecina and deregistered on August 5, 2014.

In October 2014, GEC 11 (SNC) was merged by Gecina and deregistered on November 3, 2014.

In November 2014, Gecina disposed of 40% of its equity interest in GEC 18 to C39 (SAS), a subsidiary of the EDF Group. GEC 18 is in charge of the development project for the "La Grande Halle" office building in Lyon.

In December 2014, Campuséa Management (SNC) wholly-owned by Campuséa (SNC) was created. Its corporate purpose was the rental and sale of all real estate property and rights.

A new company, GEC 19 (SCI) was created for future developments.

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

None.

1.5. BUSINESS AND MARKETS

In recent years, Gecina has significantly streamlined its property holdings by disposing of non-strategic assets, primarily aimed at reinforcing the company's specialization around its office building portfolio while reducing its debt. The disposal of the logistics portfolio in 2012, the hotel business line in 2013 and the Beaugrenelle shopping center in early 2014, are in line with this strategy. Since then, Gecina has also sold its last office building in Spain (the BMW building in Madrid). Consequently, the share of the office building portfolio rose from 52% of the company's total portfolio in 2006 to 63% at end 2014.

The company wishes to extend this strategic repositioning and is now aiming at the exposure of over 80% of its portfolio to the office building market in the medium term. Gecina will assume a controlled diversification that will not represent more than 20% of its portfolio.

In 2014, the context was very mixed overall for the office market for Paris and the Paris region, Gecina's core business. Although the volume of investments was close to the record levels of 2006-2007, the rental market showed signs of weakness once again. However, it recorded a very diverse performance depending on the quality and location of assets. In this context, Gecina's performance in terms of the organic growth of rents and occupancy rates (still up in 2014), highlighted the quality of the company's property holdings. Some signals also indicate encouraging signs for the future.

1.5.1. THE OFFICE BUILDING MARKET: 2014 TRENDS AND OUTLOOK

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

PROPERTY HOLDINGS

At the end of 2014, Gecina managed a portfolio of office & retail assets of over 1,000,000 sq.m of which more than 850,000 sq.m in operation broken down (in value) as follows:
- 55% in the City of Paris;
- 43% in the Paris Region;
- 2% in Lyon and in Spain.

Breakdown of assets in operation by size (in value):
- properties with a floor space of more than 10,000 sq.m representing 54% of the portfolio;
- 29% of the portfolio is comprised of properties between 5,000 and 10,000 sq.m;
- properties with less than 5,000 sq.m of floor space account for only 17% of the property holdings.

A PARTICULARLY BUOYANT INVESTMENT MARKET...

Despite the continuing pressure on the rental market, large volumes of liquidities have maintained the buoyancy of the investment market, in France, and especially in the Paris region. According to BNP Paribas Real Estate, €26 billion were invested in corporate real estate in France in 2014, a 37.7% increase over 2013. In the last 10 years, this investment volume was exceeded only in 2007. The greater part of these investments (73%), *i.e.* €19 billion, concerned investments in the Paris region, up 40.6% compared with 2013. 74% of the above amount, invested in the Paris region, was invested in office property (53% only in 2013), 13% in the retail sector and the rest primarily on services, industrial premises and logistics. It can therefore be observed from these investment flows in 2014 that investors increasingly prefer office property based in the Paris region.

The market proved particularly active on large transactions, since 50 transactions worth more than €100 million were recorded, representing 66% of the total investment amount, in value, compared with 48% in 2013 (source: CBRE). It must also be noted that the share of investments made up of very large transactions (over €500 million) rose from 4% in 2013 to 31% in 2014. Investors remain attentive to the search for prime assets with secure fundamentals, but a rare offer on this segment pushed them to position themselves on broader asset types, specifically in terms of location. Therefore, the safest assets located in prime districts represented in 2014, slightly more than one third of invested amounts, and substantially similar to the 2013 breakdown, but compared with 56% in 2012.

National investors were the principal investors (60% of transactions), with insurance companies, real estate investment trusts (SCPI) and real estate mutual funds (OPCI) being particularly active. From the buyers' side, the increase in the weight of private investors was a notable trend in 2014, thus highlighting the investor-based dimension of real estate investment. German open funds were generally sellers, especially in the drive to gradually liquidate their assets.

The strong momentum of the investment market sustained the valuation of prime assets, especially in Paris, where interest rates are now 3.75% compared with 4.25% at end 2013. The reduction in rates was also observed in prime locations in the Western Crescent and some markets of the first and second rims that are well served by public transport and where there is significant rental market depth. Conversely, the spread between prime and secondary products continued to be high.

Gecina intends to continue enhancing its portfolio quality to match the growing expectations of major tenants. The responsible and remarkable buildings concept proposed by Gecina is driven not just by environmental certification criteria but also by a concern for the comfort and well-being of occupants, as these criteria directly impact their productivity.

... IN CONTRAST WITH A STABLE RENTAL MARKET ON THE WHOLE

The improvement in take-up, although pronounced, was much more hesitant than the trend observed for investments. Although take-up rose 13% in 2014 at 2.1 million sq.m, it remained lower than the 10-year average, reflecting an economic context that remained difficult and a lack of confidence that does not encourage companies to project themselves into the future. Conversely, 2014 benefited from the postponement of large transactions, in particular at the beginning of the year (three transactions of over 40,000 sq.m compared with none in 2013). The upswing in business in the La Défense area, at its highest since 2008, is another highlight of this year, which suggests that the fundamentals on this market have been purged. Only the first and second rims continue to be very much below their long-term volume.

Meanwhile, the offering for offices stood at 4 million sq.m at the end of 2014, up by 2.5% compared to the level at the end of 2013, reflecting a vacancy rate slightly up by 7.2% in the Paris region (source: CBRE). The vacancy rate remained particularly low in the Paris CBD (5.8%) where the supply of new/restructured offering is structurally low and higher than in the Western Crescent (11.9%) and La Défense (12.2%) which combined 54% of the region's new offering. The leveling of occupancy rates in La Défense and the Western Crescent suggests however that there is a marginal improvement in the rental market, which is now in a position to absorb the new offering. Certain future supply has dropped by nearly 15%, suggesting that there will be a scarcity of quality supply by 2016.

In this context, headline rent levels remained stable on the whole after suffering net adjustments between 2011 and 2013. Assistance measures also rose slightly, representing an average of 2.5 to 3 months of rent per year of commitment in the Paris region. However, behind these averages, there are huge differences between some markets in the immediate suburbs and inner Paris where rents are more stable and where there are much fewer assistance measures.

2015 REMAINS UNCERTAIN, BUT THERE MAY BE SURPRISES IN STORE

In 2015, 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. Faced with this influx of cash and a cost of money that has hit a record low, and also since interest rates show no signs of rising in the short term, real estate returns should continue to drop in 2015. In this context, some sellers are likely to seize transaction opportunities in order to streamline their portfolios.

The main issue remains the willingness of investors to raise their exposure to secondary assets considering the limited prime offering. This will depend to a large extent on the development of investor confidence that the economic cycle will pick up in 2015 and 2016. In light of the foregoing, commitment volumes in 2015 could remain at the levels observed in 2014.

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 2015 is expected to be higher than 2 million sq.m, which is stable or a slight increase compared to the volume observed in 2014. Demand should continue to be driven primarily by the search for savings by tenants, as well as by business combinations. However, the business climate could pick up at this stage, which would result in a more favorable context in the second half.

GECINA ON THE OFFICE BUILDING MARKET IN THE PARIS REGION

In 2014, the vacancy rate of Gecina's office portfolio stood at 4.7% on average, which was significantly lower than market rate (7.2% according to CBRE).

Lease management this year resulted in the emergence of a negative reversion that had a moderate impact on the organic growth of -0.7% of rents on the segment, us -1.1% in 2013.

On a comparable basis, the valuation of Gecina's assets rose 1.5% on average over the year, showing the differences in the trends observed in 2014 in Paris and in the rest of the Paris region (the valuation of Gecina's CBD portfolio rose 5.9% on a comparable basis).

In 2014, Gecina was once again a player on the investment market, when it disposed of the Beaugrenelle shopping center for a value of €700 million including transfer taxes in April, and acquired the Le France building in Paris for €133 million in June. Lastly, in a fiercely competitive investment environment, Gecina intends to continue to capitalize on the value potential that is intrinsic to its property portfolio, in particular by exploiting its land reserves, and also by conducting asset restructuring programs on its own portfolio.

1.5.2. DIVERSIFICATION MARKETS

1.5.2.1. RESIDENTIAL

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.

Traditional residential assets in operation are broken down as follows in value:

- 72% in the City of Paris;
- 26% in the Paris Region;
- 2% in other regions.

PRICES DECREASED SLIGHTLY IN 2014 WHILE VOLUMES RALLIED

Residential property prices in Paris fell slightly in 2014 to €8,110/sq.m (at the end of September 2014), according to the statistics of notaries, representing a fall of 1.9% over one year. Notaries consider that apartment prices in Paris should drop slightly (by 1.2%) in 2014 and should be stable in the Hauts-de-Seine department (up 0.2%). Conversely, transaction volumes in Paris rose 7% over the year (at end September 2014) compared with an average increase of only 2% in the Paris region.

In this context, Gecina successfully completed a unit-by-unit sales program worth €80 million in 2014, representing an average premium on appraisals (block value) of nearly 33%.

Prices continued to be boosted by scarcity of supply and particularly attractive credit terms, which compensated for a certain number of less favorable factors (economic environment and the confidence of households). For example, at the end of December 2014, credit rates for 15-year mortgage loans fell to a historically low level of 2.40% compared with 3.20% at the end of 2013. This rate has since dropped to 2.25% at the end of January 2015.

Paris and to a lesser extent, the First Rim, represent a market with genuine shortages and growing demand due to demographic changes, 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%.

SLIGHT DROP IN MARKET RENTS, BUT LOW INDEXING

Rents in Paris picked up slightly in 2014 by 3.1% at €25.30/sq.m (at end October), outperforming inflation. In the Paris region, rents stood at €19.30/sq.m (excluding charges), representing an increase of 2.1%. For the whole of France, the increase in rents in 2014 was limited to 1.5%, significantly lower than the 1998/2014 average of 2.7%. At the same time, the Rent Reference Index rose by only 0.37% in 2014.

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), Duflot (since January 2013) and Pinel (since 2014) tax-relief initiatives. 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 97.7% for Gecina's residential property holdings in 2014.

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 2015, the value of residential assets could still be adversely affected by a difficult macro-economic context and less favorable conditions for buying investors (uncertainty 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 in 2015, especially with the 2012 rent regulation decree, renewed in 2013 and 2014. The tenant turnover rate in the Gecina portfolio should remain close to the 2014 level (15%).

1.5.2.2. STUDENT RESIDENCES SECTOR

PROPERTY HOLDINGS

At the end of 2014, Gecina was running, through its Campuséa subsidiary, eleven student residences, of which five in the Paris Region and six in other French regions, representing approximately 1,800 beds. Gecina is currently developing seven residences through this subsidiary, representing 1,300 additional beds.

A MARKET WITH INSUFFICIENT CAPACITY IN LARGE UNIVERSITY CITIES

In the long term, the student residences sector is expected 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. This number is expected 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 in 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 2014, Gecina continued ongoing developments or launched nine projects, of which two in Paris in the 13th and 15th arrondissements of Paris, five residences in the Paris region (Saint-Denis, Puteaux and Palaiseau), a residence in Bordeaux and another in Marseille. Two of these developments were delivered in 2014 (Cité-Cinéma in Saint-Denis (93) and Lecourbe – Paris 15th), while the others are scheduled for delivery between 2015 and 2018.

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 in 2017 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 *École 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 the 2015 academic year. The building is aiming for 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 the 2018 academic year.

OUTLOOK

Gecina's ambition is to raise its student residence portfolio to 6,000 beds, by targeting major French university cities. A total of seven development projects are currently under promise or under construction in Paris, 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

PROPERTY HOLDINGS

Gecina owns the buildings of 73 facilities, clinics and nursing homes, with a total of over 8,300 beds and places. It thus represents the 2nd largest player on this market in France.

The private sector of nursing homes continues to consolidate by buying independent facilities, medium-sized groups and forming alliances between entities of significant sizes. Although the sector is particularly buoyant as a result of longer life expectancy, and consequently the increase in the dependent elderly peoples who need nursing care, the number of facilities available continues to be low. Today, more than in the past, operators are resorting to external growth operations. In 2014, the operators Korian and Medica completed their merger, which created a European leader on the nursing home market. The two players together accounted for 14% of Gecina's annualized rent in healthcare real estate at the end of 2014. Furthermore, DomusVi (19% of Gecina's healthcare rental income), was acquired by the PAI fund.

The size effect allows operators to maximize 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 enhanced the value of existing real estate assets, through the implementation of stronger entry barriers.

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 0.24% in 2014 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 a total investment of nearly €83 million. These assets, which are scheduled for delivery in summer 2015, 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 MSO-SCR 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 (SCR) beds accounting for 20% of the number of hospitalization beds, versus 46% for the MSO sector.

The psychiatric clinic segment is still very buoyant with very high demand and excellent operating margins for operators.

There was a sharp increase in concentrations in the healthcare sector owing to mergers in 2014 (i) of the Générale de Santé and Ramsay groups that resulted in the creation of the leading French operator of short-stay hospitalization and (ii) the Médi Partenaires and Médipôle Sud Santé groups that resulted in the second largest operator on the same market.

The healthcare real estate market, which is a recent segment of the investment market, continued its structuring in 2014. Investment volumes continued to be high at nearly €650 million against €450 million in 2013. Secondary transactions (disposal by one investor to another) accounted for roughly 45% of this volume, showing the maturity that this market has now reached. An increasing number of investors, and in particular family offices in addition to institutional investors already on the market, are showing interest in healthcare real estate assets, which offer high yields and secure cash flows. In 2014, the market was characterized by supply that was lower than demand.

Gecina continues to streamline and enhance the values of its "healthcare" assets. The leases of several assets were extended in return for the financing of capex for lessors, bringing the average maturity of the portfolio to 6.8 years as at December 31, 2014. Furthermore, an MSO asset was disposed of in April 2014 for €5.9 million.

1.6. DEFINITION AND SENSITIVITY OF MAIN 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 the 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.

01

1.7. RISKS

1.7.1. SUMMARY TABLE OF MAIN RISKS AND CONTROL MECHANISMS

Risks	Control mechanisms
Risks related to changes to the real estate market	
Risks of change in the real estate market Risk linked to the cyclical nature of the real estate market, the principal components of which are fluctuations in demand and supply, change in interest rates and the general economic context. Gecina might not be in a position to carry out acquisitions and sales at a time when market conditions are optimal. The Group might suffer from a drop in rents or a negative impact of the valuation of its property portfolio.	The Group strives to implement regular monitoring of the real estate market which contributes qualitatively to the guidelines defined by the Strategic Committee. Business plans drawn up for each property, are reviewed *by annual* asset review in line with the Medium Term Plan. The Group diversifies the location and categories of the assets in its portfolio. It also focuses on managing the turnover of the property portfolio carried out under the guidance of the Asset Management Department. The mechanisms used to control the risks of tenant insolvency and decline in the financial occupancy rate are explained in detail below.
Specific risks linked to activity in office real estate Specific risks linked to activity in office real estate, which represents 61% of rental income and 63% of the property portfolio. These risks mainly stem from the high sensitivity of this activity to the economic environment, specific regulatory constraints, the higher cost of restoration works in vacant premises and the higher risk of tenant insolvency due to the relative weight of each tenant.	The specific features of the corporate real estate business are incorporated into the risk control mechanisms for which this activity presents particular challenges. For further information on this issue, please refer to the description of the operational risks control mechanisms below: • risk of tenant insolvency; • risk of a fall in the financial occupancy rate; • obsolescence risk; • legal and tax risks; • liquidity risks; • risks linked to the deterioration of social and environmental contexts.
Risks linked to competition Risks of an obstacle to achieving the company's strategy and non-achievement of the Group's acquisition and sale strategy or rental management strategy, owing to competition. The risk mainly concerns the deterioration of rent levels, margins or the failure to implement the strategy.	The mechanisms for controlling acquisition and liquidity risks, detailed below, specify the method for managing the risk component likely to affect the acquisition and sale strategy. With respect to the rental management component, assets are marketed by dedicated teams acting in collaboration with sales agents and/or external advisers. The Group monitors commercial transactions and keeps an up-to-date report on each property in order to track all rentals. The Group'*s organization, which includes a comprehensive range of in-house real estate functions*, allows optimum responsiveness in a competitive context. The introduction in 2014 of a new company-wide organization with, in particular, the reinforcement of the "Asset Management" function and the introduction of asset reviews, has strengthened the system already in place.
Property risks	
Risks of non-compliance with the regulations linked to real estate activities (hygiene, safety, health, environment) that can have an adverse impact on the company's financial position and earnings.	The management of these risks is monitored by the "real estate risk management" function attached to the Project Management Department. These risks are assessed on the basis of control reporting standards defined for each area of risk (18), with indicators measuring the level of efficiency for the various buildings, published in Chapter 1. Each assessment results in the introduction of action plans based on objectives to be achieved. The introduction of a real estate risk mapping in 2006 has strengthened control over these risks.
Operating risks	
Asset valuation risks Risk of asset value estimate error or non-realization 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. Internal valuations are also made by each Operational Department on the basis of rental statements. The process is subjected to a formalized procedure, the application of which 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	Control mechanisms
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 and 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.
Risk of a fall in 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 tenant relations and rental market watch, is useful for anticipating as rapidly as possible the actions to take to minimize the financial costs linked to vacancy: early renegotiations, marketing, scheduling of renovation, etc.
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. Acquisition projects are preceded by a preliminary study by a Steering Committee then *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 acquisition and sale 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.
Risk linked to a deterioration of social and environmental contexts Loss of value risk for the Group, linked to the heightened sensitivity of the property assets to extreme weather events (temperature, rainfall and flood, wind, rising sea levels, etc.). The Group could also suffer from the scarcity and increase in the prices of the raw materials required for operating its business (sand, water, energy, etc.). The consequence for Gecina would be an increase in insurance premiums and the operating (consumables and technical maintenance) and construction costs of its assets. The risk also concerns the failure to achieve the CSR objectives set by the Group. The Group's image and reputation could be affected.	The Group has made CSR a central issue in its strategy. It has the Asset Management function which fully incorporates these criteria into the acquisition and sale *process, asset* reviews as well as asset-specific business plans. All the Group's departments and employees have been trained in the components of CSR culture (see 7.5.1. "Integrate CSR into Gecina's business lines"). A special CSR team has been created to translate the Group's CSR strategy into organized events and learning opportunities for employees (see 7.1.4 "Steering and coordination of the CSR strategy"). The Group has structured its CSR action, which has been integrated into existing modes and into the objectives of employees (see 7.1.3. "CSR Policy: commitments, objectives and action plans"). Gecina monitors the consumption for its assets in detail (see 7.3.1. "Energy efficiency and renewable energy"). Gecina is engaged in an energy efficiency and production mix carbon reduction approach for its property portfolio (see 7.4.1. "Climate change and GHG emissions"). Lastly, the Group also undertakes actions with its tenants regarding waste sorting (see 7.4.2.2. "Waste management"). It has defined a strategy for responsible purchasing (see Chap. 7.6.4. "Responsible purchasing"), especially with respect to the Group's suppliers, by drafting a responsible purchasing charter. A "Gecina Lab" task force on CSR topics (biodiversity, etc.) was set up (see 7.6.2.2. "Gecina Lab", the CSR think-tank for assisting the company's stakeholders).

01

Risks	Control mechanisms
Risks linked to subcontracting Risks of insolvency, poor performance or non-compliance with regulations 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: Project Management and Technical Departments. These functions also use the services of external consultants (engineering, inspection firms, etc.) and as appropriate, delegated project management. Suppliers will be referenced and sub-contracting will be allowed only following explicit approval by Gecina. These procedures take into account the safety regulations and obligations for compliance with labour laws. The suppliers also sign the responsible buying charter (Chapter 7.6.4. "Responsible purchasing"). 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. While the works are being performed, they are subject to frequent operational and budget checks.
Risks linked to failure to issue administrative 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, that could 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 (Project Management and Technical Departments). These Departments organize a 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 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 with 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.

Risks	Control mechanisms
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. Joaquín 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 ad hoc Board Committee.

1.7.2. RISK FACTORS

1.7.2.1. RISKS RELATED TO CHANGES TO THE REAL ESTATE MARKET

1.7.2.1.1. CHANGE IN THE REAL ESTATE MARKET

Gecina operates in various sectors of the real estate market: offices, residential, students' residence and healthcare. 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. 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, purchasing power, 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 in 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 sensitivity of the main financial indicators, see Note 3.5.6.6. of the Notes to the Consolidated Financial Statements.

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

Office real estate account for at year-end 2014 61% of rental income and 63% 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, they have notably been made more stringent by the Pinel Act;
- 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.

1.7.2.1.3. COMPETITION

Gecina is present on four segments of the real estate market (offices, traditional residential, student residences, and healthcare). It has to deal with competition in its rental as well as 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 specifically have the possibility of acquiring or developing real estate assets on terms, such as price and yield, 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 3.3% of the Euronext IEIF REIT Europe Index at the end of December 2014, behind Unibail-Rodamco (14.6%), Land Securities (12.7%), British Land (11.0%), Hammerson (6.3%), Corio (4.6%), Intu Properties (4.5%), Derwent London (4.1%), Klépierre (4.0%), Segro (4.0%) and Great Portland Estate (3.5%) respectively.

With a block property holding of €10.3 billion at December 31, 2014, Gecina is the third largest real estate company in France after Unibail-Rodamco and Klépierre. Regarding office portfolio, Gecina is the largest real estate company in France.

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.

1.7.2.2. OPERATING RISKS

1.7.2.2.1. 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, 2014 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 in 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.

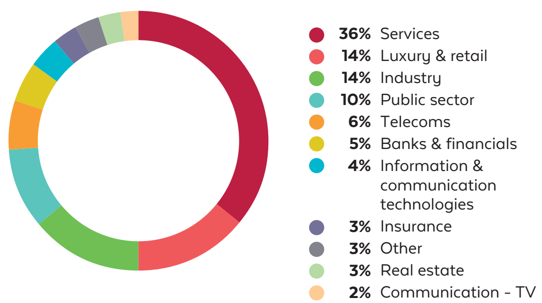
1.7.2.2.2. RISKS LINKED TO ACQUISITIONS THROUGH BLANK AND PRE-CONSTRUCTION SALE AGREEMENTS (VEFA).

Launching a real estate project through blank and pre-construction (VEFA) acquisitions 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).

1.7.2.2.3. RISK OF TENANT INSOLVENCY

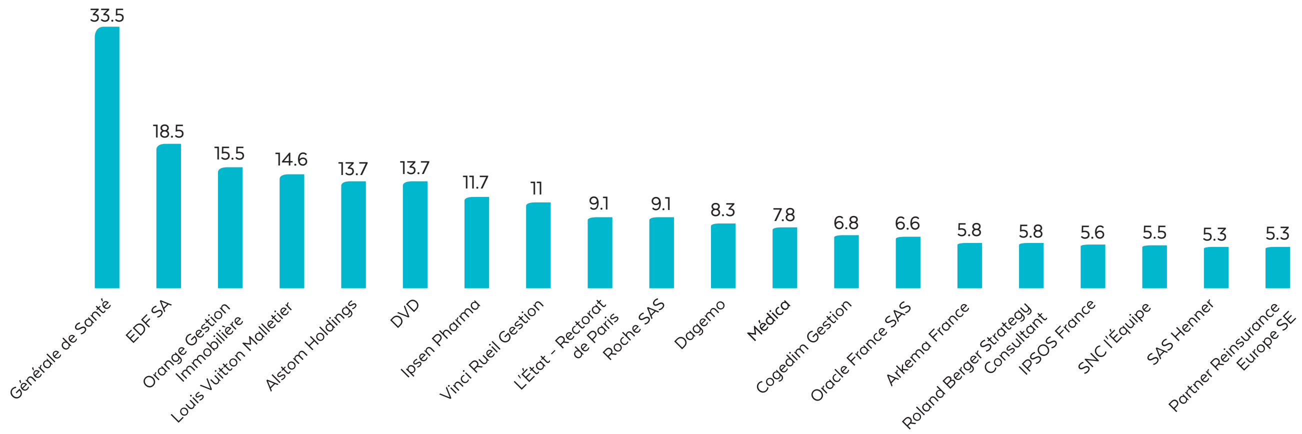
Rental income comes from rent collected and may therefore be considerably affected by the insolvency or departure of tenants. Depending on the change in economic environment, any financial difficulties of tenants, in particular in the office and commercial market, are likely to be more frequent, change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

BREAKDOWN OF OFFICE TENANTS BY SECTOR



As at December 31, 2014, the Group's dependence on its main customers was as follows:

RENT FROM MAIN TENANTS *(€ million)*



Gecina's top 20 tenants in 2014 accounted for 38% of the entire Group's annalized rental income. The 10 biggest tenants account for 27% of the Group's annualized rental income.

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

The average financial occupancy rate of the Group's buildings was 96.4% as at Year-end 2014. 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

	2015	2016	2017	2018	2019	2020	2021	> 2021
Offices (1)	60	88	47	42	32	17	34	36
Healthcare	0	3	0	9	12	5	14	31
TOTAL	**60**	**91**	**47**	**51**	**44**	**22**	**48**	**67**

(1) Lease terms not implemented in the first half of 2015 postponed to the next expiry date.

RENTS VOLUME BY LEASE AGREEMENTS EXPIRY SCHEDULE

	2015	2016	2017	2018	2019	2020	2021	> 2021
Offices	20	41	23	59	53	23	59	79
Healthcare	0	3	0	9	6	5	11	39
TOTAL	**20**	**43**	**23**	**69**	**59**	**28**	**70**	**117**

1.7.2.2.5. ACQUISITION RISKS

Gecina has been acquiring real estate assets in the commercial, healthcare and student residence sectors. 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.

1.7.2.2.6. 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 CSR policy. Gecina has set up a dedicated action plan and monitors the environmental efficiency of its property holdings through indicators and objectives (see Chap. 7.1.3. "CSR Policy: commitments, goals, action plans 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 (see Chap. 7.3.1. "Energy efficiency and renewable energy"). Lastly, its participation in different think tanks allows it to conduct the thematic watch required for implementing best practices and experimentations (see 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. The newly-created Asset Management Department strives to anticipate the portfolio's obsolescence by quantifying the level of obsolescence for each property.

1.7.2.2.7. RISK LINKED TO A DETERIORATION OF SOCIAL AND ENVIRONMENTAL CONTEXTS.

Loss of value risk for the Group, linked to the heightened sensitivity of the property assets to extreme weather events (temperature, rainfall and flood, wind, rising sea levels, etc.). The Group might also suffer from the scarcity and increase in the prices of the raw materials required for operating its business (sand, water, energy, etc.). The consequence for Gecina would be an increase in insurance premiums and the operating (consumables and technical maintenance) and construction costs of its assets. The risk also concerns the failure to achieve the CSR objectives set by the Group. The Group's image and reputation could be tarnished if it fails to take action on a social or environmental issues. Furthermore, in such a situation, the Group's inaction might further aggravate the social and environmental deteriorations affecting it.

1.7.2.2.8. RISKS LINKED TO SUBCONTRACTING

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 impact on the Group's business, earnings, and 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. Gecina has developed reporting standards for suppliers through an externalized platform which enables service providers to meet their legal obligations. Suppliers are listed according to a procedure described in the internal standard procedures in place.

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

Investments made by Gecina for its real estate activities are 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.

1.7.2.2.10. 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 might not be able to take out the appropriate insurance policies 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.

1.7.2.3. 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 outlook for development and growth, the Group consistently sets its goals above what the regulations require.

1.7.2.3.1. 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, the 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 lease or 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.

1.7.2.3.2. RISKS LINKED TO CHANGES IN LEASE REGULATIONS

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, changes to rent 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 (pursuant to Article 18 of the law of July 6, 1989) which became effective on August 1, 2012, and amended by a new decree which became effective on August 1, 2013, 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.

Since the entry into force of law no. 2014-366 of March 24, 2014, known as the "ALUR" Act, the regulatory framework for the aforementioned rents, which applied only to rentals of unfurnished premises, will now apply to tenancy agreements for furnished premises signed or renewed between August 1, 2014 and July 31, 2015. The ceiling principle now applicable to leases concluded or renewed on Campuséa residences is subject to the same exceptions as those mentioned earlier.

Furthermore, the "ALUR" Act, seeking to amend the law of July 6, 1989 and effective for some of its clauses on March 24, 2014, has introduced a new rent ceiling mechanism (Article 17 of the law of July 6, 1989) which provides for the annual setting by prefectoral order of increased or decreased baseline rents which may not, barring specified legal exceptions, be exceeded at the time of concluding or renewing the lease. This mechanism, which was supposed to apply to the whole of France, will first of all be rolled out on an experimental basis in the City of Paris and in a few other major cities, such as Lille.

Contrary to the first ceiling mechanism derived from Article 18 of the law of July 6, 1989, the new mechanism only applies to rentals of unfurnished premises and therefore only affects "classic" residential assets, and does not apply to leases concluded for students' residences.

Concerning office and commercial leases, law no. 2014-626 of June 18, 2014 known as the "Pinel Act", the terms of which became effective over a staggered period, amended the conditions for applying a number of major mechanisms applicable to commercial leases, specifically:

- by cancelling the reference to the Construction Cost Index (ICC) for the three-yearly revision of rents or the ceiling on renewal rent;
- by regulating the rental value of renewed or revised rent;
- by making it mandatory for lessors to compile a limited and exhaustive list of categories of charges, duties, taxes and fees payable by tenants, an inventory that was clarified by a *Conseil d'État* decree on November 3, 2014.

Given the erratic trend of the cost of construction index, the creation of new composite indices applicable for the rents of commercial premises (commercial rent index or ILC) and for tertiary activities (retail rental index or ILAT) has led to the gradual substitution of the ICC by the two new indices.

The Pinel Act provides for the cancellation of any reference to the quarterly cost of construction index (ICC) for the three-yearly revision of rents (Article L. 145-38 of the French Commercial Code) and for the establishment of a ceiling for renewal rent (Article L. 145-34 of the French Commercial Code).

Rent revision and the setting of the renewed rent, in case of change as a function of an index and not of the rental value, will now be governed by the Commercial Rents Index (ILC) and the Retail Rental Index (ILAT) only.

However, since no amendments have been made to the provisions of the French Monetary and Financial Code (L. 112-2) which describe the ICC as an index that can be used as the basis for the annual indexing of rents, any indexing clause that would be based on this index remains perfectly valid.

The Pinel Act also introduced on September 1, 2014, a new principle consisting in "smoothing out" the effects of removing the rent ceilings for renewed or revised rent.

Since September 1, 2014, when the new provisions based on the Pinel Act on this issue entered into force, in event of the removal of the rent ceiling by operation of the law or following the existence of a contractual clause in the lease specifying a lease term above nine years, the rent change stemming from this removal of ceiling cannot lead to increases exceeding, for one year, 10% of the rent paid in the course of the previous year, which is referred to as "smoothing out the effects of the ceiling removal".

Even if the mechanism for smoothing out the effects of the ceiling removal affects Gecina for its commercial leases, its consequences may nevertheless be limited since the rules regarding the removal of a ceiling for renewal rent is not public policy. Gecina therefore has the right to avoid it through private agreement.

Furthermore, leases for premises to be used exclusively as office space, leases for single-use premises (such as, healthcare facilities) are excluded from this law.

The same mechanism for smoothing out ceiling removal applies in case of a rent increase resulting from a three-yearly revision due to material change to marketing factors by more than 10% of the rental value (Art. L. 145-38) and in case of an increase by application of the moving scale clause for rent of more than 25% (Article L. 145-39). In both cases, the lessor shall bear the limitations made to the ceiling removal, given that the aforesaid arrangements fall under public policy and are therefore not liable to contractual arrangements.

The expected impact of the decree on expenses since the publication of the Pinel Act and effective on November 5, 2014 was also minimal since it is still possible to re-bill certain taxes, such as the property tax and other additional taxes, to the property tax.

Only rent management fees, which might represent just a portion of rental management fees, represent a real impact for the Group.

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.

1.7.2.3.3. 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 certain 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. However, this could be revoked if this obligation is not adhered to. 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 SIIC companies 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 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 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 the introduction of new taxes, duties and fees, such as the fee for demolition-reconstruction operations for premises used for business. 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.

1.7.2.4. 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. They cover 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. It must be noted that the inventory of risks associated with safety and health is regularly reviewed by the "Building Risk Department" and validated by the Executive Management. (see paragraph 1.7.4.1.1 on "Mapping of real estate risk").

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 anticipates these risks as best as possible by conducting studies and analyses prior to acquisitions. Audits are conducted on a regular basis to verify the quality of infrastructures;
- Gecina could be held liable under civil or criminal law for any environmental accident, infringements of safety rules during construction projects or the number of visitors to buildings and, more broadly, failure to comply with these legal and regulatory obligations. Any such incident would tarnish the Group's image.

1.7.2.5. FINANCIAL RISKS

1.7.2.5.1. 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.

1.7.2.5.2. 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. Gecina strives to comply with the covenants attached to its borrowings.

Liquidity risk management is described in Note 3.5.4.4 in the Notes to the Consolidated Financial Statements.

1.7.2.5.3. 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 or even the loss of a portion or all of the deposits, which would have an impact on Gecina's earnings. Counterparty risk management is described in Note 3.5.4.3. "Management of financial and operational risks" in the Notes to the Consolidated Financial Statements.

Counterparty risk also concerns the insolvency risk of tenants as mentioned in paragraph 1.7.2.2.3. above.

1.7.2.5.4. RISKS LINKED TO CERTAIN TRANSACTIONS IN SPAIN

Up till 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 to in Notes 1.7.3, 3.5.5.12 and 3.5.9.3 of the Notes 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 paragraph 5.1.9.).

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.

1.7.3. 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 pertained to certain transactions concerning the former Chairman of Gecina's Board of Directors, Joaquín Rivero, who resigned as Chairman at the Board Meeting of February 16, 2010 and from his directorship at the Board Meeting of March 27, 2012.
  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. The hearings on the merits of the case took place before the Criminal Court of Paris in February 2015. The decision is expected on March 11, 2015.
  To date, the company is not in a position to evaluate any potential risks, in particular, regulatory, legal or financial, arising from the facts covered by the ongoing criminal proceedings and cannot in particular, exclude the possibility that it may be joined as a party in the future, together with the company's officers and representatives.
  In the context of these proceedings, the examining magistrate has, by orders dated April 18, 2012 and April 18, 2013, ordered the seizure of the sums representing the dividends owed to Mr. Joaquín Rivero and to the companies that it controls by virtue of the Shareholders' Meetings of April 17, 2012 and April 18, 2013. Pursuant to these orders, the seized sums were paid 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 these decisions.
  By orders of March 4, 2013 and December 8, 2014, the Paris Court of Appeal confirmed the seizure orders of April 18, 2012 and April 18, 2013. Mr. Rivero and the companies he controls filed an appeal for annulment against these two orders. Proceedings are still ongoing.
- The company was informed on July 16, 2012 by Banco de Valencia of the existence and recording in its ledgers of four promissory notes issued in 2007 and 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. Arlette Dome S.L allegedly 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 SL 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. 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 in spite of its petition. Proceedings are still ongoing. Gecina continues to assert its rights in this respect.

- 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 and trial expenses to 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.
- 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. Having gained knowledge of a loan for an equivalent amount granted by Bamolo at the same time as the Gecina loan to a company known as Eusko Levantear Eraikuntzak II (ELE), also in receivership, Gecina is asserting its rights and defending its interests in these two bankruptcy proceedings.
- The company was informed in 2012 of the existence of a guarantee granted by SIF Espagne (then represented by Mr. Joaquín Rivero) and by Inmopark 92 Alicante (also shareholder of Bami Newco and controlled by Mr. Joaquín Rivero), on January 14, 2010, as reimbursement by Bami Newco of a credit concluded on the same day, in the context of a renewal, from Caja Castilla la Mancha, for an amount in principal of €9 million. 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 head office in Madrid on behalf of FCC Construcción. FCC Construcción filed a judicial motion in Spain for the payment of this bond. On January 22, 2013, the court ordered Bami Newco and its guarantors, SIF Espagne and Inmopark 92 Alicante (shareholder of Bami Newco and controlled by Mr. Joaquín Rivero) to pay the sum of €1 million to FCC Construcción. The latter has appealed this ruling.

  Through an order issued on September 12, 2014, the Madrid Appeal Court sentenced Bami Newco and its guarantors to pay, jointly and severally, to FCC Construcción, the sum of €5 million in principal, in addition to interests on arrears as well as the trial expenses.

  In November 2014, FCC Construcción requested the execution of the aforesaid order against SIF Espagne, which made the corresponding payment.

  Bami Newco and SIF Espagne filed an appeal for annulment. Proceedings are still ongoing.

  The corresponding provision of €5 million has been written back in the accounts of SIF Espagne and a debt has been recognized against Bami Newco and Inmopark 92 Alicante, on the assets side of the balance sheet, immediately written down for impairment due to the financial position of these two companies and their ongoing bankruptcy proceedings.

  The resulting debt reports are being processed under the bankruptcy proceedings of Bami Newco and Inmopark 92 Alicante.
- In October 2012, Alteco Gestión y Promoción de Marcas, SL (company controlled at the time by Mr. Joaquín Rivero) and Mag Import S.L. (company controlled at the time by Ms. Victoria Soler, former member of the Gecina Board of Directors) filed a motion at the Madrid Commercial Court for the opening of bankruptcy proceedings. Gecina has asserted its rights under both bankruptcy proceedings.

  In connection with the bankruptcy proceedings of Mag Import and 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 for fiscal year 2012.

  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 judgement 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.

  Gecina was acquitted of any wrongdoing by a ruling handed down on February 5, 2015.

  In performance of an order from the Presiding Judge of the Paris Commercial Court on April 30, 2014, Gecina paid to the Caisse des Dépôts et Consignations the dividends attached to the Gecina shares held by Mag Import for fiscal year 2013. No appeal was filed against this order.
- On September 11, 2014, the Spanish bank Abanca requested the payment by Gecina of €63 million pursuant to the guarantee letters of endorsement that were allegedly signed in 2008 and 2009, by Mr. Joaquín Rivero, former Gecina officer.

  Gecina, which had no knowledge of these letters of endorsement, considered, after talking to its legal advisers, that they represent a fraudulent arrangement since they are in breach of its corporate interest and of applicable rules and procedures.

  For these reasons, Gecina informed Abanca that it contested the fact that it owed the sum being claimed and that as a result, it would not respond to its claim. On October 24, 2014, the company filed a criminal complaint in France against Mr. Joaquín Rivero and any other person involved, for misuse of authority under these letters of endorsement.

  No provision was recognized for this purpose.

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

1.7.4. 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 "Real estate risks" function 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 function entails updating the risk mapping, in addition to permanent control and compliance oversight in the company.

In 2014, the function set up a risk management policy. This policy makes it easier to incorporate risk management into the organization's objectives, culture and operation. It strengthens the link between the company's strategy and risk management through a risk identification, analysis and treatment process based primarily on risk mapping. It sets a risk acceptability level defined by management, beyond which each risk must be closely monitored in order to reduce it or ensure its stability. The Risk Management policy clarifies the roles and responsibilities of all stakeholders and tends to strengthen the involvement of each party. This Risk Management policy can be viewed by all the Group's employees on the company's Intranet.

Risk management is described in a summarized form in the table in paragraph 1.7.1, and in paragraph 5.1.9. of Chapter 5 "Corporate Governance".

1.7.4.1. MANAGEMENT OF REAL ESTATE RISKS

The inventory of risks associated with building safety and the environment is regularly reviewed by the "Risk Management" function 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 to respond to Gecina's strategy.

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

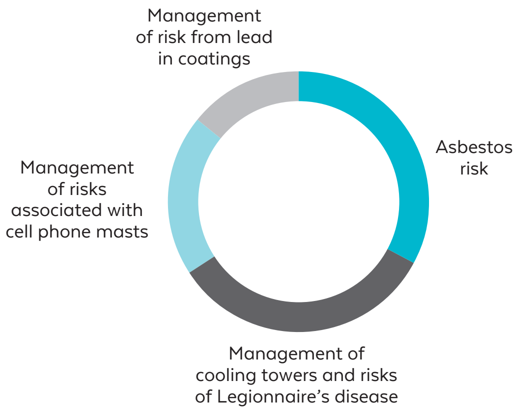
1.7.4.1.1. REAL ESTATE RISK MAPPING

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

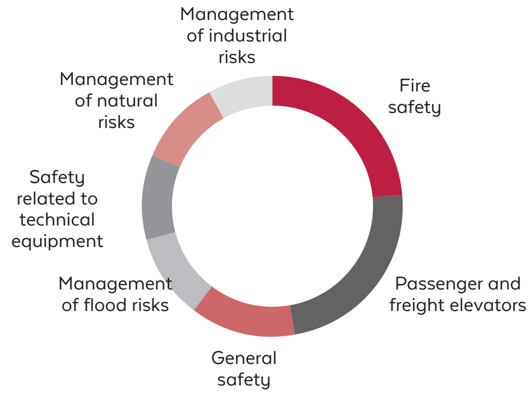
It seeks to help the different Group players pay more attention to risks linked to buildings in their day-to-day management. It is constantly updated.

As in 2013, the mapping covers 18 areas of risk, hazard or factors relevant to environmental protection broken down into five categories:

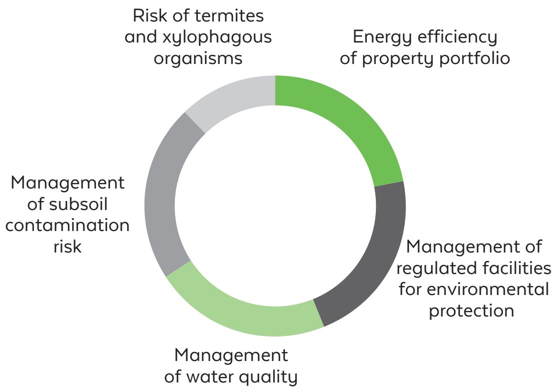
Health protection



Control of customer safety and comfort



Environmental protection



Protection of Gecina employees

Liability in leases

UNDERLYING PRINCIPLES

Since its introduction, this process has followed the same process:

This procedure is managed by the Project Management Department.

The Gecina group has been using the services of Provexi 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 strategic 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 261 assets under operation, while the sale DDT is used to monitor 39 assets under sale, with a unit floor space of under 200 sq.m. The remaining 11% 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 reached + level corresponding to acceptable performance defined by Gecina;
  - very efficient: efficient level reached + 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;
- very efficient: efficient level reached and two-thirds 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.

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

Transparency also for companies on Gecina's approved supplier list which, for the buildings on which they work, are issued a login/password to access information on asbestos, lead, and since 2014 extended to files on ICPEs (regulated facilities for environmental protection), TARs (wet cooling towers) and telephone masts.

Every year, an audit of the risk management system is carried out by an independent external auditor.

An external audit was performed late 2014 – early 2015 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 2014 (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 suitability of changes in the mapping system, linked to Gecina's policy and the recommendations made by the auditor early 2014, regarding in particular:
  - improvement of the relevance of risk assessment and risk mitigation,
  - recognition of the impact of Gecina's reorganization on risk mapping,
  - installation of a tool for the automatic calculation of the site's energy label,
  - recognition of the classification of ICPEs and TARs in the indicators,
  - computer development to integrate the new assessment grid for professional risks,
  - role-taking on external access points for SGPIs (Supervisors of Real Estate Asset Managers),
  - integration of a photo library on the platform,
  - management of multichannel communications.

The auditor's findings are once again encouraging this year: "At the end of our audit, we observe that the regulatory risk assessment and management system in place in response to Gecina's needs is efficient and allows permanent steering of Gecina's property portfolio. The dual weighting system (by risk and financial area) enhances the accuracy of the representativeness of sites.

The audit carried out on the premises of Provexi allowed verification of the system and procedures for receiving information, entering data for the mapping and comparative checking. The entire process is traceable and documented.

The part of the audit dedicated to meetings with operating staff confirmed that kits are conscientiously filled out based on elements in their possession and their understanding of the questions in the kits and definition of criteria.

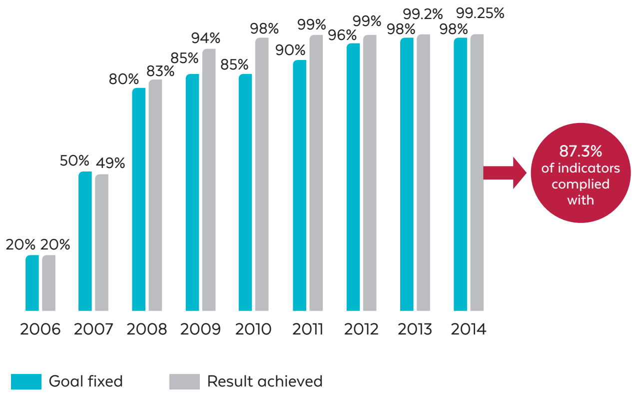
Lastly, we observe that Gecina is committed to the continuous improvement of its risk management system and that this concerns regulations, business lines and the ergonomics of the system."

A reasonable level of assurance was obtained after this audit (the 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 99.25%, which exceeded Gecina's goal to reach 98% at the end of 2014".

Risk assessment rate: 99.25% of indicators are completed on the adopted scope of assets

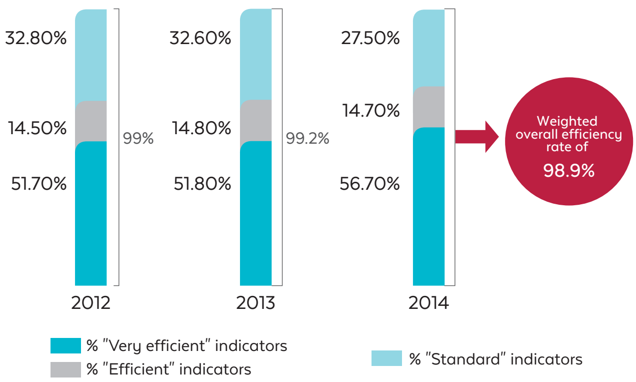


Out of a total of 46,710 indicators, 87.3% are complied with, representing a 1.8% increase compared to the rate reached in 2013 and demonstrating the ever-increasing involvement of teams.

A weighted overall efficiency rate of 98.9%

The initial goal of 95% for 2014 is exceeded by 3.9%

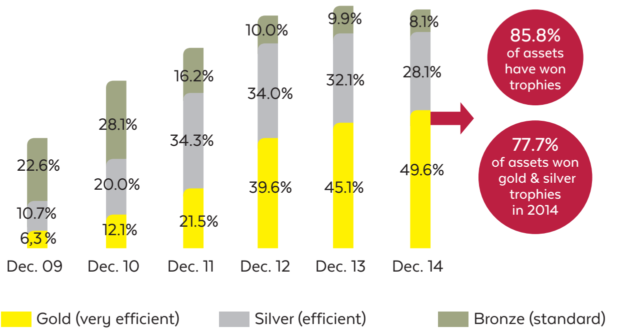
Change over 3 years of indicators by efficiency criterion (after inter-area and financial weightings)



We observe a slight drop in the total percentage of weighted indicators met and a significant improvement in the "very efficient" level. Considering the introduction of more stringent asbestos regulations (see #A), this is a very good result.

01

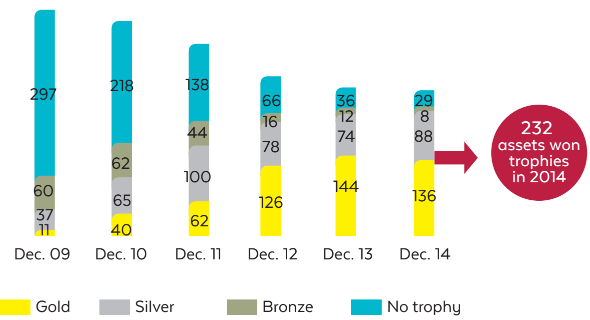
In fact, 85.8% of the weighted property holding obtained a trophy, representing a 1.3% drop compared to 2013.



However, the goal of obtaining gold or silver trophies for 70% of the weighted property holdings at end-2014 was largely overshot at 77.7% and shows a very clear increase in earnings for the "gold" trophies.

Breakdown of trophies in number of sites

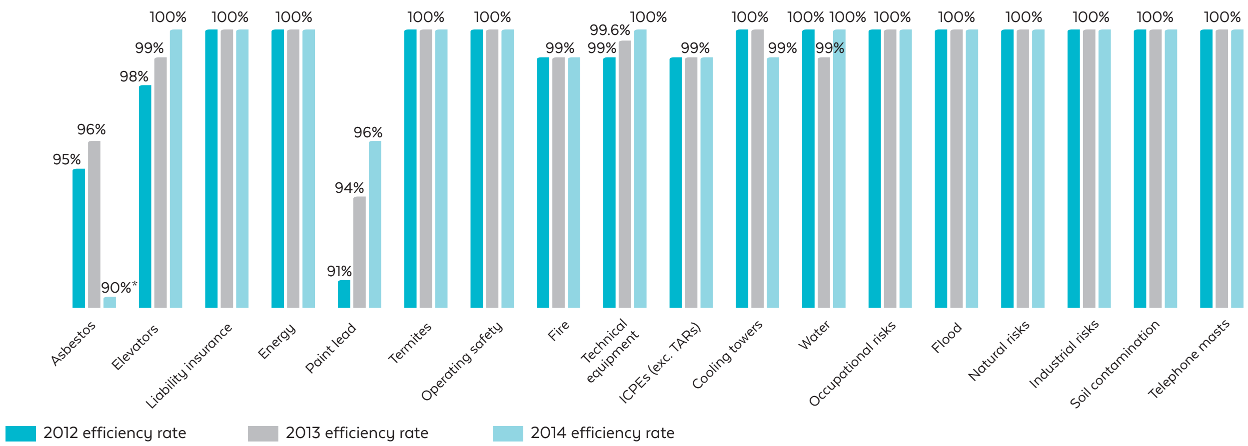
The Group has a total of 224 assets with gold and silver trophies, which is six more than in 2013, while the number of sites without medals dropped by seven (including sites sold during the year).



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

1.7.4.1.2. MEASURED CLASSIFICATION OF GECINA'S RISK EXPOSURE

BREAKDOWN OF FINANCIALLY-WEIGHTED EFFICIENCY BY AREA



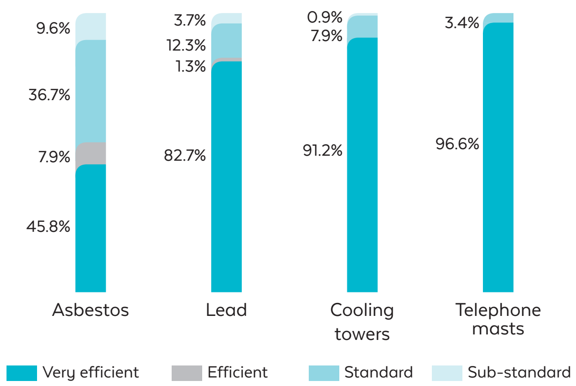
** decline in 2014 asbestos efficiency rate due to more stringent regulation.*

Out of the seven self-assessed areas, six were audited in 2014 (lead paint, water, ICPEs, TARs, elevators and telephone masts) from a sampling of the assets concerned, randomly selected by the auditor.

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

In the last three years, the regulation on asbestos has been significantly tightened to prevent health risks. It covers several aspects: public health, the environment and work. New obligations have appeared to strengthen the asbestos risk reduction policy.

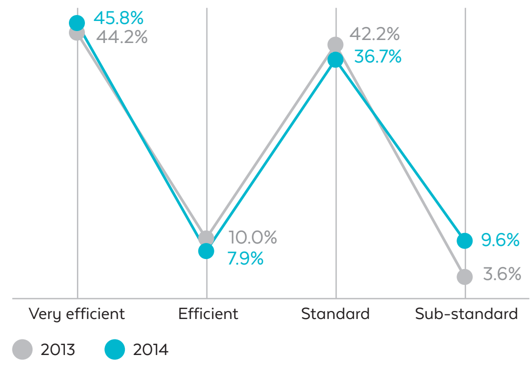
Gecina complies with this new regulation and maintains a proactive approach to asbestos risk by anticipating the management of this risk.

This policy is implemented along five priorities:

- continue asbestos searches extended to the entire property holding;
- adopt a proactive stance to the treatment of asbestos (removal, confinement, prevention);
- adopt regular and systematic monitoring of all materials left in place and take advantage of periodic controls to carry out the additional tracking of materials and products containing asbestos in the external elements on list B, due no later than February 1, 2021 on assets (on sale or not) under renovation or to be demolished.
- 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. The information is transmitted either by letter or by providing an access code to the computer platform of the mapping.

Of the 261 assets monitored in the risk mapping, 221 have an initial building permit issued prior to July 1, 1997.

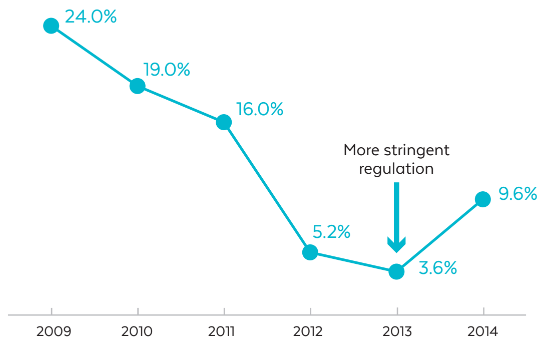
The obligations resulting from the new regulation have significantly modified the trend of the property portfolio's weighted efficiency rate curve.



The "non-standard" weighted efficiency level is 6% higher than in 2013 and should represent a 9.6% floor threshold while the corrective actions stemming from the new regulation are being carried out.

Destructive tracking before works or in case of demolition, necessary for better prevention of asbestos risk for the contractors involved, reveal the presence of new materials to be treated.

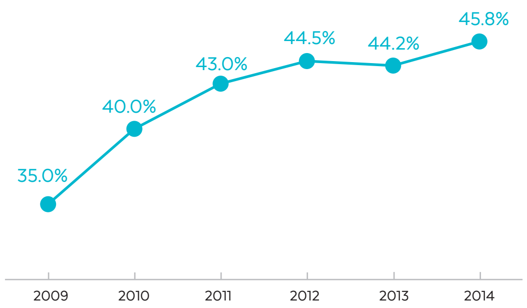
INCREASE IN SUB-STANDARD WEIGHTED ASSET RATE



According to the Group's policy, an asset is very efficient if the date of its building permit is after July 1, 1997 or, if this is not the case, when there is no asbestos or all asbestos has been removed.

The curve below shows the progression of the very efficient weighted asset rate since 2009, moderated by the acquisition in 2013 of a 36,000 sq.m office building containing asbestos.

INCREASE IN VERY EFFICIENT WEIGHTED ASSET RATE



The weighted overall efficiency rate of the property portfolio is now 90.4%, which is still a good result.

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

Lead in coatings

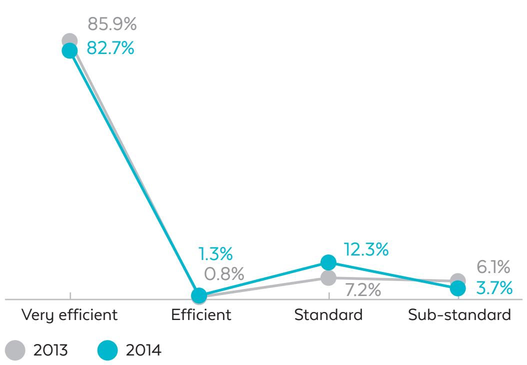
Lead poisoning of young children, known as childhood lead poisoning, is a public health problem in France.

Children are mainly exposed to lead mainly through the swallowing of 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.

66 assets date before 1949, *i.e.* 25% of the property portfolio, mainly in the corporate real estate sector. The 13 residential sites concerned are under sale.

The rate of weighted assets lower than standard is down 2.4% compared with 2013.



However, the systematic reporting on the risk of exposure to lead risk before works are carried out revealed the presence of lead on non-residential assets, thereby reducing the rate of very efficient weighted assets compared to 2013.

Gecina keeps records of lead exposure risk (CREP) which can be consulted by tenants, general contractors working on elements that may contain lead and informs them of its control of the risks of exposure to lead in 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.

In 2014, no tenant reported significant deterioration in its private area and as in previous years, no case of lead poisoning was reported. No record revealed a deterioration factor for built structures requiring communication to the *Préfet*.

Wet cooling towers (TARs) and risk of legionnaire's disease

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

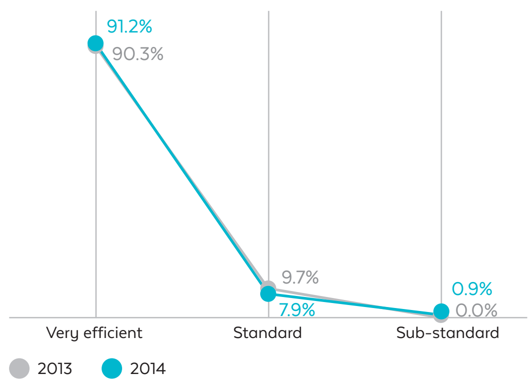
To respond to this risk, Gecina:

- 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 wet cooling towers (discharges into the air, into sewers, etc.);
- ensures transparency by placing documents on the management of TARs online for its tenants and general contractors.

Gecina still has seven assets equipped with TAR.

Four facilities were dismantled in 2014.

One facility is being upgraded following the new regulation of December 2013; regulatory control will be carried out in July 2015.



Electromagnetic waves and telephone masts

Gecina seeks to ensure maximum safety by maintaining the compliance of the facilities located on its grounds.

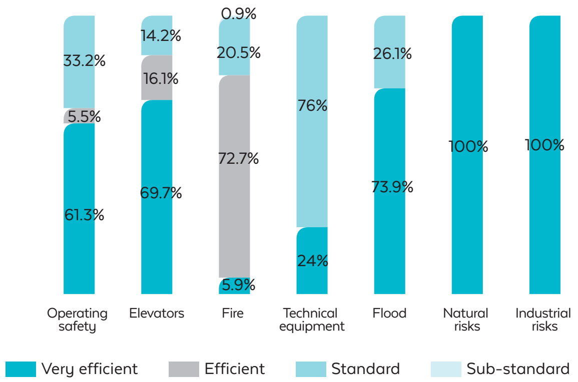
In 2013, Gecina amended its policy to include the upgrades caused by the new Paris charter and also applies it on sites in other French cities unless there are more restrictive local constraints.

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 facilities, 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 have 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. New facilities will only be installed if the agreement of tenants is obtained through their representative bodies (health, safety and working conditions committees, union boards, etc.).

B. Customer and building safety, comfort



General safety

In this area, 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 others.

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 Real Estate Assets Directors and Technical Managers, the audits help them to assess the vulnerability of assets and to introduce preventive actions along with risk mitigation measures.

100% of the property holding is assessed and subject every year to a regular review of outstanding actions to be undertaken.

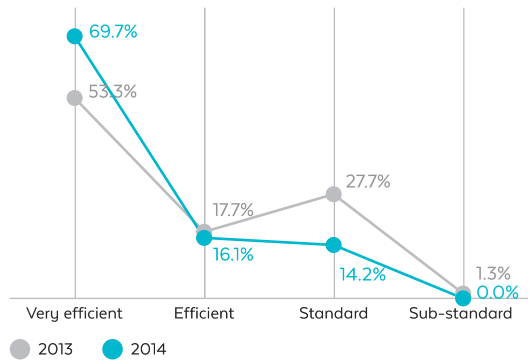
Elevators

In order to guarantee the optimal safety of its occupants and any workers, Gecina responds to the three obligations concerning elevator security: upgrade of old elevators to meet current standards, maintenance of installations by a qualified contractor and technical control. The Group decided to implement a preventive and proactive action:

- 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.

Comparison of 2013 and 2014 property holding weighted efficiency rate curves shows an increase of 16.6% of the "very efficient" rate.

Works to upgrade elevators to meet new standards were undertaken in 2014 on five office buildings. These works involved six elevators and have already made the elevators compliant with regulations required for 2014 at a total cost of €0.4 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 2014.

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, etc.;
- constructive arrangements;
- preventive mechanisms.

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

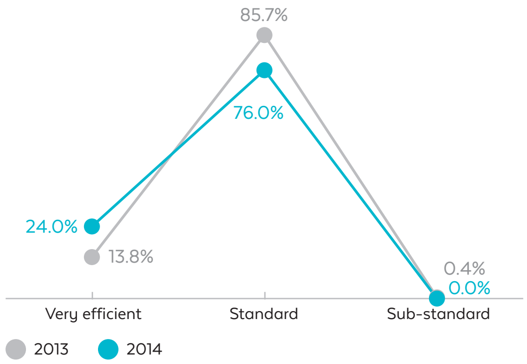
Gecina takes advantage of any renovation work on all or part of assets to improve fire safety and, if necessary, exceed the relevant regulations. It then informs the occupants concerned about the measures put in place.

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 rate of assets weighted as "very efficient" was up by 10.2% this year.

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.



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 Statement 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 66 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 138.

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

Concerning the Company's head office which, even though it is located in an area not prone to flooding, is classified as being at moderate risk of rising groundwater, risk management measures have been taken by the Company. They rest on a business recovery plan for the IT system, preventive work involving the transfert of the archives to an external service provider, the digitalization of sensitive documents, and the contracting of appropriate insurance cover.

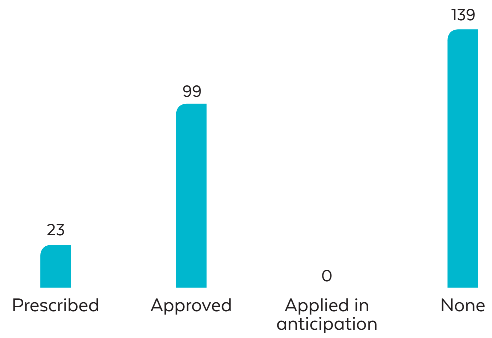
Natural hazards

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

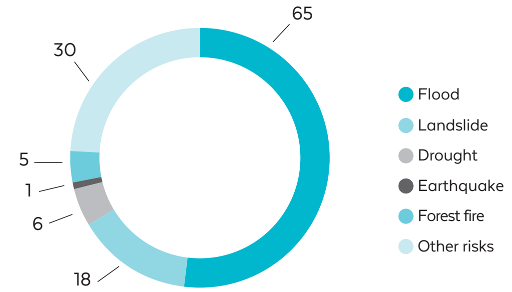
To Gecina's knowledge, no building has to be subjected to a special survey procedure to reveal any possible risk of collapse.

122 assets situated within an area covered by a natural risks prevention plan (NRPP) in 2014:

BREAKDOWN OF ASSETS SITUATED IN AN AREA COVERED BY AN NRPP



RESULTS OF NATURAL RISKS IDENTIFIED IN GECINA'S PROPERTY PORTFOLIO



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:

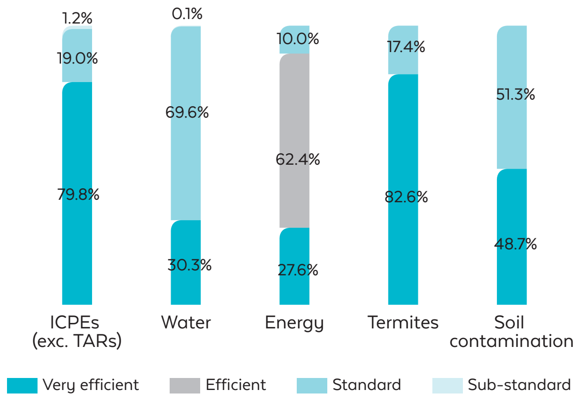
- limit vulnerability and reduce potential damage by technical means;
- guarantee the comfort and continued activity of occupants;
- and, above all, ensure the safety of occupants.

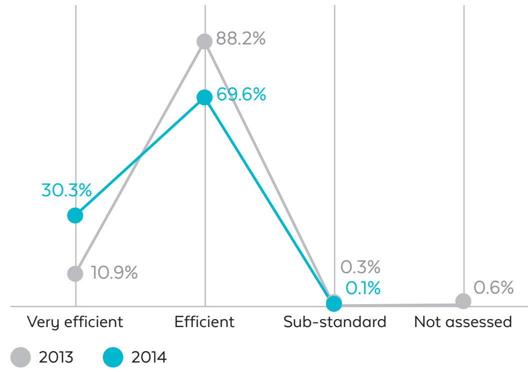
In the current state of TRPPs, 99.5% of Gecina's property holdings are not located in a technologically hazardous zone.

Mining risk

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

C. Environmental protection



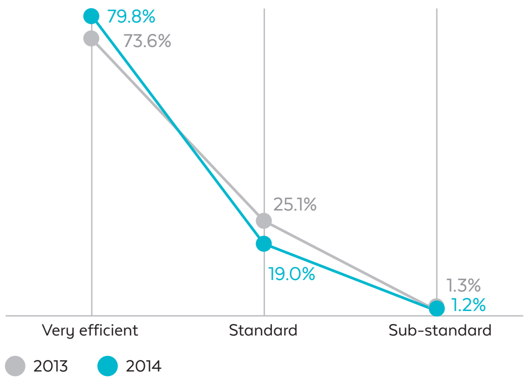


Regulated facilities for environmental protection (excluding cooling towers)

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.

36 sites are concerned *versus* 38 in 2013.

10 are directly operated by Gecina and appear to be very efficient. Only one asset falls short of Gecina's requirements for administrative non-compliance. In 2015, Gecina will reapply to the Préfecture to change the name of this ICPE operator.



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

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 secondly, from an 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;
- be transparent: 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 risk mapping integrates the values of energy labeling of assets.

The measures taken with regard to the energy risks mapped and analyzed by Gecina are explained by the CSR Department (Chapter 7 of this document).

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 neighbouring 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 2014.

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 127 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 2014.

D. Protection of employees

Occupational hazards

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

For 2013 and 2014, field audits were conducted on all residences employing Gecina staff. The introduction of a new single document template made it possible to add musculoskeletal and psychosocial risks to the list.

The measures taken by the Group these last years aimed at ensuring the safety of its staff and protecting their physical and mental health have produced good results. The corrective or preventive actions undertaken[1], for the purpose of mitigating the risks that the company's employees might be exposed to, revealed that all significant risks in the Group were under control.

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.

1.7.4.1.3. 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.

Following Gecina's new reorganization in 2014, the crisis unit system has been revamped.

The existing tools have been supplemented with the preparation of potential crisis scenarios and new entrants have been trained.

Gecina Sécurité recorded 432 calls which required an intervention and 146 without any immediate follow-up.

NUMBER OF CALLS FOR MINOR INCIDENTS OUTSIDE OFFICE HOURS (EXAMPLE: WATER DAMAGE, VARIOUS BREAKDOWNS, ETC.)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of calls to the call center	552	584	574	641	614	584	494	581	432

No serious incident required the mobilization of the crisis unit in 2014.

(1) 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 and handling of fire extinguishers). The Group has also acquired equipment to improve working conditions.

magellan consulting

MAGELLAN Consulting
48 / 50 rue de la Victoire
75009 Paris

GECINA
Risks Management
16 rue des Capucines
75002 PARIS

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 8th, 2014 and January 16th, 2015 led us to provide a reasonable level of assurance on the following conclusions:

Achievement of performance objectives:

Magellan certifies that, at the 7th of January 2015, 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 98.9 % in 2014. This performance is lightly lower than the 2013 one (99.2%). Magellan certifies as well that, for 2014, 77.7 % of Gecina's assets were rewarded with either gold or silver trophy. This result is a little bit upper regarding 2013 (77.2 %). Performance objectives for 2014 are exceeded.

Quality of self-assessments:

Regarding self-assessments quality, the audit covered six segments: telecommunications antennas, elevators, 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 improvements made on the risks dispositive in 2014, including: mainly a tool to automate energy label calculation on each site, ICPE and TAR codification, reengineering of "Professional Risks" domain, a picture library integration, an easy access to documents stored on the software platform and especially on DDT level.

At PARIS, January 19th, 2015
Michel HATIEZ, CEO

1.7.4.2. MANAGEMENT OF OPERATIONAL RISKS

The Risks and Compliance function, which reports to Internal Audit, oversees the preparation and annual update of the operational risk mapping.

Risks are assessed according to occurrence and severity factors through a self-assessment approach, the implementation of which includes the recognition of the internal control systems 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, completing 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.

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.

There are four levels on the probability scale ranging from unlikely to very likely.

1.7.5. INSURANCE

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

The policy focuses on ensuring 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 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 liability (general, environmental);
- other policies (cars, staff travel, comprehensive IT risks, 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 and AXA, 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.

1.7.5.1. 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.

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, provides All Construction Risks, contractor's liability and promoter (*Constructeurs Non Réalisateurs* or CNR) 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.

1.7.5.2. 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.

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.

1.7.5.3. ENVIRONMENTAL THIRD-PARTY LIABILITY

This innovative coverage in the real estate sector was instituted as early as 2007 to cover Gecina's liability for damage suffered by third parties and 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. This program was renewed for two years on January 1, 2014.

1.7.5.4. 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.

1.7.5.5. CLAIMS

There was no significant claim in 2014 and until the date of the publication of this document.

02

Comments on the fiscal year

02

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 2014

In 2014, Gecina achieved good operational performances in an office market that remained under pressure. The Group's occupancy rate, which was already high in 2013, further improved, increasing by 90bp to reach 96.4% in 2014, closer to its historical highs, significantly higher than average for the Paris Region market. Organic rental growth continued to be positive (+0.5%), reflecting the quality of the Group's office portfolio, in the most resilient areas such as the Central Business District, as well as in markets that are rebounding such as the Western Crescent.

In 2014, recurrent net income grew +1.8%, despite the non-strategic assets sold (Hotels in 2013 and Beaugrenelle in 2014). Restated for the impact of these two sales, recurrent net income growth comes out at around 5.9% for the year, buoyed by the good operational performances achieved and the reduction in the average cost of debt (-40bp), to 3.6% including undrawn credit lines (average cost of drawn debt reached 3.0% down -50bp).

The Group's strategy, aimed at consolidating its leadership in offices in Paris, can now ensure a long-term focus, with a "total return" approach based around four key areas:

1. Capitalizing on opportunities for investment, harnessing the Group's strengths and differentiating features,
2. Continuing to create organic value within Gecina's portfolio,
3. Selling non-strategic and/or mature assets in a buoyant market,
4. Developing a range of differentiating services for the Group's properties, in line with tenants' needs and environmental requirements.

2.1.2. RENTAL INCOME UP +0.5% LIKE-FOR-LIKE

Gross rental income came to 571 million euros in 2014. On a like-for-like basis, rental income is up +0.5%. More specifically, this increase reflects the positive impact of indexation (+0.9%), while the negative impact of renegotiations and relettings remained very limited in terms of like-for-like rental trends for the Group as a whole (-0.4%).

On a current basis, rents are down -3% in relation to 2013. This contraction primarily reflects the loss of rent due to sales (Hotels in 2013 and Beaugrenelle in 2014) and the redevelopments launched (-37.4 million euros) coming in higher than the combined revenues from acquisitions and project deliveries (+16.7 million euros) and like-for-like growth (+2.7 million euros).

			Change (%)	
€ million	12/31/2014	12/31/2013	Current basis	Like-for-like
Group total	**571.0**	**588.9**	**-3.05%**	**+0.53%**
Offices	348.9	345.0	+1.13%	+0.45%
Traditional residential	126.1	131.5	-4.10%	+0.48%
Student residences	9.1	9.3	-2.11%	-0.38%
Healthcare	73.4	74.0	-0.78%	+0.99%
Other (Beaugrenelle, hotels, logistics)	13.4	29.1	n.a.	n.a.

The average financial occupancy rate for 2014 was 96.4%, an improvement compared with the already high levels from 2013 (95.5%) and 2012 (93.4%). This increase is consistent with the Group's objectives for 2014.

This improvement has been driven primarily by the performance on offices, with the occupancy rate climbing 170 basis points over the year to 95.3% in 2014, versus 93.6% in 2013, thanks to significant reletting operations (Horizons, Portes de la Défense and Newside). In 2015, the financial occupancy rate is expected to remain close to the level from 2014.

Average financial occupancy rate	12/31/2014	12/31/2013
Offices [1]	**95.3%**	**93.6%**
Diversification	**98.3%**	**98.7%**
Residential	97.7%	98.1%
Student residences	92.0%	94.9%
Healthcare	100.0%	100.0%
GROUP TOTAL	**96.4%**	**95.5%**

(1) excl. Beaugrenelle.

OFFICES: RENTAL INCOME UP LIKE-FOR-LIKE (+0.4%) AND ON A CURRENT BASIS (+1.1%)

Like-for-like change	Indices	Renegotiations & renewals	Vacancy	Other
+0.4%	+0.8%	-0.7%	0.0%	+0.3%

Rental income on **offices** is up +0.4% like-for-like, benefiting from the continued positive impact of indexation (+0.8%) and offsetting the still moderate impact of relettings and renegotiations.

On a current basis, office rental income is up +1.1%, thanks in particular to the full-year impact of the acquisitions made in 2013, the reduction in the vacancy rate achieved in 2013 and consolidated in 2014, as well as the acquisition of the "Le France" building in June 2014.

By end-2014, Gecina had let nearly 84,000 sq.m of offices, factoring in new lettings, relettings, renegotiations and renewals, representing around 27 million euros of annualized economic rent.

DIVERSIFICATION PORTFOLIOS CONFIRMING THE RESILIENCE OF THEIR RENTAL INCOME

CHANGE ON LIKE-FOR-LIKE BASIS IN TRADITIONAL RESIDENTIAL RENTS

Like-for-like change	Indices	Renegotiations & renewals	Capex with additional rents	Vacancy	Other
+0.5%	+1.0%	+0.5%	0.0%	-0.7%	-0.2%

Rental income from **traditional residential** assets shows +0.5% like-for-like growth, buoyed by the positive impact of indexation (+1.0%), as well as the impact of relettings, up +0.5%. The tenant rotation rate for 2014 came to 15.1%, in line with the level for 2013. Like-for-like growth has been negatively affected by a slight drop in the occupancy rate, although it remains high at 97.7%.

CHANGE ON LIKE-FOR-LIKE BASIS IN HEALTHCARE RENTS

Like-for-like change	Indices	Capex with additional rents	Renegotiations & renewals	Other
+1.0%	+1.1%	+0.5%	-0.6%	0.0%

Healthcare rental income is up +1.0% like-for-like, thanks to indexation (+1.1%), offsetting the 0.6% contraction resulting from the marginal reductions in rent granted in return for extended leases.

Lastly, Gecina recorded rent on the Beaugrenelle shopping center until this asset's sale was completed in April 2014. Rent for the year totaled 12.7 million euros.

RENTAL MARGIN

The **rental margin** came to 91.8% at end-2014, up 40bp from December 31, 2013 and 100bp from end-2012, primarily reflecting the impacts of the lower vacancy rate on the office portfolio.

	Group	Offices	Residential	Healthcare
Rental margin at Dec 31, 2013	91.4%	93.0%	81.8%	99.1%
Rental margin at Dec 31, 2014	91.8%	94.1%	83.0%	99.2%

2.1.3. RECURRENT NET INCOME (GROUP SHARE) UP +1.8% IN 2014 (+5.9% CORRECTED FOR THE IMPACT OF NON-STRATEGIC ASSETS SOLD)

Net financial expenses are down -9.9% year-on-year to 146.6 million euros, primarily thanks to a reduction in the average cost of debt (-40bp over 2014 versus 2013), as well as a reduction in the average volume of debt by around 200 million euros. Gross financial expenses fell by -14.3% over the year, excluding the impact of capitalized financial expenses (which totaled 4.5 million euros, down -9.2 million euros following the delivery of major assets in 2013). Overall, the average cost of debt is 3.6%, compared with 4.0% in 2013.

Recurrent minority interests primarily concern the Beaugrenelle shopping center, sold in April 2014, in which Gecina had a 75% stake.

Recurrent net income (Group share) is up +1.8% versus 2013 to 316.6 million euros, in line with the revised forecast from October 2014, which anticipated an increase in this indicator. For reference, one year ago Gecina forecast "recurrent net income (Group share) to be stable in 2014 [...] based on an assumption for proceeds from the sale of the Beaugrenelle shopping center to be reinvested during the second half of 2014". Although these proceeds were not reinvested in 2014 due to a particularly competitive investment market, the growth achieved is significantly higher than the initial target, mainly thanks to a marked reduction in the average cost of the Group's debt.

Recurrent net income represents 5.17 euros per share for 2014, versus 5.10 euros per share for 2013, up +1.3%.

€ million	12/31/2013	12/31/2014	Change (%)
Gross rental income	**588.9**	**571.0**	**-3.0%**
Expenses on properties	(140.0)	(142.7)	+1.9%
Expenses billed to tenants	89.5	96.0	+7.3%
Net rental income	**538.4**	**524.3**	**-2.6%**
Services and other income (net)	7.6	8.4	+11.7%
Salaries and management costs	(65.7)	(65.1)	-0.8%
EBITDA	**480.3**	**467.6**	**-2.6%**
Net financial expenses	(162.7)	(146.6)	-9.9%
Recurrent gross income	**317.6**	**321.0**	**+1.1%**
Recurrent minority interests	(2.3)	(1.2)	n.a.
Recurrent tax	(4.2)	(3.3)	-22.9%
RECURRENT NET INCOME (GROUP SHARE)	**311.1**	**316.6**	**+1.8%**

2.1.4. 613 MILION EUROS OF SALES AND 277 MILLION EUROS OF INVESTMENTS COMPLETED IN 2014

Gecina completed 613 million euros of sales (Group share) over 2014, with an average net exit yield of 4.1%.

These sales primarily concerned the Beaugrenelle shopping center (for 516 million euros, Group share), with an exit yield of 4.1%. The Group also completed 80 million euros of unit residential sales, achieving a net yield of 3% and a 33% premium compared with the block appraisal values from end-2013. Lastly, one healthcare facility was sold for 6 million euros, 7% higher than its end-2013 appraisals.

Since January 1, 2015, 74 million euros of assets have been sold or are subject to preliminary sales agreements, including 16 million euros of residential assets. In particular, Gecina has completed the sale of the BMW building in Madrid for 41 million euros, with an 18% premium versus the latest appraisals. With this sale, Gecina has divested its last office building in Spain.

Alongside this, 277 million euros were **invested** in 2014, including 133 million euros to acquire the "Le France" building in Paris' 13th arrondissement, with a net yield of 6.45%, and 95 million euros for the development pipeline. Capex represented 47 million euros (including work generating additional rent).

At the end of December 2014, 221 million euros were still to be invested for the development pipeline, with 97 million euros in 2015, 68 million euros in 2016, 45 million euros in 2017 and the rest in 2018. The various projects underway are expected to generate 30 million euros of annualized headline rents (net).

2.2. FINANCIAL RESOURCES

The year was marked by interest rate cuts and lower credit margins although there was some volatility on financial markets. Against this background, Gecina completed significant refinancing transactions under attractive conditions which allowed the Group to continue optimizing its resources. Despite the decreased debt volume, this strategy translated into a sharp contraction of average cost of debt and extension of its average maturity while retaining significant flexibility thanks to the quality of its liabilities.

The highlights of the year included:

- upgrade of Gecina's credit rating by Moody's to Baa1/Stable outlook, by Standard & Poor's to BBB+/Stable outlook and by Banque de France to 3, in recognition of the Group's strategy and achievements as well as the more robust shareholding structure;
- the loan-to-value ratio for the year, taking into account disposals after investments, fell from 40% to 36.7% excluding transfer taxes (compared to 38.7% the previous year);
- the cost of drawn debt fell from 3.5% in 2013 to 3.0% in 2014 thanks in particular to Gecina's unflagging efforts over the past four years to improve its credit quality;
- the Group continued to streamline its debt maturity dates and diversify its financial resources in terms of market and counterparty with the raising of €690 million in new funds (total of €2,185 million with the funds raised early 2015 included);
- liquidity amounted to €2,090 million, enough to cover credit maturities for the next two years.

In total, between January 2014 and February 2015, nearly €2.2 billion has been raised in new funds with an average maturity of nearly seven years:

- €1,000 million through two bond issues with average maturity of 8.5 years and average spread of 89 basis points:
  - €500 million in July 2014 with maturity of seven years, a spread of 92 basis points and a coupon of 1.75%,
  - €500 million in January 2015 with a maturity of 10 years, a spread of 85 basis points and a coupon of 1.50%, which is the lowest coupon for the longest maturity of a Gecina bond issue;
- €1,185 million through nine bilateral credit lines with nine different counterparties (including two new partners) for average maturity of 5.5 years, replacing nearly €1,075 million of credit lines maturing in 2014-2016 (terminated early for the most part).

The average maturity of the debt (restated of the available credit lines) stood at 6.2 years on February 15 (*versus* 4.9 years at year-end 2013 and 5.0 years at year-end 2014) with 85% of the debt maturing after five years.

Furthermore, the margin conditions for three mortgage loans over an outstanding of €171 million were renegotiated and another one for an outstanding of €50 million was repaid early.

2.2.1. DEBT STRUCTURE AT DECEMBER 31, 2014

Net financial debt amounted to €3,881 million at year-end 2014, down €364 million on the previous year, primarily due to the higher volume of disposals for the year compared with investments.

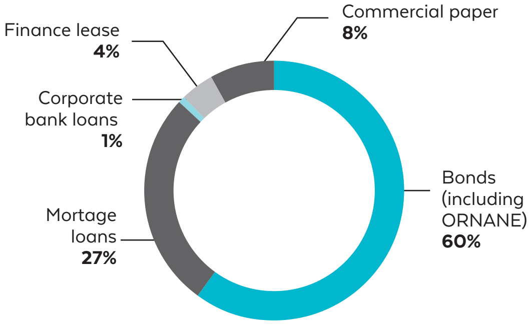
The main characteristics of the debt are:

	12/31/2013	12/31/2014
Gross financial debt *(€ million)* (1)	4,258	3,895
Net financial debt *(€ million)*	4,246	3,881
Gross nominal debt *(€ million)* (1)	4,143	3,778
Unused credit lines *(€ million)*	2,195	2,090
Average maturity of debt (years, adjusted for available credit lines)	4.9	5.0
LTV	38.7%	36.7%
LTV (including transfer taxes)	36.7%	34.7%
ICR	3.0 x	3.2 x
Secured debt/Properties	11.7%	11.2%

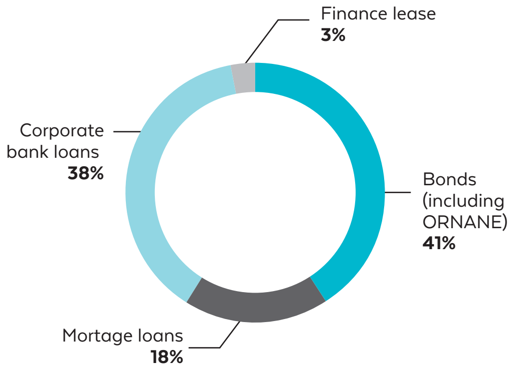
(1) Gross financial debt = Gross nominal debt + impact of the recognition of ORNANE at fair value + impact of the recognition of bonds at amortized cost + accrued interests not due.

DEBT BY TYPE

Breakdown of gross nominal debt



Breakdown of authorized financing (of which €2,090 million of unused credit lines at 12/31/2014)



Gecina was able to continue diversifying the Group's financial resources through the transactions completed in 2014. Nominal debt currently comprises 60% of long-term market resources (compared with 26% at end 2010 and 55% at end 2013).

The market accounts for 41% of Group financing (EMTN or convertible bonds) compared with 22% at end 2010 and 39% at end 2013.

Gecina's nominal financial debt at December 31, 2014 comprised:

- €1,950 million of notes issued under the EMTN (Euro Medium Term Note) program;
- €320 million of Ornane convertible bonds;
- €1,064 million of bank loans, of which €1,011 million of mortgage financing and €52 million of corporate financing;
- €154 million of financial leases;
- €290 million of commercial paper, covered by medium and long-term confirmed credit lines.

2.2.2. LIQUIDITY

As at December 31, 2014, Gecina had €2,090 million of unused credit lines, enough to cover all credit maturities for the next two years.

Gecina's 2014 financing and refinancing transactions include:

- the raising of €690 million including primarily:
  - the €500 million 7-year bond issue in July 2014 with a coupon of 1.75% (92 bp spread on the mid-swap rate),
  - the signing of two bilateral bank credits for a total outstanding of €190 million, in consideration for the early termination of €175 million maturing in 2014 and 2015. These new financing plans have an average life of 5.6 years;
- the early repayment of a €50 million mortgage loan;
- the renegotiation of margin conditions for three mortgages loans, for an outstanding of €171 million.

With the €1,495 million raised at the beginning of 2015, the Group has raised nearly €2.2 billion in new financing in 14 months.

Thus, in 2014, Gecina continued to diversify its sources of financing and its banking counterparties while retaining satisfactory flexibility and liquidity and reducing its average cost. Thanks in particular to the credit rating upgrade by Standard & Poor's and Moody's in the second half of 2014, Gecina had enhanced access to various financing sources on better terms, especially on bond markets.

Gecina updated, in 2014, its EMTN program of €2.5 billion with the AMF and its commercial paper program with the Banque de France.

Gecina continued to issue treasury notes: the outstanding at year-end 2014 was €290 million versus €530 million at year-end 2013. The average annual outstanding amounted to €516 million in 2014 and was issued at an average rate of 0.27%, versus an average outstanding in 2013 of €690 million issued at an average rate of 0.23%.

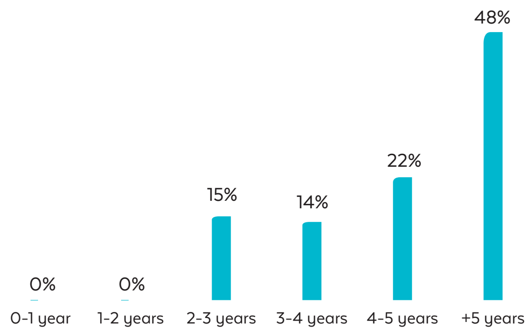
Lastly, Gecina's loan repayments due in the next 24 months are largely covered by €2,090 million in unused credit lines. Debt amortizations for 2015 and 2016 amount to €1,255 million.

- €338 million in 2015 (of which €290 million of treasury notes);
- €916 million in 2016 (of which €320 million of Ornane and €500 million corresponding to the 2016 original bond issue).

The primary purpose of this liquidity is to hedge the refinancing of short-term maturities, meet the criteria of rating agencies, finance the Group's investment projects and allow refinancing under optimum conditions.

2.2.3. DEBT REPAYMENT SCHEDULE

The average maturity of Gecina's debt was 5.0 years [(1)] (up by 0.1 year) at year-end 2014, increased to 6.2 years at the end of February 2015 as a result of the refinancing transactions in early 2015.
The chart below presents the schedule of Gecina's debt as at December 31, 2014 (after allocation of unused credit lines):



All the credit maturities for the next two years were covered by unused credit lines as at December 31, 2014. Furthermore, 85% of the debt matures after three years, while nearly 50% matures after five years.

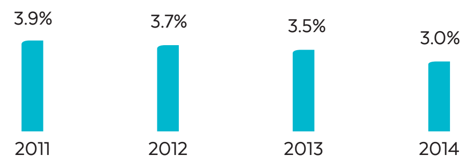
Following the refinancing transactions in early 2015, after recognition of unused credit lines, 100% of the debt matures after three years and 85% after five years.

2.2.4. AVERAGE COST OF DEBT

The average cost of drawn debt clearly improved in 2014, down from 3.5% in 2013 to 3.0%. This positive development was primarily driven by the renewed financing on more advantageous terms following the successive upgrades to the credit rating since 2012, the decline of the Euribor rate and the various restructuring of the hedge portfolio.

The average cost of overall debt also improved, falling from 4.0% in 2013 to 3.6% in 2014.

The chart below shows the trend of average cost of Gecina's drawn debt in the last four years:



Capitalized interest on development projects amounted to €4.5 million in 2014 (versus €13.6 million in 2013).

2.2.5. CREDIT RATING

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

- on September 12, 2014, Moody's raised its credit rating for Gecina from Baa2 with stable outlook to Baa1 with stable outlook;
- on October 16, 2014, Standard & Poor's raised Gecina's credit rating outlook from BBB / positive outlook to BBB+ / stable outlook.

(1) After recognition of unused credit lines.

2.2.6. MANAGEMENT OF INTEREST RATE RISK HEDGES

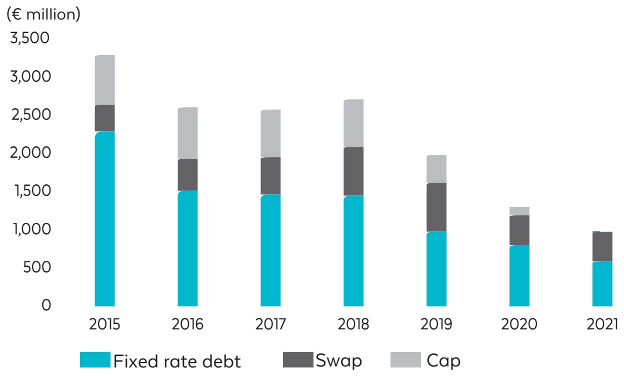
Gecina's interest rate risk management policy is aimed at hedging the company's exposure to interest rate risk. To do so, Gecina uses fixed-rate debt and derivative products (primarily caps and swaps) in order to limit the impact of interest rate changes on the Group's results, and to keep its cost of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

Gecina continued to adjust and optimize its hedging policy in 2014 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;
- raising the average maturity of hedges (fixed-rate debt and derivative instruments).

Consequently, as at December 31, 2014, the average maturity of hedges (fixed-rate debt and derivative instruments) was 4.3 years. It increased to 5.8 years after the bond issue of January 2015.

The chart below shows the hedging portfolio as at December 31, 2014:



Gecina's interest rate hedging policy is primarily at Group level and on the long-term; 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 2015 is 84% hedged against interest rate increases (depending on observed Euribor rate levels, due to caps).

Based on the existing portfolio of hedges and taking account of the contractual conditions as at December 31, 2014 and anticipated debt in 2015, a 50 basis point increase in the interest rate would generate an additional expense in 2015 of €6.1 million. A fall in interest rates by 50 basis points would result in a reduction in interest expense in 2015 of €6.4 million.

2.2.7. FINANCIAL STRUCTURE AND BANK COVENANTS

Gecina's financial position as at December 31, 2014, 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 12/31/2014
LTV Net financial debt/Revalued block value of property holding	Maximum 55%	36.7%
ICR EBITDA (excluding disposals)/Net financial expenses	Minimum 2.0x	3.2 x
Outstanding secured debt/Revalued block value of property holding	Maximum 25%	11.2%
Revalued block value of property holding *(€ million)*	Minimum 6,000/8,000	10,369

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 36.7% at December 31, 2014 compared to 38.7% at December 31, 2013. The ICR was also up by 0.2x (from 3.0x as at December 31, 2013 to 3.2x as at December 31, 2014).

2.2.8. GUARANTEES GIVEN

The amount of consolidated nominal debt guaranteed by real sureties (i.e. mortgages, lender's liens, unregistered mortgages) amounted to €1,011 million at year-end 2014, compared with €1,091 million at year-end 2013. Furthermore, the nominal outstanding of financial leases reached €154 million versus €169 million as at December 31, 2013.

Thus at December 31, 2014, the total amount of financing secured by mortgage-backed assets or leasing amounted to 11.2% of the total block value of the property holding held, versus 11.7% at December 31, 2013, for an authorized maximum limit of 25% in the various credit covenants. This decrease can be primarily explained by the early repayment of a €50 million mortgage loan 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 €5,578 million authorized (including drawn debt and available bank credit lines) as at December 31, 2014, €2,670 million of bank debt and €2,270 million in bonds (falling due on February 3, 2016, April 11, 2019, May 30, 2023, July 30, 2021 and the "Ornane" on January 1, 2016) were affected by such a clause concerning a change of control of Gecina.

With respect to the bond issues maturing in February 2016, April 2019, May 2023 and July 2021, a change of control followed by the downgrading 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 portfolio of Gecina Group is appraised each year on June 30 and December 31, 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 were obtained from the appraisals made by the property appraisers appointed by Gecina.

The Group's real estate holdings comprise predominantly commercial assets (offices and retail), predominately residential buildings, healthcare facilities and one logistic asset. 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 buildings (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 yield 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 10-year discounted cash flow (DCF), the appraiser will use at the end of each lease under consideration, the market rental value 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.

Gecina's property portfolio is appraised twice a year by independent appraisers. Changes in the fair value of balance sheet assets according to the Group's accounting standards in 2014 are as follows:

	Block value			Change current basis		Change like-for-like
				12/31/2014	12/31/2014	12/31/2014
€ million	12/31/2014	06/30/2014	12/31/2013	*vs* 12/31/2013	*vs* 06/30/2014	*vs* 12/31/2013
Offices	**6,482**	**6,370**	**6,908 (1)**	**-6.2%**	**+1.8%**	**+1.5%**
Paris CBD - Offices	1,803	1,759	1,732	+4.1%	+2.5%	+4.4%
Paris CBD - Retail	894	812	821	+9.0%	+10.2%	+9.0%
Paris excl. CBD	838	848	1,391	-39.8%	-1.1%	-2.1%
Western Crescent	2,130	2,139	2,149	-0.9%	-0.4%	-1.8%
Others	817	813	815	+0.2%	+0.5%	-0.4%
Residential	**2,750**	**2,769**	**2,797**	**-1.7%**	**-0.7%**	**-0.9%**
Healthcare	**1,106**	**1,078**	**1,071**	**+3.3%**	**+2.6%**	**+0.4%**
Logistics	**4**	**4**	**6**	**-28.0%**	**-7.0%**	**-9.1%**
GROUP TOTAL	**10,341**	**10,222**	**10,781**	**-4.1%**	**+1.2%**	**+0.8%**
UNIT VALUE TOTAL	**10,913**	**10,791**	**11,368**	**-4.0%**	**+1.1%**	**+0.6%**

(1) Beaugrenelle included.

The property holdings had a block value of €10,341 million, corresponding to a loss of €440 million in 2014.

The main items are the following:

- a like-for-like structure representing €9,634 million, an increase of €72 million (or +0.8%) including €47 million of costs and capex completed during the year;
- €37 million of projects delivered in the year (December 31, 2014 value), with deliveries of the student residences Lecourbe in the 15th arrondissement of Paris (€19 million) and Cité-Cinéma in Saint-Denis in the Paris region (93) (€18 million);
- €131 million on acquisitions with primarily Le France in the 13th arrondissement of Paris for €130 million as at December 31, 2014;
- €233 million of buildings under construction (of which €61 million on 55, rue d'Amsterdam in the 8th arrondissement of Paris, €52 million on the part under reconstruction of the Cristallin property in Boulogne and €55 million on Capio's clinic in Bayonne) representing an investment of €80 million in 2014;
- €63 million of head office book value including €1 million of impairment in 2014;
- €50 million of land reserves for which €4 million of expenses and works were booked in 2014;
- €10 million of assets in the process of block sale;
- €159 million of assets under unit-by-unit sale as at December 31, 2014 out of which €58 million of units were sold.

Net capitalization rates for the year dipped slightly by 10 basis points like-for-like.

	Net yield (excl. duties)			Net capitalization rate (excl. duties)		
	2014	2013 (1)	Change	2014	2013 (1)	Change
Offices	**5.73%**	**5.92%**	**-19 bp**	**6.05%**	**6.23%**	**-18 bp**
Paris CBD - Offices	5.34%	5.58%	-24 bp	5.65%	5.90%	-25 bp
Paris CBD - Retail	3.52%	3.82%	-30 bp	3.74%	4.06%	-32 bp
Paris excl. CBD	7.18%	7.20%	-2 bp	7.63%	7.64%	-1 bp
Western Crescent	6.26%	6.39%	-13 bp	6.60%	6.71%	-11 bp
Others	6.55%	6.49%	7 bp	6.86%	6.77%	9 bp
Residential	**4.18%**	**4.13%**	**5 bp**	**4.44%**	**4.38%**	**6 bp**
Healthcare	**6.62%**	**6.67%**	**-5 bp**	**7.00%**	**7.01%**	**-2 bp**
TOTAL LIKE-FOR-LIKE BASIS	**5.43%**	**5.53%**	**-10 BP**	**5.74%**	**5.84%**	**-9 BP**

(1) Like-for-like basis 2014.

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 0.85% as at December 31, 2014).

	Discount rate December 2014			Specific risk premium December 2014		
Offices	**3.85%**	**-**	**13.75%**	**3.00%**	**-**	**12.90%**
Offices CBD	3.85%	-	6.50%	3.00%	-	5.65%
Offices Paris excl. CBD	5.25%	-	8.75%	4.40%	-	7.90%
Offices West Crescent	5.75%	-	8.00%	4.90%	-	7.15%
Offices others	6.00%	-	13.75%	5.15%	-	12.90%
Logistics	**11.00%**	**-**	**11.00%**	**10.15%**	**-**	**10.15%**
Outside France	11.00%	-	11.00%	10.15%	-	10.15%
Healthcare	**6.75%**	**-**	**8.00%**	**5.90%**	**-**	**7.15%**
Paris	6.80%	-	6.80%	5.95%	-	5.95%
Paris region	6.90%	-	8.00%	6.05%	-	7.15%
Other regions	6.75%	-	7.50%	5.90%	-	6.65%

The block value of the property holding shows a 4.1% drop on a current basis.

This decline is due to the €744 million sale of property for the year partly offset by the increase in the value of assets delivered or acquired in the year (+€144 million), assets under construction (+€87 million of which €80 million of capital expenditure) and assets on a like-for-like basis (+€72 million of which €47 million of investments).

- On a like-for-like basis, the value of property holding edged up slightly (+0.8% or +€72 million):

(i) The value of office properties appreciated during the year (+1.5% or+ €92 million). Capitalization rates dropped on all properties (down 18 bp at 6.05%);

(ii) The value of residential assets depreciated during the year: dipping by -0.9% or -€21 million for traditional residential properties and by -1.5% or -€2 million for student residences. Unit valuations fell by -1.2%.

The value per square meter of traditional residential properties stood at €4,815/sq.m as at December 31, 2014 with a net capitalization rate of 4.44%. The value per square meter of student residences came off at €3,955/sq.m;

(iii) The value of healthcare assets barely changed during the year (up +0.4% or +€4 million).

- On a current basis:

(i) two assets were delivered in 2014 for a value of €37 million as at December 31, 2014, the student residences of Cité-Cinéma in Saint-Denis (93) (€18 million) and Lecourbe in the 15th arrondissement of Paris (€19 million);

(ii) the balance sheet value of the pipeline as at December 31, 2014 surged by €87 million. This increase in value can be explained by works of over €80 million;

(iii) block sale of four assets for a total sale price of €706 million and a value as at December 31, 2013, of €684 million, of which:

- €699 million of office assets (including the Beaugrenelle Shopping Center and the 55 bd Sébastopol asset), at a gross capitalization rate of 4.9%,
- €6 million of healthcare assets with Vignoli's clinic, at a gross capitalization rate of 7.7%,
- €1 million of logistics assets with Broteau.

The overall gross capitalization rate for these assets as at December 31, 2014 based on their sale price stood at 4.9% (calculated on potential rents);

(iv) €80 million of apartments and car parks (€60 million in book value as at December 31, 2013) were sold to private customers in 2014.

The breakdown of value by segment as at December 31, 2014 was as follows:

Segments	2014 *(€ million)*	2014 *(%)*
Offices	6,482	63%
Logistics	4	0%
Residential	2,750	27%
Healthcare	1,106	11%
TOTAL GECINA	**10,341**	**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:

€ million	31/12/2014
Book value	10,341
Operating properties (head office)	45
Under development projects booked at their historic cost	(13)
Inventory properties booked at historic cost	(4)
APPRAISAL VALUE	**10,369**

2.3.1. BUILDINGS IN THE OFFICE PROPERTY HOLDINGS

VALUATION OF OFFICE PROPERTIES IN THE BALANCE SHEET

€ million	12/31/2014	12/31/2013	Change
Valuation of office properties	6,482	6,908	-6.2%
Valuation of office properties on a like-for-like basis	6,109	6,017	+1.5%

Given the assets sold off in 2014 (€677 million), the value of buildings in the office properties portfolio dropped by 6% to €6,482 million compared with the value as at December 31, 2013 (i.e., -€426 million).

On a very dynamic real estate investment market, there was high investor demand for secure commercial assets on prime locations throughout 2014. As such, the value of the office portfolio located in the Paris Central Business District appreciated by 4.4%. This appreciation offsets the contractions recorded for assets located in other sectors.

On a like-for-like basis, the block value of office assets reached €6,109 million in 2014, corresponding to an appreciation of +1.5%, or +€92 million (of which €97 million in the 2nd half).

The appreciation of office property assets can be explained by:

- a positive rate effect (+1.7%);
- a slightly positive business plan effect (+0.1%);
- the negative impact of transfer duties for non-Parisian assets (-0.2%).

After recognition of capex (€21 million), value was up by +1.2% or +€71 million. Capitalization rates fell overall (down 18 bp at 6.05%). Potential rents per square meter dipped -1.5% to €460/sq.m. Average value per square meter came off at €7,371/sq.m.

OFFICE PORTFOLIO ASSETS IN OPERATION (ON A LIKE-FOR-LIKE BASIS)

	Appraisal value (€ million)	Value (€/sq.m)	Gross capitalization rate	Net capitalization rate
Paris CBD - Offices	1,740	10,068	5.83%	5.65%
Paris CBD - Retail	894	28,223	3.86%	3.74%
Paris excl. CBD	638	5,633	7.87%	7.63%
Western Crescent	2,078	6,037	6.80%	6.60%
Others	758	4,552	7.07%	6.86%
TOTAL	**6,109**	**7,371**	**6.24%**	**6.05%**

Office assets located in the CBD were boosted by market appetite for this asset class and as such appreciated by 4.4% over the full year (of which 2.6% in the second half). The result was net capitalization rate of 5.65% and 3.7% for retail assets. In the Western outskirts of Paris, the office portfolio plunged 1.8% over the full year (down 0.7% in the first half). The net capitalization rate of Western Crescent offices came off at 6.6%.

On a like-for-like basis, 53.6% of the Group's office real estate portfolio is located in Paris and 44.8% in the Paris region.

VALUATION OF LOGISTICS PROPERTY HOLDINGS ON THE BALANCE SHEET

€ million	12/31/2014	12/31/2013	Change
Valuation of logistics property holdings	4	6	-28.0%
Valuation of logistics properties on a like-for-like basis	4	4	-9.1%

There is still one logistics portfolio asset that was almost completely divested in 2012.

Its value fell by -9.1% in the year.

LOGISTICS PROPERTIES IN USE ON A LIKE-FOR-LIKE BASIS

	Appraisal value (€ million)	Value (€/sq.m)	Gross capitalization rate	Net capitalization rate
Other countries	4	162	n.a.	n.a.
TOTAL	**4**	**162**	**N.A.**	**N.A.**

2.3.2. BUILDINGS IN THE DIVERSIFICATION PROPERTY HOLDINGS

VALUATION OF RESIDENTIAL PROPERTIES IN THE BALANCE SHEET

€ million	12/31/2014	12/31/2013	Change
Valuation of residential property holdings	2,750	2,797	-1,7 %
Valuation of residential properties on a like-for-like basis	2,481	2,504	-0,9 %

On a current basis, the value of the residential property shrank by 1.7% and fell to €2,750 million following the divestments in 2014 (€80 million of unit sales for a block value down by €60 million as at December 31, 2013).

The residential portfolio mimicked the trend on the residential property market and consequently lost 0.9% in value on a like-for like basis, dipping to €2,481 million for the full year, in nearly the same proportion for both half years.

The traditional residential portfolio fell slightly by 0.9% (€2,360 million, a decrease of €21 million). Student residences also depreciated by 1.5% for the full year.

This slight contraction in values was mainly due to the business plan effect (-0.5%), in addition to the rate effect (-0.3%) and the impact of higher transfer duties (-0.1%).

Taking account of the capital expenditure on traditional residential buildings (€19 million), the annual change in value was €40 million lower (-1.7%).

On a like-for-like basis, for traditional residential assets, the block/unit overall discount stayed flat at 17% as at December 31, 2014. Unit values contracted by 1.2% to €2,837 million for the full year. The block value per square meter of these assets stood at €4,815/sq.m as at December 31, 2014 with net capitalization rate up by 6 bp at 4.4%.

RESIDENTIAL PROPERTIES IN USE ON A LIKE-FOR-LIKE BASIS

	Appraisal value (block) *(€ million)*	Value *(€/sq.m)*	Gross capitalization rate	Net capitalization rate
Paris Region	2,378	4,872	5.23%	4.41%
Other regions	103	3,159	6.48%	5.15%
TOTAL	**2,481**	**4,765**	**5.28%**	**4.44%**

95.9% of the Group's residential property in use is located in the Paris region, of which 70.8% in Paris. The average gross capitalization rates and the average value per square meter barely changed in 2014.

VALUATION OF HEALTHCARE PROPERTIES IN THE BALANCE SHEET

€ million	12/31/2014	12/31/2013	Change
Valuation of healthcare properties	1,106	1,071	+3,3%
Valuation of healthcare properties on a like-for-like basis	1,040	1,036	+0,4%

On a current basis, the healthcare property holding gained 3.3% of its value in the year, climbing to €1,106 million following in particular the investments made on the clinics under construction in Bayonne and Orange for €38 million.

On a like-for-like basis, Healthcare assets stabilized in 2014 (+€4 million to €1,040 million). For the full year, Healthcare assets were bolstered by a positive rate effect (+0.7%) and a favorable business plan effect (+0.3%) The hike in transfer duties in the first half had a negative impact of -0.6% on values since the bulk of this portfolio is located outside Paris.

The net capitalization rate on potential rent stabilized at 7.0%.

Capex (down €8 million) slightly impacted the value of healthcare assets in the year (down 0.4%).

For information, average value per square meter stood at €1,979/sq.m.

HEALTHCARE PROPERTIES IN USE ON A LIKE-FOR-LIKE BASIS

	Appraisal value *(€ million)*	Value *(€/sq.m)*	Gross capitalization rate	Net capitalization rate
Paris Region	269	2,617	6.74%	6.68%
Other regions	771	1,824	7.16%	7.11%
TOTAL	**1,040**	**1,979**	**7.05%**	**7.00%**

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, Expertises.

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

		Number of assets	Valuation at 12/31/2014 *in € million*
CBRE	Offices	54	4,004
	Healthcare	7	167
BNP RE	Offices	40	2,402
	Logistics	1	4
Catella	Healthcare	56	796
Foncier Expertise	Offices	3	94
	Residential	42	1,203
Jones Lang LaSalle	Residential	37	1,450
	Healthcare	10	142
Non-appraised assets		54	107
TOTAL GECINA GROUP ASSETS		**304**	**10,369(1)**

(1) Appraisal value of €10,369 million versus book value of €10,341 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, 2014.

No conflict of interest was recognized.

This engagement accounts for less than 5% of the annual revenue of each real estate appraiser. 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 63 assets in 2013 and 53 assets in 2014.

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, 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;
- "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.

COMMENTS

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 Expertises**

2.4. BUSINESS AND CORPORATE EARNINGS OF MAIN SUBSIDIARIES

2.4.1. GECINA

2.4.1.1. BUSINESS AND EARNINGS

2014 rental income amounted to €272 million compared with €271 million in 2013. Residential sector rents fell from €124 million in 2013 to €119 million in 2014 as a result of asset disposals in 2013 and in 2014.

Commercial sector rents rose from €147 million in 2013 to €153 million in 2014. 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 2014, €2 million were written back for impaired receivables, €1.5 million concerned share buyback plans (in 2013 they concerned €1.9 million of provisions for receivables and €4.8 million for provisions for share buyback plans).

Operating income includes €52 million of re-charges to tenants and, under other income, re-charges of inter-company services amounting to €30 million.

2014 operating expenses amounted to €239 million, versus €256 million the previous year.

External expenses increased by €3.5 million and specifically include €3 million of management fees and €11 million for consulting.

Depreciation expenses fell by €4 million in 2014 primarily as a result of asset disposals in 2013.

Operating income amounted to €121 million compared with €100 million the previous year.

The financial result for the year amounted to a net income of €76 million compared with a net income of €108 million the previous year. This reflects:

- interest and related expenses (net of cash revenues) of €200 million (including €122 million payments of balances resulting from the restructuring of transactions on hedging financial instruments);
- dividends received from subsidiaries and income from equity investments of €288 million;
- write-backs on depreciations of €4 million related to shares and receivables from subsidiaries, of which €1 million for Gecina treasury shares;
- financial depreciation of €15 million of which €8 million for the Michelet Levallois company.

A net revenue of €35 million was recorded under exceptional items, €38 million of which concerned capital gains on the disposal of buildings, €1 million of capital gains on the sale of securities (linked to the sale of GEC 4 shares), €6 million of net write-backs on provisions on properties and €1 million of gains on treasury share purchases.

2014 net earnings amounted to a profit of €230 million, down from €318 million of profit in 2013.

2.4.1.2. FINANCIAL POSITION

The Company's total balance sheet as at December 31, 2014 amounted to €7,576 million, compared with €8,023 million as at December 31, 2013.

Fixed assets include intangible assets, primarily consisting of €410 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 €153 million on the property holding of Parigest, Montbrossol, Geci 1 and Geci 2 (taken over in 2012).

Gecina's directly-held property holding fell €77 million, from a net amount of €3,807 million at year-end 2013 to €3,730 million at year-end 2014.

The changes were as follows:

capitalized expenditures	35
net book value of assets sold	(47)
net depreciation and provisions	(65)
	(77)

Investments in subsidiaries, equity interests and related receivables represented a total net amount of €2,962 million as at December 31, 2014, compared with €3,134 million at the end of 2013.

The main changes were as follows (€ million):

- capital increase of the subsidiary GEC 13 — 120
- capital increase of the subsidiary GEC 17 — 60
- capital increase of the subsidiary GEC 12 — 50
- capital increase of the subsidiary KHAPA — 30
- capital increase of the subsidiary Michelet Levallois — 25
- decrease of related receivables (of which 456 for Beaugrenelle) — (447)
- net change in provisions — 10

As at December 31, 2014, the most significant equity investments were, in gross value: Geciter (€782 million of shares), Gecimed (€314 million of shares and €291 million of receivables) and SIF Espagne (€33 million of shares and €233 million of receivables and loans).

Other equity investments consisted of 1,112,422 treasury shares amounting to €79 million, plus 674,737 shares recorded as transferable securities held for stock option granted to employees and company officers amounting to €50 million (gross value). Total treasury shares represented 2.83 % of share capital.

Current assets totaled €151 million as at December 31, 2014, compared with €343 million as at December 31, 2013. They include:

- "other receivables" (€40 million net) mainly composed of inter-company receivables (€24 million, as the €20 million receivable from Bami Newco has been fully written down for impairment), €3 million of VAT receivables, €8 million of income receivables (Group rebilling);
- investment securities and cash of €51 million, made up of treasury shares reserved for employees (net of provisions) and cash and cash equivalents of €28 million.

Prepaid expenses (€23 million) primarily concern deferred loan issuance costs.

Shareholders' equity shrank by €35 million as a result of the following changes:

€ million	
Shareholders' equity at December 31, 2013	**3,911**
Capital increase and merger premium resulting from the exercise of stock options and subscriptions to the company savings scheme (PEE)	15
Dividends paid in 2014	(280)
2014 earnings	230
Shareholders' equity at December 31, 2014	**3,876**

Financial debt as at December 31, 2014 totaled €3,597 million compared with €3,986 million at the end of 2013, of which €304 million represented inter-company liabilities.

During the fiscal year, the company launched a new bond issue in July 2014 for €500 million and repaid in September 2014, a matured bond issue of €500 million.

Provisions for risks and charges amounted to €16 million, compared with €17 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, and €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, 2013 and December 31, 2014.

	Not due									
	< 30 days		Between 30 and 60 days		Due at year end		Off schedules		Total	
Balances *In € '000*	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014
Suppliers	4,411	2,023	1	3	39	4,922			4,451	6,948
Provisions for invoices not received							48,411	28,453	48,411	28,453
Other							(62)	(10)	(62)	(10)
TOTAL GECINA	**4,411**	**2,023**	**1**	**3**	**39**	**4,922**	**48,349**	**28,443**	**52,800**	**35,391**

2.4.2. BUSINESS AND EARNING OF THE MAIN SUBSIDIARIES

GECIMED

This wholly-owned Gecina subsidiary owns 32 healthcare properties and one asset on a financial lease, with an appraised value in total, exclusive of duties, of €612 million as at December 31, 2014.

The total amount of rents billed for 2014 amounted to €44.1 million, compared with €45.4 million in 2013. Net earnings for the year amounted to €10.6 million compared with €12.7 million in 2013 (mainly as a result of the €4.1 million decrease in exceptional items net financial profits).

in 2014, Gecimed sold off a clinic and recorded a capital gain of €0.6 million. It paid out total dividends of €17.3 million for fiscal year 2013.

GECITER

This subsidiary, wholly owned by Gecina, owns 30 office buildings with a block value, exclusive of duties, of €1.3 billion as at December 31, 2014.

The total amount of rents billed for 2014 amounted to €70.9 million, compared with €74.3 million in 2013. This drop is primarily the result of disposals completed in 2013. Net earnings for the year amounted to €38 million versus €91.4 million in 2013. The decline can be explained by the absence in 2014 of capital gains on asset disposals.

In 2014, Geciter distributed a dividend of €445 per share for fiscal year 2013, for a total amount of €77.8 million (€25 million of which was paid in December 2013 as interim dividend).

An interim dividend of €194.56 per share, *i.e.* €34 million was also paid out on December 29, 2014 and supplemented by an exceptional payout of €10.8 million on the same day.

2.4.3. RELATED PARTY TRANSACTIONS

2.4.3.1. TRANSACTIONS BETWEEN GECINA GROUP AND ITS SHAREHOLDERS

As at December 31, 2014, 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 [1] 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 €6,269.4 million as at December 31, 2014 or €101.2 per fully diluted share. Diluted EPRA NAV totaled €6,439.9 million as at December 31, 2014, or €103.9 per share.

The diluted triple net unit NAV came to €110.0 per share as at December 31, 2014, compared with €111.05 per share as at December 31, 2013.

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:

NET ASSET VALUE - BLOCK

	12/31/2014		12/31/2013	
€ million	Amount/ Number of shares	€/share	Amount/ Number of shares	€/share
Number of fully diluted shares excluding treasury shares	61,967,103		61,658,902	
IFRS shareholders equity	**6,268.7**		**6,245.5**	
+ Effect of the exercise of stock options	49.7		47.9	
DILUTED NAV	**6,318.4**	**101.96**	**6,293.4**	**102.07**
+ Fair value reporting of properties, if the amortized cost option is adopted	44.5		37.0	
- Fair value of financial instruments	73.6		139.7	
– Deferred taxes due to the effects of entry into the SIIC system	3.4		(2.4)	
= DILUTED EPRA NAV	**6,439.9**	**103.93**	**6,467.7**	**104.90**
+ Fair value of financial instruments	(73.6)		(139.7)	
+ Fair value of payables and debt	(93.5)		(31.3)	
+ Deferred taxes due to the effects of entry into the SIIC system	(3.4)		2.4	
= DILUTED EPRA NET TRIPLE NAV	**6,269.4**	**101.17**	**6,299.1**	**102.16**

(1) European Public Estate Association.

2.6. DEVELOPMENTS, OUTLOOK AND TRENDS

2.6.1. TRENDS AND OUTLOOK

The Group's strategy, aimed at consolidating its leadership in offices in Paris, can now ensure a long-term focus, with a "total return" approach based around four key areas:

1. Capitalizing on opportunities for investment, harnessing the Group's strengths and differentiating features,
2. Continuing to create organic value within Gecina's portfolio,
3. Selling non-strategic and/or mature assets in a buoyant market,
4. Developing a range of differentiating services for the Group's properties, in line with tenants' needs and environmental requirements.

The group expects an occupancy rate close to current levels and a reduction in the average cost of debt by the same amount seen in 2014. At this stage, 188 million euros of investments have been secured, thanks to the acquisition of the City 2 building in Boulogne-Billancourt, let to Solocal Group, which will be delivered end 2015. In addition, the company will be ramping up its rotation program, aiming to sell approximately 800 million euros of non-strategic and/or mature assets over the year.

Based on these elements, net income (Group share) will be stable as a minimum for 2015, with growth of over 2% when restated for the impact of Beaugrenelle's sale.

Moreover, considering the Group's capacity for investment, with an LTV of 36.7%, significantly lower than the target of 40%, Gecina is looking to make further investments which could enable it to revise its 2015 targets upwards during the year.

	12/31/2014	2015 guidance
Recurrent net income (yoy growth)	+1.8%	As a minimum flat in 2015 *
Average cost of debt (all in)	3.6%	Further reduction in average cost of debt by -40bp
Disposals	€613m (Group share)	€800m
CSR	**12/31/2014**	**2016 guidance**
% of office buildings with HQE® Operations certification	63%	80%
Energy consumption trend for office assets in kWhPE/sq.m/year (primary energy at constant climate)	367	284

** Gecina is looking to make further investments which could enable it to revise its 2015 targets upwards during the year.*

02

2.7. EPRA REPORTING AS OF DECEMBER 31, 2014

Gecina applies the EPRA [(1)] 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.

Moreover EPRA defined recommendations related to corporate social responsibility (CSR), called «Sustainable Best practices Recommendations». Gecina publishes all these indicators on its website (www.gecina.fr, Responsibility section).

	12/31/2014	12/31/2013	See Note
EPRA Earnings	308.6	303.6	2.7.1.
EPRA Earnings per share	€5.04	€4.98	2.7.1.
EPRA Net Asset Value (EPRA NAV)	6,439.9	6,467.7	2.7.2.
EPRA Triple Net Asset Value (EPRA NNNAV)	6,269.4	6,299.1	2.7.2.
EPRA Net Initial Yield	4.96%	4.79%	2.7.3.
EPRA "Topped-up" Net Initial Yield	5.21%	5.27%	2.7.3.
EPRA Vacancy Rate	3.6%	4.5%	2.7.4.
EPRA Cost Ratio (including direct vacancy costs)	19.9%	19.9%	2.7.5.
EPRA Cost Ratio (excluding direct vacancy costs)	19.1%	18.8%	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	12/31/2014	12/31/2013
Gecina net recurring income	317,768	313,410
- Depreciations, net impairments and provisions	(8,086)	(7,556)
- Minority recurring income	(1,185)	(2,281)
+ Recurring income from equity-accounted investments	115	57
EPRA NET RECURRING INCOME	**308,612**	**303,630**
EPRA NET RECURRING INCOME PER SHARE	**€5.04**	**€4.98**

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	12/31/2014	12/31/2013
Diluted NAV	101.96	102.07
DILUTED EPRA NAV	**103.93**	**104.90**
DILUTED EPRA TRIPLE NAV	**101.17**	**102.16**

(1) European Public Real Estate Association.

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.

%	12/31/2014	12/31/2013
GECINA NET YIELD (1)	**5.74%**	**5.84%**
Impact of estimated duties and costs	-0.31%	-0.30%
Impact of changes in scope	0.01%	-0.02%
Impact of rent adjustments	-0.48%	-0.73%
EPRA NET INITIAL YIELD (2)	**4.96%**	**4.79%**
Excluding lease incentives	0.25%	0.48%
EPRA TOPPED-UP NET INITIAL YIELD (3)	**5.21%**	**5.27%**

(1) Comparable basis December 2014
(2) The EPRA Net Initial Yield rate is defined as the annualized rental income, net of property operating expenses, after deducting rent adjustments, divided by the value of the portfolio, including duties.
(3) The EPRA "topped-up" Net Initial Yield rate is defined as the annualized rental income, net of property operating expenses, excluding lease incentives, divided by the value of the portfolio, including duties.

2.7.4. EPRA VACANCY RATE

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

%	12/31/2014	12/31/2013
Offices (1)	4.7%	6.4%
Logistics	n.a.	n.a.
Residential	2.3%	1.9%
Student residences	8.0%	5.1%
Healthcare	0.0%	0.0%
GROUP TOTAL	**3.6%**	**4.5%**

(1) Excluding Beaugrenelle.

2.7.5. EPRA COST RATIOS

€'000/%	12/31/2014	12/31/2013
Property expenses	(142,705)	(140,018)
Overheads	(65,121)	(65,684)
Depreciation, net impairments and provisions	(8,086)	(7,556)
Recharges to tenants	95,983	89,491
Rental expenses recharged in gross rent	0	705
Other income covering G&A expenses	5,466	5,485
Share of costs from equity-accounted affiliates	142	(32)
Land-related expenses	823	882
EPRA COSTS (INCLUDING COST OF VACANCY) (A)	**(113,498)**	**(116,726)**
Cost of vacancy	4,871	6,289
EPRA COSTS (EXCLUDING COST OF VACANCY) (B)	**(108,627)**	**(110,437)**
Gross rental income less land-related expenses	570,166	588,048
Rental expenses recharged in gross rent	0	(705)
Share of rental income from equity-accounted affiliates	0	0
GROSS RENTAL INCOME (C)	**570,166**	**587,342**
EPRA COST RATIO (INCLUDING COST OF VACANCY) (A/C)	**19.9%**	**19.9%**
EPRA COST RATIO (EXCLUDING COST OF VACANCY) (B/C)	**19.1%**	**18.8%**

03

Consolidated financial statements

03

3.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

		12/31/2014	12/31/2013
€'000	Note	Net	Net
Non-current assets		**10,201,395**	**10,587,951**
Investment properties	3.5.5.1	9,827,239	10,337,580
Properties under reconstruction	3.5.5.1	275,999	151,795
Operating properties	3.5.5.1	62,672	64,028
Other tangible fixed assets	3.5.5.1	5,494	4,214
Intangible fixed assets	3.5.5.1	3,282	3,408
Financial fixed assets	3.5.5.2	11,788	12,036
Shares in equity-accounted companies	3.5.5.3	3,518	3,711
Non-current derivatives	3.5.5.11.2	11,038	10,817
Deferred tax assets	3.5.5.4	365	362
Current assets		**344,825**	**411,522**
Properties held for sale	3.5.5.5	169,081	219,940
Inventories	3.5.5.1	6,428	7,382
Accounts and notes receivable	3.5.5.6	84,788	89,094
Other receivables	3.5.5.7	48,635	55,862
Prepaid expenses	3.5.5.8	22,632	26,967
Current derivatives	3.5.5.11.2	6	0
Cash and cash equivalents	3.5.5.9	13,255	12,277
TOTAL ASSETS		**10,546,220**	**10,999,473**

LIABILITIES

€'000	Note	12/31/2014	12/31/2013
Shareholders' equity	**3.5.5.10**	**6,279,021**	**6,245,545**
Share capital		473,286	471,529
Additional paid-in capital		1,890,749	1,877,444
Consolidated reserves linked to owners of the parent		3,623,282	3,582,526
Consolidated net income linked to owners of the parent		281,350	314,041
Shareholders' equity linked to owners of the parent		6,268,667	6,245,540
Non-controlling interests		10,354	5
Non-current liabilities		**3,614,705**	**3,274,808**
Non-current financial debt	3.5.5.11.1	3,501,110	3,089,797
Non-current derivatives	3.5.5.11.2	84,646	150,557
Deferred tax liabilities	3.5.5.4	2,122	5,539
Non-current provisions	3.5.5.12	26,827	28,915
Non-current tax and social security liabilities	3.5.5.15	0	0
Current liabilities		**652,494**	**1,479,120**
Current financial debt	3.5.5.11.1	393,507	1,168,282
Current derivatives	3.5.5.11.2	11	0
Security deposits		58,552	65,107
Trade payables	3.5.5.14	109,554	155,943
Current tax and social security liabilities	3.5.5.15	37,847	45,927
Other current liabilities	3.5.5.16	53,023	43,861
TOTAL LIABILITIES AND EQUITY		**10,546,220**	**10,999,473**

3.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EPRA FORMAT)

€'000	Note	12/31/2014	12/31/2013
Gross rental income	**3.5.6.1**	**570,989**	**588,930**
Property expenses	3.5.6.2	(142,705)	(140,018)
Recharges to tenants	3.5.6.2	95,983	89,490
Net rental income		**524,267**	**538,402**
Services and other income (net)	3.5.6.3	8,437	7,552
Overheads	3.5.6.4	(65,121)	(65,655)
EBITDA		**467,583**	**480,299**
Gains or losses on disposals	3.5.6.5	14,031	46,156
Change in value of properties	3.5.6.6	21,066	(44,197)
Depreciation	3.5.5.1	(5,323)	(5,443)
Net impairments and provisions	3.5.5.12	677	(5,508)
Operating income		**498,034**	**471,307**
Financial interest		*(148,345)*	*(165,799)*
Financial revenues		*1,791*	*3,138*
Net financial expenses	3.5.6.7	(146,554)	(162,661)
Financial impairment and amortization	3.5.5.2	0	(608)
Change in value of derivatives and debts	3.5.6.8	(68,322)	28,108
Net income from equity-accounted investments	3.5.5.3	115	290
Pre-tax income		**283,273**	**336,436**
Tax	3.5.6.9	(2,343)	(8,687)
Consolidated net income		**280,930**	**327,749**
Of which consolidated net income linked to non-controlling interests		(420)	13,708
Of which consolidated net income linked to owners of the parent		**281,350**	**314,041**
Consolidated net earnings per share	3.5.6.10	€4.59	€5.15
Consolidated diluted net earnings per share	3.5.6.10	€4.57	€5.12

€'000	12/31/2014	12/31/2013
Consolidated net income	**280,930**	**327,749**
Items not to be recycled in the net income	**(2,127)**	**(1,031)**
Actuarial gains (losses) on post-retirement benefit obligations	(2,127)	(1,031)
Items to be recycled in the net income	**(192)**	**849**
Gains (losses) from translation differentials	(192)	(120)
Gains (losses) on change in value of derivatives	0	969
Comprehensive income	**278,611**	**327,567**
Of which comprehensive income linked to non-controlling interests	(420)	13,708
Of which comprehensive income linked to owners of the parent	**279,031**	**313,859**

3.3. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

At year-end 2014, the capital was composed of 63,104,820 shares with a par value of €7.50 each.

€'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 share-holders' equity
Balance at January 1, 2013	**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)
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**
Dividend paid in 2014			(280,678)	(280,678)	(41,753)	(322,431)
Assigned value of treasury shares(1)			6,998	6,998		6,998
Impact of share-based payments(3)			2,925	2,925		2,925
Actuarial gains (losses) on post-retirement benefit obligations			(2,127)	(2,127)		(2,127)
Gains (losses) from translation differentials			(192)	(192)		(192)
Group capital increase(4)	234,324	1,757	13,094	14,851		14,851
Changes in consolidation scope(5)					52,522	52,522
Net income at December 31, 2014			**281,350**	**281,350**	**(420)**	**280,930**
Balance at December 31, 2014	**63,104,820**	**473,286**	**5,795,381**	**6,268,667**	**10,354**	**6,279,021**

(1) Treasury shares:

€'000 (except for number of shares)	12/31/2014		12/31/2013	
	Number of shares	Net amount	Number of shares	Net amount
Shares recorded as a deduction from shareholders' equity	1,787,159	129,760	1,873,001	135,733
Treasury stock in %		2.83%		2.98%

(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 shares award plans (IFRS 2).
(4) Creation of shares linked to capital increase reserved for the Group's employees (53,260 shares in 2014 and 43,302 shares in 2013) and the exercise of share subscription options reserved for employees (134,184 shares in 2014 and 2,094 shares in 2013), and the definitive vesting as a result of the performance share award plan of December 14, 2012 (45,280 shares) and of the performance share award plan of April 16, 2010 (1,600 shares).
(5) Sale option granted to SCI Pont de Grenelle on its share (25% of the capital of SCI Beaugrenelle) that has become devoid of purpose.

3.4. STATEMENT OF CONSOLIDATED CASH FLOWS

€'000	12/31/2014	12/31/2013
Consolidated net income (including non-controlling interests)	**280,930**	**327,749**
Net income from equity-accounted investments	(115)	(289)
Net depreciations, impairments and provisions	4,645	11,558
Changes in fair value and discounting of debts and receivables	47,256	16,089
Calculated charges and income from stock options	2,925	2,549
Tax charges (including deferred tax)	2,344	8,687
Current cash flow before tax	**337,985**	**366,342**
Capital gains and losses on disposals	(14,031)	(46,158)
Other calculated income and expenses	(5,219)	(21,820)
Net financial expenses	146,554	162,661
Net cash flow before cost of net debt and tax (A)	**465,289**	**461,026**
Tax paid (B)	(6,321)	(222)
Change in operating working capital (C)	17,873	(37,963)
Net cash flow from operating activities (D) = (A + B + C)	**476,840**	**422,842**
Acquisitions of tangible and intangible fixed assets	(282,402)	(584,264)
Disposals of tangible and intangible fixed assets	757,782	824,026
Dividends received (equity-accounted affiliates, non-consolidated securities)	307	1,906
Changes in loans and agreed credit lines	248	59
Other cash flows from investing activities	(3,633)	(4,464)
Change in working capital from investing activities	(4,753)	(18,526)
Net cash flow from investing activities (E)	**467,549**	**218,738**
Capital provided by non-controlling interests	1,835	0
Amounts received on the exercise of stock options and of the company savings plans (PEE)	21,850	10,747
Purchases and sales of treasury shares	0	3,877
Dividends paid to owners of the parent	(280,696)	(267,676)
Dividends paid to non-controlling interests	(41,753)	0
New borrowings	3,357,285	4,113,215
Repayment of borrowings	(3,726,735)	(4,312,518)
Net interests paid	(152,733)	(160,546)
Other cash flows from financing activities	(122,463)	(15,653)
Net cash flow from financing activities (F)	**(943,411)**	**(628,554)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D + E + F)	**978**	**13,025**
Opening cash and cash equivalents	12,277	(748)
Closing cash and cash equivalents	**13,255**	**12,277**

3.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.5.1. HIGHLIGHTS

FOREWORD

Gecina holds, manages and develops real estate holdings worth €10.3 billion as at December 31, 2014 located 90% in the Paris region. Gecina's operations are organized around France's leading office property holdings, 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, Euronext 100 and Vigeo 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 2014

On February 6, 2014, Gecina was 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. The members of Blackstone & Ivanhoé Cambridge acting in concert became the owners of 14,448,037 Gecina shares, 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.

On March 17, 2014, Gecina leased nearly 2,000 sq.m in the Horizons building, located in Boulogne-Billancourt, to Wargaming Europe, a multimedia video games designer, editor and seller, which also provides advice and assistance in the video games sector. At the end of this transaction, Gecina had leased out more than 90% of this asset.

On April 29, 2014, SCI Beaugrenelle, of which Gecina is a 75% shareholder alongside Foncière Euris, Rallye, Apsys and Paris Orléans, has completed on the shopping center's sale, with its ownership transferred to a consortium of private investors assembled around Apsys. The sale price is still the amount agreed upon during the preliminary sale agreement signed on February 20, 2014 and comes out at €700 million including transfer taxes.

As part of its policy to reinvest in the office sector, on June 3, 2014, Gecina acquired from AG2R La Mondiale the "Le France" property located at 190-198, avenue de France in Paris 13th, in the Paris Rive Gauche Sector. This asset, almost fully leased by the French Government for the Academy of Paris, represents €133 million, transfer taxes included and generates a net yield of 6.4%. This acquisition illustrates Gecina's policy to refocus on the City of Paris and help to promote the geographical diversification of its portfolio. Indeed, it was not formerly present in the Paris Rive Gauche sector. Finally, in the medium term, "Le France" could be repositioned as part of Gecina's value creation strategy.

On June 30, 2014, Gecina signed a 12-year firm lease with Henner for nearly 12,800 sq.m in the building located at 14 boulevard du Général Leclerc in Neuilly-sur-Seine. After this transaction, the asset was fully let.

On July 23, 2014, Gecina successfully placed a €500 million 7-year bond issue, maturing on July 30, 2021. The bond was issued on a spread of 92 bp on the mid-swap rate, offering a 1.75% coupon, which is the lowest coupon and spread for a Gecina bond issue. With its low coupon, it contributes to reducing the average cost of debt.

On July 29, 2014, Gecina duly noted the disposal by Metrovacesa of all its 16,809,610 Gecina shares (26.74%) to institutional investors. This transaction followed the disposal contracts under conditions precedent that had been signed on June 6, 2014. This transaction strengthens the concerted action of Blackstone-Ivanhoé Cambridge (29.9%) and of Crédit Agricole Assurances (13.4%). It also allowed the arrival of new shareholders such as Norges Bank (9.0%) and the increase of the float from 39% to 45%.

On September 12, 2014, Moody's raised its financing rating for Gecina from Baa2 (stable outlook) to Baa1 (stable outlook). The credit rating agency stressed two major factors in its decision. First, the excellent operational and financial performance of Gecina in a harsh macro-economic context thanks in particular to a diversified and superior quality office portfolio. Second, since the changes in its shareholding led to the exit of old Spanish shareholders and the arrival of first-rate institutional investors with extensive industry expertise. All things being equal, it will help to reduce the average cost of debt in the medium term.

The Gecina Board of Directors' meeting of September 17, 2014 duly noted the resignation of four directors: Metrovacesa, represented by Mr. Carlos Garcia, as well as Messrs. Sixto Jimenez, Eduardo Paraja and Antonio Trueba. These resignations followed the disposal by Metrovacesa of all its equity interest in Gecina's capital announced on July 29, 2014.

On October 16, 2014, Standard & Poor's upgraded its financing rating from Gecina, changing it from BBB/positive outlook to BBB+/stable outlook. The credit rating agency stressed the robust operational performance as well as Gecina's stronger shareholding base since one year as a result of the arrival of new institutional shareholders such as Ivanhoé Cambridge, Blackstone or Norges Bank and the increase in the equity interest of Crédit Agricole Assurances-Predica.

On November 14, 2014, Gecina signed a partnership with EDF on the development of "La Grande Halle", an office building of more than 20,000 sq.m located in the Gerland neighborhood in the 7th arrondissement of Lyon. This operation, carried out through a joint-venture in which Gecina holds a 60% stake, will represent an investment of €59 million. "La Grande Halle" will be designed by the architect firm Reichen and Robert & Associés and fully leased to EDF on a 12-year lease. This asset will enhance the development and renewal of the Gerland neighborhood, integrating the restructuring of a historic covered market and the construction of two adjacent buildings combined in the form of a campus. This projects seeks the HQE certification (excellent level) and the Effinergie+ label guaranteeing 20% energy consumption more efficient than RT 2012 as well as the BREEAM (very good) and Biodivercity labels. Works are scheduled to start in the first half of 2015, for delivery in 2017.

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 on the balance sheet date.

The standards and interpretations applicable for the Group since January 1, 2014 – in particular IFRS 10 (Consolidated financial statements), IFRS 11 (Joint Arrangements), IFRS 12 (Disclosures on interests in other entities) and IAS 28 amended (Investments in associates and joint ventures) – have no significant impact on its results and its financial position. The standards and official interpretations that may be applicable after the balance sheet date (in particular IFRIC 21 Levies, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers) 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 Trusts (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, 2014, the scope of consolidation included the following companies:

Companies	SIREN	12/31/2014 *% interest*	Method of consolidation	12/31/2013 *% 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 Chevreul/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	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 Ingatlan	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 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%
GEC 10	529 783 649	100.00%	FC	100.00%
GEC 12	751 139 163	100.00%	FC	100.00%
GEC 13	751 102 773	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%
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[1]	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%
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%

Companies	SIREN	12/31/2014 *% interest*	Method of consolidation	12/31/2013 *% interest*
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%
SPIPM	572 098 465	100.00%	FC	100.00%
SPL Exploitation	751 103 961	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	100.00%
GEC 18	799 089 982	60.00%	FC	100.00%
SCI Polyclinique Bayonne Adour	790 774 913	100.00%	FC	100.00%
SCI Rhône Orange	794 514 968	80.00%	FC	80.00%
JOINED CONSOLIDATION 2014				
Campuséa Management	808 685 291	100.00%	FC	
GEC 19	803 982 750	100.00%	FC	
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%
LEFT CONSOLIDATION 2014				
GEC 11	530 019 009	100.00%	FC	100.00%
Nikad	433 877 669	100.00%	FC	100.00%

FC: full consolidation EM: accounted for under the equity method.
(1) 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, 2014.

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)

To determine if a transaction is a business combination placed under IFRS 3, the Group determines whether an integrated set of activities is acquired in addition to the real estate. The selected criteria may be the number of real estate assets held, the scope of the processes acquired or the autonomy of the target. In this case, 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. 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 net of deferred tax recognized if necessary while an amount for negative goodwill is posted to the income statement. Costs directly attributable to the acquisition process are recognized under expenses.

IAS 40 standard is applied (investment property) for acquisitions that do not fall under a business combination.

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 accounting principles, as if the Group were the owner. In case of the acquisition of a financial lease contract, if the discrepancy between the fair value of the related debt and its nominal value 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 3.5.3.1.2). 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, 2014: 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 fair value valuation methods to establish market 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 income statement records the change in fair value of each property over the year 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 is conducted to certify that the booked value does not require impairment.

The fair value is determined by appraisers based on an evaluation of the property 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% to 6.9% 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: method by comparison, by income capitalization, and by discounted cash flow (DCF). The simple arithmetic mean of these three methods is used. 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.

(1) Association française des sociétés d'expertise immobilière.

- 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.
- Net income capitalization 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: 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 net income capitalization method: 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.

Net 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 3.5.3.1.3).

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 net 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: net income capitalization and discounted cash flow (DCF). The simple arithmetic mean is used for the income capitalization 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. DETERMINING THE FAIR VALUE (IFRS 13)

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 properties

The fair value measurement must consider the highest and best use of the asset. Gecina has not identified any high and best use different from the current use.

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 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.

As at December 31, 2014, IFRS 13 application 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.

(1) Association française des sociétés d'expertise immobilière.

3.5.3.1.3. 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 as for it is a major line of Activity 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".

3.5.3.1.4. 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.

3.5.3.1.5. 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-ACCOUNTED INVESTMENTS

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 test is carried out as soon as any indication of impairment is detected. In the event of such an indication and when the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognized based on the difference between those two amounts.

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 specific 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 recognized in the income statement within changes in value of financial instruments.

Fair value is determined in accordance with IFRS 13 (see Note 3.5.3.1.2) 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 any 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. TAX

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 5.5.3.1.1. and 5.5.3.1.2. 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 data available to the Group as at 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 3.5.3.1.2.

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.

3.5.4. 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, 2014 would not require provision in Gecina's Corporate financial statements.

3.5.4.3. COUNTERPARTY RISK

Since it has a portfolio of clients of around 600 corporate tenants from a wide variety of sectors, and more than 8,700 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 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 3.5.3.1.2) 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 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 in 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 1.5. 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 12/31/2013	Acquisitions	Disposals	Change in fair value	Change in scope	Transfers between items	At 12/31/2014
Investment properties	10,337,580	182,731	(669,813)	17,316	2,121	(42,696)	9,827,239
Properties under reconstruction	155,143	94,230	0	263	1,503	24,859	275,999
Operating properties	76,695	103	0	0	0	0	76,798
Intangible assets	11,386	1,960	(1)	0	0	0	13,345
Other tangible assets	11,812	3,492	(478)	0	0	(597)	14,229
Properties for sale	219,940	(114)	(73,938)	3,487	9	19,697	169,081
Properties in inventory	7,382	431	0	0	41	(1,426)	6,428
GROSS VALUE	**10,819,937**	**282,834**	**(744,230)**	**21,066**	**3,674**	**(163)**	**10,383,119**

AMORTIZATION AND DEPRECIATIONS

€'000	At 12/31/2013	Allocations	Write backs	Change in fair value	Change in scope	Transfers between items	At 12/31/2014
Properties under reconstruction	3,348	0	(3,348)	0	0	0	0
Operating properties	12,667	1,458	0	0	0	0	14,125
Intangible assets	7,978	2,247	(1)	0	0	(163)	10,062
Other tangible assets	7,596	1,617	(478)	0	0	0	8,735
Depreciations	**31,589**	**5,323**	**(3,827)**	**0**	**0**	**(163)**	**32,922**
NET VALUE	**10,788,348**	**277,511**	**(740,402)**	**21,066**	**3,674**	**0**	**10,350,197**

In accordance with the accounting principles defined in Note 3.5.3.1.1, 12 assets under reconstruction are recorded at their historical cost for a combined total of €66 million.

The other changes concern marketing fees for €1.3 million and capitalized internal costs for €2.5 million.

3.5.5.1.2. ANALYSIS OF ACQUISITIONS (DUTIES AND COSTS INCLUDED)

Acquisitions concerned the following:

€'000	12/31/2014
Le France	133,124
Tour Gamma (one level)	2,279
QP VEFA Student residences	1,245
Le Septen in Lyon	2,924
Property acquisitions	**139,572**
Reconstruction work	85,795
Renovation work	47,214
Works	**133,009**
Inventories	228
Head office	103
Capitalized financial expenses	4,469
TOTAL ACQUISITIONS	**277,382**
Other tangible fixed assets	3,492
Intangible fixed assets	1,960
TOTAL FIXED ASSETS	**282,834**

3.5.5.1.3. DETAILS OF INCOME FROM SALES

Disposals of properties 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 8 financial leases This concerns fixed or variable-rate contracts taken out for an average duration of 3.2 years (weighted average of outstandings) with leading organizations.

€'000	12/31/2014	12/31/2013
Less than 1 year	17,191	17,598
1 to 5 years	118,253	134,600
Over 5 years	29,877	35,953
TOTAL	**165,321**	**188,151**

3.5.5.2. FINANCIAL FIXED ASSETS

€'000	12/31/2014	12/31/2013
Non-consolidated investments	109,421	109,421
Advances on fixed asset acquisitions	65,519	65,519
Deposits and guarantees	1,584	1,755
Other financial investments	5,174	5,251
Total	**181,698**	**181,946**
Impairment	(169,910)	(169,910)
NET TOTAL	**11,788**	**12,036**

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-ACCOUNTED INVESTMENTS

This item reflects the percentage held by the Group in companies in which the Group exercises significant influence.

As at December 31, 2014, this item only included the company's share in Labuire Aménagement (a Lyon-based business that sells plots of land). As at December 31, 2014, the equity interest in Labuire Aménagement amounted to €3.5 million with a share of net income of €0.1 million.

3.5.5.4. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax arises from temporary differences between the tax base of assets or liabilities and their carrying amounts. They particularly result from the fair value revaluation of investment buildings held by companies who did not opt for the SIIC regime or from the cost related to the adoption of this regime. Deferred tax assets are recognized in respect of tax loss carry-forwards if their future realization is likely.

€'000	At 12/31/2013	Change result	Cash flows hedge reserves	Transfers between items	Changes in consolidation	At 12/31/2014
Effects of entry into the SIIC system	(5,539)	3,417				(2,122)
Total deferred tax liabilities	**(5,539)**	**3,417**	**0**	**0**	**0**	**(2,122)**
Fair value of investment properties	362	3				365
Total deferred tax assets	**362**	**3**	**0**	**0**	**0**	**365**
TOTAL NET DEFERRED TAXES	**(5,177)**	**3,420**	**0**	**0**	**0**	**(1,757)**

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	12/31/2014	12/31/2013
Properties for sale (block basis)	9,818	9,228
Properties for sale (units basis)	159,263	210,712
TOTAL	**169,081**	**219,940**

In light of the confidentiality that surrounded the disposal process of the Beaugrenelle shopping center on April 29, 2014, and its significant weight, this asset did not appear on the balance sheet at December 31, 2013 as property on sale but remained recognized within investment properties.

3.5.5.6. ACCOUNTS AND NOTES RECEIVABLE

The breakdown of net receivables by sector is set out in Note 3.5.8. As at December 31, 2014, the amount of overdue trade receivables with no impairment was not material.

€'000	12/31/2014	12/31/2013
Billed clients	**22,632**	**24,535**
Unbilled expenses payable	8,322	8,784
Balance of amortized rent – free periods and stepped rents (IAS 17)	64,722	66,533
TRADE RECEIVABLES (GROSS)	**95,676**	**99,852**
Impairment of receivables	(10,888)	(10,758)
TRADE RECEIVABLES (NET)	**84,788**	**89,094**

3.5.5.7. OTHER RECEIVABLES

€'000	12/31/2014	12/31/2013
Value added tax	25,782	36,310
Income tax	1,434	1,552
Bami Newco cash advances (fully depreciated)	12,628	7,473
Receivables on asset disposal	11,097	1,488
Other(1)	32,888	39,082
GROSS AMOUNTS	**83,829**	**85,905**
Impairment	(35,194)	(30,044)
NET AMOUNTS	**48,635**	**55,862**
(1) Of which:		
External agents and managers	*1,369*	*418*
Advances on equity investments	*2,300*	*2,300*
Deposit payments for orders	*2,860*	*2,684*
Bami Guarantee (Eurohypo)	*20,140*	*20,140*

Cash advances to Bami Newco (which are fully written down) have increased by €5.1 million (see Note 3.5.5.12).

3.5.5.8. PREPAID EXPENSES

€'000	12/31/2014	12/31/2013
Loan application costs(1)	14,823	20,156
10 year warranty insurance	4,029	3,697
Other	3,780	3,114
NET VALUES	**22,632**	**26,967**

(1) Primarily including arrangement fees and mortgage costs.

3.5.5.9. CASH AND CASH EQUIVALENTS

€'000	12/31/2014	12/31/2013
Money-market UCITS	3,510	3,508
Bank current accounts	9,745	8,769
CASH AND CASH EQUIVALENTS (GROSS)	**13,255**	**12,277**
Bank overdrafts	0	0
CASH AND CASH EQUIVALENTS (NET)	**13,255**	**12,277**

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 12/31/2014	Repayments < 1 year	Outstanding debt 12/31/2015	Repayments 1 to 5 years	Outstanding debt 12/31/2019	Repayments more than 5 years
Fixed-rate debt	**2,410,429**	**(57,101)**	**2,353,328**	**(1,561,298)**	**792,030**	**(792,030)**
Ornane	319,989	0	319,989	(319,989)	0	0
Fair value impact of Ornane	75,152	0	75,152	(75,152)	0	0
Bonds	1,933,822	0	1,933,822	(1,143,955)	789,867	(789,867)
Bank borrowings	21,756	(1,773)	19,983	(19,983)	0	0
Finance leases	1,577	(199)	1,378	(912)	466	(466)
Other liabilities	3,486	(483)	3,004	(1,307)	1,697	(1,697)
Accrued interest	54,647	(54,647)	0	0	0	0
Floating-rate debt	**1,484,188**	**(336,406)**	**1,147,782**	**(697,512)**	**450,270**	**(450,270)**
Treasury notes	290,000	(290,000)	0	0	0	0
Floating-rate and variable-rate borrowing	932,675	(26,682)	905,993	(518,707)	387,286	(387,286)
Credit lines	108,900	(4,650)	104,250	(66,000)	38,250	(38,250)
Finance leases	152,613	(15,074)	137,539	(112,804)	24,735	(24,735)
Bank overdrafts	0	0	0	0	0	0
GROSS DEBT	**3,894,617**	**(393,507)**	**3,501,110**	**(2,258,810)**	**1,242,300**	**(1,242,300)**
Cash (floating rate)						
Open-end investment funds, deposits and income receivable	3,510	(3,510)	0	0	0	0
Current bank accounts	9,745	(9,745)	0	0	0	0
TOTAL CASH AND EQUIVALENTS	**13,255**	**(13,255)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	2,410,429	(57,101)	2,353,328	(1,561,298)	792,030	(792,030)
Floating rate	1,470,933	(323,150)	1,147,782	(697,512)	450,270	(450,270)
TOTAL NET DEBT	**3,881,362**	**(380,252)**	**3,501,110**	**(2,258,810)**	**1,242,300**	**(1,242,300)**
Available credit lines	2,090,000	(547,500)	1,542,500	(962,500)	580,000	(580,000)
Future cash flows on debt	0	(101,923)	0	(242,397)	0	(61,357)

The interest that will be paid until maturity of the entire debt estimated on the basis of the interest rate curve at December 31, 2014 come to €406 million.

The breakdown of the €394 million repayment of gross debt within less than one year is as follows:

€'000	1st quarter 2015	2nd quarter 2015	3rd quarter 2015	4th quarter 2015	Total
	320,798	37,100	23,755	11,854	393,507

The fair value of the gross debt used to calculate NAV was €3,992 million as at December 31, 2014 (i.e., €3,895 million of gross debt and €97 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 (+€75 million). Furthermore, the debt is detailed at its balance sheet value.

Type of bonds

	Ornane	EMTN	EMTN	EMTN	EMTN
Issue date	04/09/2010	02/03/2011	04/11/2012	05/30/2013	07/30/2014
Issue amount *(€ million)*	320	500	650	300	500
Issue/conversion price	€111.05	€99,348	€99,499	€98,646	€ 99,317
Redemption price	N/A	€100,000	€100,000	€100,000	€ 100,000
Conversion rate	1.30	N/A	N/A	N/A	N/A
Number of bonds issued	2,881,586	5,000	6,500	3,000	5,000
Nominal rate	2.125%	4.25%	4.75%	2.875%	1.75%
Maturity date	01/01/2016	02/03/2016	04/11/2019	05/30/2023	07/30/2021

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 12/31/2014	Balance at 12/31/2013
Net debt/Revalued block value of property holding	maximum 55%	36.7%	38.7%
EBITDA (excluding disposals)/Net financial expenses	minimum 2.0x	3.2x	3.0x
Outstanding secured debt/Revalued Block value of property holding	maximum 25%	11.2%	11.7%
Revalued block value of property holding *(€ million)*	minimum 6,000/8,000	10,369	10,819

Change of control clauses

€500 million bonds maturing 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.

€650 million bonds maturing 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.

€300 million bonds maturing 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 bonds: a change of control could lead to early reimbursement at the discretion of bondholders.

€500 million bonds maturing in July 2021: 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.

3.5.5.11.2. FINANCIAL INSTRUMENTS

The financial instruments (Level 2 instruments as defined by IFRS 7 and IFRS 13) held by the Group are hedging instruments. The financial instruments held by the Group are traded on the over-the-counter market and valued on the basis of valuation models using observable inputs.

PORTFOLIO OF DERIVATIVES

€'000	Outstanding 12/31/2014	Maturity or effective date < 1 year	Outstanding 12/31/2015	Maturity or effective date 1 to 5 years	Outstanding 12/31/2019	Maturity or effective date More than 5 years
Portfolio of outstanding derivatives at December 31, 2014						
Fixed-rate receiver swaps	512,300	(112,300)	400,000	(400,000)	0	0
Fixed-rate payer swaps	740,000	0	740,000	(250,000)	490,000	(490,000)
Selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed rate receiver swaps	0	0	0	0	0	0
Caps purchases	1,250,000	(550,000)	700,000	(550,000)	150,000	(150,000)
Caps sales	50,000	(50,000)	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**2,552,300**	**(712,300)**	**1,840,000**	**(1,200,000)**	**640,000**	**(640,000)**
Portfolio of derivatives with deferred effect(1)						
Fixed-rate receiver swaps	0	0	0	0	0	0
Fixed-rate payer swaps	0	150,000	150,000	0	150,000	(150,000)
Selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed rate receiver swaps	0	0	0	0	0	0
Caps purchases	0	125,000	125,000	(125,000)	0	0
Caps sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**0**	**275,000**	**275,000**	**(125,000)**	**150,000**	**(150,000)**
Total portfolio of derivatives						
Fixed-rate receiver swaps	512,300	(112,300)	400,000	(400,000)	0	0
Fixed-rate payer swaps	740,000	150,000	890,000	(250,000)	640,000	(640,000)
Selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed rate receiver swaps	0	0	0	0	0	0
Caps purchases	1,250,000	(425,000)	825,000	(675,000)	150,000	(150,000)
Caps sales	50,000	(50,000)	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**2,552,300**	**(437,300)**	**2,115,000**	**(1,325,000)**	**790,000**	**(790,000)**
Future interest cash flows on derivatives	0	(13,839)	0	(53,292)	0	(6,316)

(1) Positive amounts in the "Maturity or effective date" columns correspond to contracted derivatives.

GROSS DEBT HEDGING

€'000	12/31/2014
Fixed-rate gross debt	**2,410,429**
Fixed-rate debt converted to floating rate	(512,300)
Residual debt at fixed rate	**1,898,129**
Gross debt at floating rate	**1,484,188**
Fixed-rate debt converted to floating rate	512,300
Gross debt at floating rate after conversion of debt to floating rate	**1,996,488**
Fixed-rate payer swaps and activated caps/floors	(740,000)
Unhedged gross debt at floating rate	**1,256,488**
Caps purchases	(1,250,000)
Caps sales	50,000
Floating rate debt	**56,488**

The fair value of hedging instruments, as recorded on the balance sheet, breaks down as follows:

€'000	12/31/2013	Acquisitions	Disposals	Transfer between items	Change in value	12/31/2014
Non-current assets	10,817	0	0	(1,941)	2,162	11,038
Current assets	0	0	0	1,942	(1,936)	6
Non-current liabilities	(150,557)	(26,305)	122,463	1,303	(31,550)	(84,646)
Current liabilities	0	0	0	(1,304)	1,293	(11)
TOTAL	**(139,740)**	**(26,305)**	**122,463**	0	**(30,031)**	**(73,613)**

Financial instruments (current and non-current) have fallen by €66 million. This drop can be explained by:

- the restructuring of financial instruments for €122 million;
- the €56 million decrease in value linked to the change in rates since year-end 2014.

3.5.5.12. PROVISIONS

€'000	12/31/2013	Allocations	Write backs	Utilizations	Reclassification	12/31/2014
Tax reassessments	975	0	0	0	0	975
Employee benefit commitments	12,475	1,306	(915)	0	0	12,866
Spain commitments	10,940	0	(5,000)	0	0	5,940
Other disputes	4,524	5,108	(2,587)	0	0	7,045
TOTAL	**28,915**	**6,414**	**(8,502)**	**0**	**0**	**26,827**

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, 2014, a total amount of €1 million was accrued as provision for the ongoing tax assessment notices, the same amount since December 31, 2013.

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 (€12.9 million) concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. They are measured by independent appraisers.

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 on behalf of FCC Construcción. This latter filed a judicial motion in Spain for the payment of this bond. On January 22, 2013, the court ordered Bami Newco and its guarantors, SIF Espagne and Inmopark 92 Alicante (shareholder of Bami Newco and controlled by Mr. Joaquin Rivero) to pay the sum of €1 million to FCC Construcción. The latter has appealed this ruling.

Through an order issued on September 12, 2014, the Madrid Appeal Court sentenced Bami Newco and its guarantors to pay, jointly and severally, to FCC Construcción, the sum of €5 million in principal, in addition to interests on arrears as well as the trial expenses.

In November 2014, FCC Construcción requested the execution of the aforesaid order against SIF Espagne, which made the corresponding payment.

Bami Newco and SIF Espagne are appealing the merits of the case. Proceedings are still ongoing.

The corresponding provision of €5 million has been written back the consolidated accounts of SIF Espagne and a debt has been recognized against Bami Newco and Inmopark 92 Alicante, on the assets side of the balance sheet, immediately impaired due to financial position of these two companies and their ongoing bankruptcy proceedings.

The resulting debt reports are being processed under 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. Gecina had recognized provisions to fully cover the guarantees amounting to a total of €4.8 million. The resulting debt has been reported in the context of Bami Newco's bankruptcy proceedings. Pursuant to a letter dated June 17, 2014, Banco Popular called in one of its two guarantees and claimed the payment of €3 million from SIF Espagne. After studying and analyzing the files, SIF Espagne considers, considering the data in its possession, that it is not required, to date, to pay the quaranty called by Banco Popular.

(iii) 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 €20 million guarantee granted by its subsidiary SIF Espagne 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.

In December 2014, the Spanish court declared the commencement of receivership proceedings for Bami Newco. Gecina and SIF Espagne continue to assert their rights and defend their interests in these proceedings.

3.5.5.13. PENSIONS AND OTHER BENEFITS GRANTED TO EMPLOYEES

The amounts reported in the balance sheet as at December 31, 2014 are as follows:

€'000	12/31/2014	12/31/2013
Discounted value of the liability	16,563	17,145
Fair value of hedging assets	(3,697)	(4,670)
Discounted net value of the liability	**12,866**	**12,475**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	0	0
NET LIABILITY ON THE BALANCE SHEET	**12,866**	**12,475**

The net commitment recorded in non-recurring provisions amounted to €12.9 million after taking into account hedging assets estimated at €3.7 million as at December 31, 2014.

Actuarial variance for the period amounted to €2.3 million of which €2.1 million recorded directly in shareholders' equity.

€'000	12/31/2014	12/31/2013
Discounted net value of bond at beginning of period	**12,475**	**11,393**
Breakdown of expense		
Cost of services rendered during the year	695	676
Net interest	306	335
Actuarial losses and gains	154	11
Expense reorganized under payroll expense	**1,155**	**1,022**
Effects of any change or liquidation of the plan	3	3
Benefits paid (net)	(685)	(69)
Contributions paid	(2,209)	0
Actuarial losses and gains not written to income	2,127	127
DISCOUNTED NET VALUE OF BOND AT END OF PERIOD	**12,866**	**12,475**

Below are the main actuarial hypotheses used to calculate Group commitments.

	12/31/2014	12/31/2013
Expected yield rate of hedging assets	2.75%	2.75%
Wage increase rate (net of inflation)	0.50%	0.50%
Discount rate	0.25%-1.75%	2.50%-2.75%
Inflation rate	2.00%	2.00%

3.5.5.14. SUPPLIERS

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 the earnout payable calculated according to the procedures set up during the acquisition of equity interests in SCI Beaugrenelle, payable since the sale of the shopping center, but not yet fully settled to date in arrangement with the investor, *i.e.* € 3 million.

€'000	12/31/2014	12/31/2013
Trade payables	5,563	4,955
Trade payables (invoices not received)	17,654	19,389
Fixed asset trade payables	39,131	59,862
Fixed asset trade payables (invoices not received)	47,206	71,737
TRADE PAYABLES	**109,554**	**155,943**

3.5.5.15. TAX AND SOCIAL SECURITY PAYABLES

€'000	12/31/2014	12/31/2013
Social security liabilities (short term)	22,884	22,481
Exit tax	0	1,997
Other tax liabilities (representing VAT payable and local taxes)	14,963	21,449
TAX AND SOCIAL SECURITY PAYABLES	**37,847**	**45,927**
of which non-current liabilities	*0*	*0*
of which current liabilities	*37,847*	*45,927*

3.5.5.16. OTHER PAYABLES

€'000	12/31/2014	12/31/2013
Client credit balances	33,763	20,738
Other payables	16,153	17,471
Deferred income	3,108	5,652
OTHER PAYABLES	**53,023**	**43,861**

3.5.5.17. OFF BALANCE SHEET COMMITMENTS

€'000	12/31/2014	12/31/2013
Commitments given		
Off balance sheet commitments given linked to operating activities		
Deposits and guarantees (in favor of subsidiaries and equity investments)	0	45
Asset-backed liabilities(1)	1,011,257	1,091,473
Works amount to be invested (including sales of property for future completion)	217,397	174,217
Preliminary sale agreements for properties	24,414	27,112
Other(2)	13,129	11,296
TOTAL COMMITMENTS GIVEN	**1,266,197**	**1,304,144**
Commitments received		
Off balance sheet commitments received linked to financing		
Unused lines of credit	2,090,000	2,195,000
Off balance sheet commitments received linked to operating activities		
Preliminary sale agreements for properties	2,200	9,228
Mortgage-backed receivables	4,950	4,950
Financial guarantees for management and transactions activities	2,510	2,570
Other	13,011	118,087
TOTAL COMMITMENTS RECEIVED	**2,112,671**	**2,329,835**

(1) List of main mortgaged properties : 4 cours de l'Ile Seguin in Boulogne (92100 Boulogne Billancourt); 148 and 152 rue de Lourmel (75015 Paris); 4-16 avenue Léon Gaumont (93105 Montreuil); Zac Charles de Gaulle (92700 Colombes); 418-432 rue Estienne d'Orves and 25-27 and 33 rue de Metz (92700 Colombes); 10/12 place Vendôme (75002 Paris); 9 to 11bis avenue Matignon, 2 rue de Ponthieu, 12 to 14 rue Jean Mermoz, 15 avenue Matignon (75008 Paris); 37 rue du Louvre, 25 rue d'Aboukir (75002 Paris); ZAC Danton, 34 avenue Léonard de Vinci (92400 Courbevoie); 101 avenue des Champs Elysées (75008 Paris); 8 avenue Delcassé (75008 Paris); 505 rue Iréne Joliot Curie (76600 Le Havre)
Mortgages related to six nursing homes in Paris an in the Paris region
(2) Of which €11.4 million for liability guarantee granted in the GEC 4 subsidiary's equities disposal (logistics division).

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. 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, 2014, the Group's employees had earned 43,852 aggregate hours (after deduction of hours used since the establishment of the DIF).

These hours acquired at December 31, 2014 will be transferred to the personal training account (CPF) on or after January 1, 2015.

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)	0	6,758	0	4,950	0	80	0	11,788	11,788
Equity-accounted investments	0	0	0	0	0	3,518	0	3,518	3,518
Cash and cash equivalents	13,255	0	0	0	0	0	0	13,255	13,255
Current and non-current derivatives(2)	11,044	0	0	0	0	0	0	11,044	11,044
Other assets(1)	0	0	0	0	0	133,423	0	133,423	133,423
TOTAL FINANCIAL ASSETS	**24,299**	**6,758**	**0**	**4,950**	**0**	**137,020**	**0**	**173,027**	**173,027**
Non-current financial debts	395,141	1,172,147	0	0	1,933,822	0	0	3,501,110	3,501,110
Current and non-current derivatives(2)	84,657	0	0	0	0	0	0	84,657	84,657
Current financial debts	0	393,507	0	0	0	0	0	393,507	393,507
Other liabilities(1)	0	0	0	0	0	255,870	0	255,870	255,870
TOTAL FINANCIAL LIABILITIES	**479,798**	**1,565,654**	**0**	**0**	**1,933,822**	**255,870**	**0**	**4,235,144**	**4,235,144**

(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	12/31/2014	12/31/2013
Less than 1 year	412,893	321,318
1 to 5 years	1,090,937	948,764
Over 5 years	569,062	290,386
TOTAL	**2,072,891**	**1,560,468**

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 €0.8 million for the period ended December 31, 2014 versus €0.7 million in 2013.

Recharges to tenants consist of rental income from recharging tenants for costs payable by them.

They now include the fixed expenses paid to tenants of "Student residences". Previously, these fixed expenses were recognized in the accounts as gross rental income. The excess recharged expenses recognized under this item as at December 31, 2014 amounted to €0.8 million. Last year, it would have been 0.7 million.

€'000	12/31/2014	12/31/2013
Other external expenses	(82,531)	(80,536)
Taxes and other payables	(53,191)	(52,342)
Salaries and fringe benefits	(6,050)	(6,663)
Other expenses	(933)	(477)
Property expenses	**(142,705)**	**(140,018)**
Rental expenses to be regularized	6,739	8,968
Vacant premises' expenses	(4,871)	(6,289)
Miscellaneous recovery	31,655	27,468
Provisions on costs	62,460	59,343
Recharges to tenants	**95,983**	**89,490**
NET DIRECT OPERATING EXPENSES	**(46,722)**	**(50,528)**

3.5.6.3. SERVICES AND OTHER INCOME (NET)

These largely comprise the following items:

€'000	12/31/2014	12/31/2013
Income from service activities	5,865	5,654
Reversals of investment subsidies	144	179
Other	2,914	2,126
TOTAL GROSS	**8,923**	**7,959**
Expenses	(486)	(407)
TOTAL NET	**8,437**	**7,552**

3.5.6.4. OVERHEADS

Overheads breakdown are as follows:

€'000	12/31/2014	12/31/2013
Salaries and fringe benefits	(47,825)	(48,170)
Internal costs	4,248	5,301
Share-based payments (IFRS 2)	(2,925)	(2,549)
Net management costs	(18,619)	(20,237)
TOTAL	**(65,121)**	**(65,655)**

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 €4.2 million as at December 31, 2014. Payroll costs attributable to disposals are recorded under gains or losses on disposal. 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	12/31/2014	12/31/2013
Block sales	705,627	682,056
Units sales	79,665	164,240
Proceeds from disposals	**785,293**	**846,296**
Block sales	(683,741)	(654,813)
Units sales	(60,010)	(123,057)
Net book value	**(743,751)**	**(777,870)**
Block sales	(21,929)	(17,905)
Units sales	(5,582)	(4,364)
Cost of sales	**(27,511)**	**(22,270)**
Block sales	(42)	9,338
Units sales	14,073	36,818
CAPITAL GAINS ON DISPOSAL	**14,031**	**46,156**

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, 2014 amounted to €2.1 million versus €3 million in 2013.

3.5.6.6. CHANGE IN VALUE OF PROPERTIES

Changes in the fair value of property holdings break down as follows:

€ million	12/31/2013	12/31/2014	Change	%
Offices	6,022	6,113	91.4	1.5%
Residential	2,531	2,506	(24.4)	(1.0%)
Healthcare	1,036	1,040	3.7	0.4%
Investment properties	**9,588**	**9,659**	**70.7**	**0.7%**
Change in value of projects delivered and acquisitions			(1.4)	
Change in value of projects in progress			(3.0)	
Change in value of assets held for sale			1.4	
Change in value			**67.8**	
Capitalized works on investments properties			(47.3)	
Capitalized salaries and fringe benefits on investments properties			0.4	
Acquisition costs, translation differentials and other			0.3	
CHANGE IN VALUE RECORDED IN INCOME STATEMENT AS AT DECEMBER 31, 2014			**21.1**	

Pursuant to IFRS 13 (see Note 3.5.3.1.2), the tables below break down, by activity sector, 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	3.75% - 6.00%	3.85% - 6.50%	€/sq. m 380 - 760
Paris excl. CBD	5.00% - 8.00%	5.25% - 8.75%	€/sq. m 270 - 470
Paris	**3.75% - 8.00%**	**3.85% - 8.75%**	**€/sq. m 270 - 760**
1st rim	4.80% - 6.75%	5.75% - 8.00%	€/sq. m 270 - 510
2nd rim	7.25% - 12.00%	8.10% - 13.75%	€/sq. m 80 - 220
Paris Region	**4.80% - 12.00%**	**5.75% - 13.75%**	**€/sq. m 80 - 510**
Rest of France	6.15% - 6.15%	6.00% - 6.00%	€/sq. m 260 - 260
Abroad	6.75% - 6.75%	7.00% - 7.00%	€/sq. m 200 - 200
OFFICES	**3.75% - 12.00%**	**3.85% - 13.75%**	**€/sq. m 80 - 760**

Residential	Units sales price *(in €/sq.m)*	Yield rate
Paris	€/sq. m 5 240 - 10 380	3.25% - 5.10%
1st rim	€/sq. m 3 330 - 7 290	4.10% - 6.25%
2nd rim	€/sq. m 4 900 - 4 900	3.85% - 3.85%
Rest of France	€/sq. m 4 280 - 4 280	5.50% - 5.50%
RESIDENTIAL	**€/sq. m 3 330 - 10 380**	**3.25% - 6.25%**

Healthcare	Yield rate	Discount Rate (DCF method)
Sanitary	6.00% - 10.50%	6.55% - 7.70%
Medical/social	5.90% - 7.75%	6.80% - 7.90%
HEALTHCARE	**5.90% - 10.50%**	**6.55% - 7.90%**

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 €7.7% 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 €795 million based on the block valuation of appraised assets as at December 31, 2014, 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%**	**9,546**	**(7.7)**	**(796)**
Offices	0.50%	6,000	(7.4)	(482)
Residential	0.50%	2,509	(8.7)	(240)
Healthcare	0.50%	1,032	(6.6)	(73)
Other	0.50%	4	(1.9)	(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	12/31/2014	12/31/2013
Interests and expenses on bank loans	(38,463)	(41,184)
Interests and expenses on bond borrowings	(91,585)	(2,371)
Interests on finance leases	(2,092)	(45,080)
Interest expenses on hedge instruments	(20,187)	(9,434)
Other financial costs	(472)	(338)
Losses from translation differentials	(16)	(42)
Capitalized interests on projects under development	4,469	13,621
Financial costs	**(148,345)**	**(165,799)**
Interest income on hedging instruments	579	579
Other financial income	1,163	2,520
Gains from translation differentials	49	38
Financial income	**1,791**	**3,138**
NET FINANCIAL EXPENSES	**(146,554)**	**(162,661)**

The average cost of debt amounts to €3.6% in 2014.

Based on the existing portfolio of hedges and taking account of the contractual conditions at December 31, 2014 and anticipated debt in 2015, a 0.5% increase in the interest rate would generate an additional expense in 2015 of €6.1 million. A 0.5% fall in interest rates would result in a reduction in interest expense in 2015 of €6.4 million.

3.5.6.8. CHANGE IN VALUE OF DERIVATIVES AND DEBTS

The Group holds all financial instruments to hedge its debt. None of them is held for speculative purposes.

The decrease (-€68 million) in fair value of financial instruments as at December 31, 2014 includes:

- the €56 million negative variation in the fair value of non-asset backed derivative instruments;
- the €12 million negative variation in the fair value of Ornane bonds.

On the basis of the portfolio as at December 31, 2014, the fair value of the derivatives portfolio following a 0.5% rise in interest rates would increase by +€29 million recorded in income. A 0.5% decrease would lead to a fair value decrease of income -€24 million recorded in income.

3.5.6.9. TAX

€'000	12/31/2014	12/31/2013
Corporate income tax	(7)	0
Additional contribution to corporate income tax	(604)	(2,369)
CVAE	(2,848)	(2,279)
Tax credits	197	420
Recurring taxes	**(3,262)**	**(4,228)**
Exit tax	(2,742)	(3,781)
Non-recurring taxes	(61)	1,485
Tax credits	291	244
Deferred taxes	3,430	(2,407)
TOTAL	**(2,343)**	**(8,687)**

The French 2010 Finance law voted on December 30, 2009 canceled 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. The deferred tax is not material as at the balance sheet date.

€'000	12/31/2014	12/31/2013
Consolidated net income	280,930	327,749
Tax (incl. CVAE)	2,343	8,687
CVAE	(2,848)	(2,279)
Consolidated net income, before tax excl. CVAE	**280,425**	**334,157**
Theoretical tax rate	**38.00%**	**38,00%**
Theoretical tax in value	**106,562**	**126,980**
Impact of tax rate differences between France and other countries	(30)	49
Impact of permanent and timing differences	(535)	(3,466)
Companies accounted for by the equity method	(44)	(100)
Impact of the SIIC regime	(106,457)	(115,044)
Tax disputes	0	(2,012)
CVAE	2,848	2,279
TOTAL	**(104,218)**	**(118,294)**
Effective tax charge per income statement	2,343	8,687
Effective tax rate	**0.84%**	**2.60%**

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 year 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.

The conversion of Ornane bonds into shares at December 31, 2014, had an accretive impact on the group's net earnings per diluted share. This impact was therefore not taken into account as required by IAS 33.

	12/31/2014	12/31/2013
Net income linked to owners of the parent *(€'000)*	281,350	314,041
Weighted average number of shares before dilution	61,260,603	60,991,382
Undiluted earnings per share, linked to owners of the parent *(€)*	**4.59**	**5.15**
Earnings per share, after effect of dilutive securities, linked to owners of the parent *(€'000)*	282,735	315,882
Weighted average number of shares after dilution	61,910,045	61,652,789
Diluted earnings per share, linked to owners of the parent *(€)*	**4.57**	**5.12**

	12/31/2014	12/31/2013
Net income linked to owners of the parent before dilution *(€'000)*	281,350	314,041
Impact of dilution on net income (securities allocations effect)	1,385	1,841
Net income linked to owners of the parent, after effect of dilutive securities *(€'000)*	**282,735**	**315,882**
Weighted average number of shares before dilution	61,260,603	60,991,382
Impact of dilution on weighted number of shares	649,442	661,407
Weighted average number of shares after dilution	**61,910,045**	**61,652,789**

03

3.5.7. NOTES TO THE STATEMENT OF CONSOLIDATED CASH FLOWS

3.5.7.1. ACQUISITIONS AND DISPOSALS OF CONSOLIDATED SUBSIDIARIES

There was no effect for the fiscal year.

3.5.7.2. PROCEEDS FROM THE DISPOSALS OF TANGIBLE AND INTANGIBLE FIXED ASSETS

€'000	12/31/2014	12/31/2013
Block sales	705,627	682,056
Units sales	79,665	164,240
Proceeds from disposals	**785,293**	**846,296**
Block sales	(21,929)	(17,905)
Units sales	(5,582)	(4,364)
Cost of sales	**(27,511)**	**(22,270)**
CASH IN LINKED TO DISPOSALS	**757,782**	**824,026**

3.5.7.3. DISTRIBUTION TO SHAREHOLDERS OF THE PARENT COMPANY

For 2013, the Group distributed a dividend per share of €4.60 for a total amount of €280.7 million paid out on April 30, 2014 (for 2012 a dividend per share of €4.40 for a total amount of €267.7 million had been paid on April 30, 2013).

3.5.7.4. CLOSING CASH AND CASH EQUIVALENTS

€'000	12/31/2014	12/31/2013
Money-market UCITS	3,510	3,508
Cash and cash equivalents	9,745	8,769
Bank overdrafts	0	0
CLOSING CASH AND CASH EQUIVALENTS	**13,255**	**12,277**

3.5.8. SEGMENT REPORTING

The Group only operates in France (except for minimal operations in other European countries). It is structured into various sectors of activity, as follows:

INCOME STATEMENT FOR BUSINESS LINES AT DECEMBER 31, 2014

€'000	Offices	Hotels	Residential	Healthcare	Students residences	Services	Segments total
Operating income							
Rental revenues on offices properties	354,799		10,082				364,881
Rental revenues on residential properties	6,805		116,040				122,844
Rental revenues on healthcare properties				73,417			73,417
Rental revenues on logistics properties	716						716
Rental revenues on hotel properties							
Rental revenues on students residences					9,132		9,132
Turnover: gross rental income	**362,320**	**0**	**126,121**	**73,417**	**9,132**	**0**	**570,989**
Operating expenses	92,032		39,131	8,309	3,232		142,705
Recharges to tenants	(68,827)		(18,598)	(7,734)	(824)		(95,983)
Net rental income	**339,114**	**0**	**105,588**	**72,842**	**6,723**	**0**	**524,267**
Margin on rents	**93.60%**		**83.72%**	**99.22%**	**73.63%**		**91.82%**
Services and other income (net)	1,197		230	1,048	583	5,379	8,437
Salaries and fringe benefits							(46,502)
Net management costs							(18,619)
EBITDA							**467,583**
Net gains on disposals of properties	(86)		14,093	24			14,031
Change in value of properties	66,503		(37,741)	(7,264)	(431)		21,066
Amortization							(5,323)
Net impairments							677
Operating income							**498,034**
Net financial expenses							(146,554)
Financial provisions and amortization							
Change in value of derivatives							(68,322)
Net income from equity-accounted investments							115
Pre-tax income							**283,273**
Tax							(2,343)
Consolidated net income linked to non-controlling interests							420
Consolidated net income linked to owners of the parent							**(281,350)**
Assets and liabilities by segments as at December 31, 2014							
Property holdings (except headquarters)	6,423,271		2,553,530	1,105,745	196,202		10,278,748
- of which acquisitions	135,403				1,237		136,640
- of which properties for sale	7,618		161,463				169,081
Amounts due from tenants	81,560		12,114	1,121	549	332	95,676
Impairments of tenants' receivables	(3,646)		(7,041)		(201)		(10,888)
Security deposits received from tenants	43,405		12,259	1,735	1,154		58,552

INCOME STATEMENT FOR BUSINESS LINES AT DECEMBER 31, 2013

€'000	Offices	Hotels	Residential	Healthcare	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)			46,156
Change in value of properties	(27,166)		(12,091)	(5,240)	300		(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		2,631,718	1,070,887	164,916		10,720,044
- of which acquisitions	319,843			28,844	11,375		360,062
- of which properties for sale	9,228		210,712				219,940
Amounts due from tenants	83,078	3	14,533	1,572	312	355	99,853
Impairments of tenants' receivables	(3,243)		(7,402)		(113)		(10,758)
Security deposits received from tenants	49,599		12,611	1,956	941		65,107

3.5.9. OTHER INFORMATION

3.5.9.1. SHAREHOLDING STRUCTURE OF THE GROUP

As at December 31, 2014, the shareholding structure of Gecina was as follows:

Shareholders	Number of shares	% of share capital
Blackstone & Ivanhoé Cambridge	18,826,248	29.83%
Crédit Agricole Assurances Predica	8,435,388	13.37%
Norges Bank	6,119,554	9.70%
Other resident institutional shareholders	4,877,378	7.73%
Individual shareholders	2,739,901	4.34%
Non-resident shareholders	20,319,192	32.20%
Treasury shares	1,787,159	2.83%
TOTAL	**63,104,820**	**100.00%**

3.5.9.2. DIVIDENDS DISTRIBUTED DURING THE YEAR

For 2013, the Group distributed a dividend per share of €4.60 for a total amount of €280.7 million paid out on April 30, 2014.

3.5.9.3. RELATED PARTIES

The attendance allowances paid to directors appear in Note 5.2.3.

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 were accepted by the Spanish court. Bami Newco is neither consolidated nor booked under the equity method by Gecina since the Group has no control over that entity.

In December 2014, the Spanish court declared the commencement of receivership proceedings for Bami Newco. Gecina and SIF Espagne continue to assert their rights and defend their interests in these proceedings.

On December 14, 2007, Gecina advanced €9.85 million to Bami Newco for Gecina's acquisition of a plot of land in Madrid. This agreement received the approval of the General Meeting of Shareholders on 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 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 on behalf of FCC Construcción. The latter went to a Spanish court to demand the payment of this bond. On January 22, 2013, the court ordered Bami Newco and its guarantors, SIF Espagne and Inmopark 92 Alicante, to pay the sum of €1 million to FCC Construcción. The latter has appealed this ruling.

Through an order issued on September 12, 2014, the Madrid Appeal Court sentenced Bami Newco and its guarantors to pay, jointly and severally, to FCC Construccion, the sum of €5 million in principal, in addition to interests on arrears as well as the trial expenses.

In November 2014, FCC Construcción requested the execution of the aforesaid order against SIF Espagne, which made the corresponding payment.

Bami Newco and SIF Espagne have filed an appeal with the court of cassation. Proceedings are still ongoing.

The corresponding provision of €5 million has been written back the consolidated accounts of SIF Espagne and a debt has been recognized against Bami Newco and Inmopark 92 Alicante, on the assets side of the balance sheet, immediately impaired due to financial position of these two companies and their ongoing bankruptcy proceedings.

The resulting debt reports are being processed under the bankruptcy proceedings of Bami Newco and Inmopark 92 Alicante.

In 2012, the company was informed about the existence of several guarantees granted by SIF Espagne, then 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. Pursuant to a letter dated June 17, 2014, Banco Popular called in one of its two guarantees and claimed the payment of €3 million from SIF Espagne. After studying and analyzing the files, SIF Espagne considers, considering the data in its possession, that it is not required, to date, to pay the guaranty called by Banco Popular.

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. 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 SL 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. 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 in spite of its petition. Proceedings are still ongoing. Gecina continues to assert its rights in this respect.

Lastly, on September 11, 2014, the Spanish bank Abanca requested the payment by Gecina of €63 million pursuant to the guarantee letters of endorsements that were allegedly signed in 2008 and 2009, by Mr. Joaquin Rivero, a former Gecina officer.

Gecina, which had no knowledge of these letters of endorsement, considered, after talking to its legal advisers, that they represent a fraudulent arrangement since they are in breach of its corporate interest and of applicable rules of procedure.

For these reasons, Gecina informed Abanca that it contested the fact that it owed the sum being claimed and would consequently not respond to its claim. On October 24, 2014, the Company filed a criminal complaint in France against Mr. Joaquin Rivero and all other persons involved, for misuse of authority under these letters of endorsement.
No provision was recognized for this purpose.

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 until September 2014. In this respect, Metrovacesa issued an invoice for €36 thousand in 2014.

A co-exclusive sale mandate for a building located in Neuilly-sur-Seine (Hauts-de-Seine) was concluded in May 2011, between Locare, subsidiary of Gecina, and Resico, subsidiary of Predica, shareholder and director of the company. In this respect, Locare issued an invoice of €274,047.25 in 2014 to Resico.

3.5.9.4. GROUP EMPLOYEES

Average headcount	12/31/2014	12/31/2013	12/31/2012
Managers	199	197	199
Employees and supervisors	176	184	175
Building staff	101	109	139
TOTAL	**477**	**490**	**513**

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 12/31/2013	Plan adjustments	Options granted in 2014	Options exercised in 2014	Options canceled, expired or transferred	Total to exercise at 12/31/2014	Residual life *(in years)*
10/12/2004	12/12/2006	316,763	€61.02	22,493			22,493		0	0.0
03/14/2006	03/14/2008	251,249	€96.48	236,749			31,665		205,084	1.2
12/12/2006	12/12/2008	272,608	€104.05	252,439			11,535		240,904	2.0
12/13/2007	12/13/2009	230,260	€104.72	198,691			9,204		189,487	3.0
12/18/2008	12/18/2010	331,875	€37.23	50,184			10,922		39,262	4.0
04/16/2010	04/16/2012	252,123	€78.98	248,250			122,692		125,558	5.3
12/27/2010	12/27/2012	210,650	€84.51	210,450			11,492	80	198,878	6.0

PERFORMANCE SHARES

Grant date	Vesting date	Number of shares advanced	Stock price when granted	Balance at 12/31/2013	Shares vested in 2014	Shares cancelled in 2014	Balance at 12/31/2014
04/16/2010	04/16/2012	48,875	€83.17	1,600	1,600		0
12/27/2010	12/28/2012	60,850	€82.48	0			0
12/14/2011	12/15/2013	48,145	€55.88	0			0
12/14/2012	12/15/2014	52,820	€86.35	46,320	45,280	1,040	0
12/14/2012 bis	12/14/2015	11,750	€86.35	9,850			9,850
12/13/2013	12/14/2015	62,560	€93.65	62,560		350	62,210
12/13/2013(2)	12/14/2015	9,700	€93.65	9,700		1,100	8,600

3.5.9.6. COMPENSATION FOR ADMINISTRATIVE AND GOVERNANCE BODIES

Compensation for management bodies concerns Gecina's corporate officers

€'000	12/31/2014	12/31/2013
Short-term benefits	1,626	1,522
Post-employment benefits	N.A	N.A
Long-term benefits	N.A	N.A
End-of-contract benefits (ceiling for 100% of criteria)	N.A	N.A
Share-based payment	486	486

3.5.9.7. STATUTORY AUDITORS' FEES

The Statutory Auditors' fees recognized on the 2014 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)(1)		%		Amount (net of tax)(1)		%		Amount (net of tax)(1)		%	
€'000	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
AUDIT												
Statutory auditing, certification, review of individual and consolidated accounts...												
Issuer	517	524	73%	69%	468	484	57%	68%	985	1,008	65%	69%
Fully consolidated subsidiaries	134	137	19%	18%	163	158	20%	22%	297	295	20%	20%
Other procedures and services directly linked to the Statutory Auditor's engagement...												
Issuer	10	82	1%	11%	183	70	22%	10%	193	152	13%	10%
Consolidated subsidiaries	48	16	7%	2%			0%	0%	48	16	3%	1%
Subtotal	709	759	100%	100%	814	712	100%	100%	1,523	1,471	100%	100%
OTHER SERVICES RENDERED BY THE NETWORKS TO FULLY CONSOLIDATED SUBSIDIARIES												
Legal, fiscal, social			0%	0%			0%	0%			0%	0%
Other if > 10% of audit fees			0%	0%			0%	0%			0%	0%
Subtotal	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%
TOTAL	709	759	100%	100%	814	712	100%	100%	1,523	1,471	100%	100%

(1) 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), certifications (€24,000), a subsidiary limited review (€32,000) and due diligence works (€100,000).

3.5.9.9. POST-BALANCE SHEET EVENTS

On January 12, 2015, Gecina placed a €500 million 10-year bond issue, maturing in January 2025. The bond was issued on a spread of 85 bp on the mid-swap rate, offering a 1.50% coupon, which is the lowest coupon and spread for a Gecina bond issue.

On January 23, 2015, Gecina sold off an office building located in Madrid to a SOCIMI (Spanish real estate investment trust) managed by IBA Capital Partners. The building, which is entirely leased to BMW, was sold for €41 million excluding transfer taxes, generating a sale premium of nearly €7 million excluding fees compared to its appraisal value at December 31, 2014.

04

Annual financial statements

04

4.1. BALANCE SHEET AS AT DECEMBER 31, 2014

ASSETS

	12/31/2014			12/31/2013
€'000	Gross	Depreciations and impairments	Net	Net
Fixed assets				
Intangible fixed assets	**422,599**	**9,802**	**412,797**	**419,165**
Concessions, patents, licenses	12,600	9,802	2,798	3,484
Intangible assets	409,999		409,999	415,681
Tangible fixed assets	**4,306,979**	**577,392**	**3,729,587**	**3,806,936**
Land	2,344,572	117,232	2,227,340	2,256,622
Buildings	1,886,441	443,286	1,443,155	1,497,123
Buildings on third party land	27,779	12,027	15,752	17,426
Other	7,863	4,847	3,016	2,065
Construction in progress	40,324		40,324	33,700
Advances and instalments				
Financial investments	**3,612,433**	**339,355**	**3,273,078**	**3,445,460**
Equity investments and related receivables	3,240,574	278,633	2,961,941	3,134,342
Other equity investments	79,273		79,273	79,275
Loans	226,090		226,090	225,981
Other financial investments	978	153	825	912
Advances on property acquisitions	65,519	60,569	4,950	4,950
TOTAL I	**8,342,011**	**926,549**	**7,415,462**	**7,671,561**
Current assets				
Advances and instalments	1,024		1,024	784
Receivables				
Rent due	15,826	8,038	7,788	9,857
Other	66,587	26,947	39,640	218,649
Investment securities	51,299		51,299	56,566
Liquid assets	27,585		27,585	28,265
Asset accruals				
Prepaid expenses	23,446		23,446	28,915
TOTAL II	**185,767**	**34,985**	**150,782**	**343,036**
Bond redemption premiums	9,329		9,329	7,995
TOTAL III	**9,329**	**0**	**9,329**	**7,995**
GRAND TOTAL (I + II + III)	**8,537,107**	**961,534**	**7,575,573**	**8,022,592**

LIABILITIES

€'000	Before allocation of income 12/31/2014	12/31/2013
Equity		
Capital	473,286	471,529
Issue, merger and contribution premiums	1,898,971	1,885,667
Revaluation gain	453,351	480,769
Reserves:		
Legal reserve	46,033	45,857
Legal reserve from long-term capital gains	1,296	1,296
Regulatory reserves	24,220	24,220
Distributable reserves	747,692	683,563
Retained earnings	0	0
Net income for the year	229,508	317,775
Investment subsidies	1,260	768
TOTAL I	**3,875,617**	**3,911,444**
Provisions		
Provisions for contingencies	2,562	3,431
Provisions for liabilities	13,438	13,222
TOTAL II	**16,000**	**16,653**
Payables and debt		
Bonds	2,320,554	2,323,260
Loans and debt	1,247,606	1,634,291
Security deposits	28,977	28,206
Advances and instalments received	12,683	11,102
Trade payables	14,939	14,911
Tax and social security payables	26,247	31,226
Fixed asset payables	21,479	38,675
Other payables	10,193	11,339
Accruals		
Deferred income	1,278	1,485
TOTAL III	**3,683,956**	**4,094,495**
GRAND TOTAL (I + II + III)	**7,575,573**	**8,022,592**

4.2. INCOME STATEMENT AS AT DECEMBER 31, 2014

€'000	12/31/2014	12/31/2013
Operating revenues		
Rental income	271,910	270,879
Write-backs on impairment and provisions	5,011	6,985
Recharges to tenants	51,517	49,165
Other transferred expenses	762	(4,448)
Other income	30,944	33,495
TOTAL	**360,144**	**356,076**
Operating expenses		
Purchases	12,457	13,130
Other external expenses	75,160	71,673
Taxes and duties	33,296	33,085
Salaries and fringe benefits	43,848	38,907
Depreciation	67,808	71,786
Impairment on current assets	1,426	21,858
Provisions	2,329	2,860
Other charges	2,339	2,511
TOTAL	**238,663**	**255,810**
Operating income	**121,481**	**100,266**
Financial income		
Interest and related income	58,176	179,373
Net gains on sale of marketable securities	92	5
Write-backs on impairment and provisions, transferred expenses	3,836	25,423
Income from investment securities and receivables	273,434	78,487
Income from equity investments	14,371	11,789
TOTAL	**349,909**	**295,077**
Financial costs		
Interest and related expenses	258,616	182,529
Impairment and provisions	15,211	4,290
TOTAL	**273,827**	**186,819**
Net financial items	**76,082**	**108,258**
Income before tax and exceptional items	**197,563**	**208,524**
Exceptional items		
Capital gains on mergers, disposals and exchange of securities		
Net gains on sale of properties	38,468	117,399
Net gains on sale of securities	786	(1,992)
Provisions for property impairments	(5,629)	1,366
Subsidies	144	131
Exceptional income and expenses	1,025	(3,835)
Exceptional items	**34,794**	**113,069**
Income before tax	**232,357**	**321,593**
Income tax	(2,849)	(3,818)
RESULT	**229,508**	**317,775**

4.3. NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT DECEMBER 31, 2014

4.3.1. HIGHLIGHTS

FISCAL YEAR 2014

On February 6, 2014, Gecina was 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. Concert parties Blackstone & Ivanhoé Cambridge became the owners of 14,448,037 Gecina shares, 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.

On March 17, 2014, Gecina leased nearly 2,000 sq.m in the Horizons building, located in Boulogne-Billancourt, to Wargaming Europe, a multimedia video games designer, editor and seller, which also provides advice and assistance in the video games sector. At the end of this transaction, Gecina had leased out more than 90% of this asset.

On June 30, 2014, Gecina signed a 12-year firm lease with Henner for nearly 12,800 sq.m in the building located at 14 boulevard du Général Leclerc in Neuilly-sur-Seine. After this transaction, the asset was fully let.

On July 23, 2014, Gecina successfully placed a €500 million 7-year bond issue, maturing on July 30, 2021. The bond was issued on a spread of 92 bp on the mid-swap rate, offering a 1.75% coupon, which is the lowest coupon and spread for a Gecina bond issue. This low coupon bond helps Gecina to reduce its average cost of debt.

On July 29, 2014, Gecina duly noted the disposal by Metrovacesa of all its 16,809,610 Gecina shares (26.74%) to institutional investors. This transaction followed the disposal contracts under conditions precedent that had been signed on June 6, 2014. This transaction reinforced the action of the concert parties Blackstone-Ivanhoé Cambridge (29.9%) and of Crédit Agricole Assurances (13.4%). It also allowed the arrival of new shareholders such as Norges Bank (9.0%) into the Group and increased the float from 39% to 45%.

On September 12, 2014, Moody's raised its financial rating for Gecina from Baa2 (stable outlook) to Baa1 (stable outlook). The credit rating agency stressed two major factors behind its decision. The first was the excellent operational and financial performance of Gecina in a harsh macro-economic context driven in particular, by a diversified and superior quality portfolio of offices. Secondly, the changes in its shareholding structure had resulted in the departure of its former Spanish shareholders and the arrival of first-rate institutional investors with extensive industry expertise. All things being equal, it will help to reduce the average cost of debt in the medium term.

The Gecina Board of Directors' meeting of September 17, 2014 duly noted the resignation of four directors: Metrovacesa, represented by Mr. Carlos Garcia, as well as Messrs. Sixto Jimenez, Eduardo Paraja and Antonio Trueba. These resignations followed the disposal by Metrovacesa of its entire equity investment in Gecina's capital announced on July 29, 2014.

On October 16, 2014, Standard & Poor's upgraded its financial rating for Gecina, changing it from BBB/positive outlook to BBB+/stable outlook. The credit rating agency stressed the robust operational performance as well as Gecina's strengthened shareholding base over the last year as a result of the arrival of new institutional shareholders such as Ivanhoé Cambridge, Blackstone and Norges Bank and the increase in the equity investment of Crédit Agricole Assurances-Predica.

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 subjected 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 and amortized under the straight-line method according to the planned term of the asset. They include in particular technical merger losses, 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

Gecina has been using a component approach since 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 (as at December 31, 2014: 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 excluding transfer duties. 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 FIXED ASSETS

Equity investments are stated on the balance sheet at subscription or acquisition cost, except for those held at January 1, 2003 that were revalued.

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	**426,820**	**0**	**0**	**1,462**	**5,683**	**422,599**
Concessions, licences	11,139			1,462	1	12,600
Intangible assets	415,681				5,682	409,999
Tangible fixed assets	**4,322,054**	**0**	**0**	**35,294**	**50,369**	**4,306,979**
Land	2,367,951		31		23,410	2,344,572
Buildings	1,883,978		6,303	20,432	24,272	1,886,441
Buildings on third party land	30,435				2,656	27,779
Other tangible fixed assets	5,990		32	1,872	31	7,863
Fixed assets in progress	33,700		(6,366)	12,990		40,324
Advances and instalments	0					0
Financial investments	**3,774,700**	**(503)**	**0**	**668,264**	**830,028**	**3,612,433**
Equity investments	1,842,872	(503)		285,166		2,127,535
Receivables related to equity investments	1,559,988			382,506	829,455	1,113,039
Other financial investments(1)	79,275				2	79,273
Loans	225,981			171	62	226,090
Other financial investments	1,064			421	509	976
Advances on property acquisitions	65,520					65,520
TOTAL	**8,523,574**	**(503)**	**0**	**705,020**	**886,080**	**8,342,011**

(1) Including treasury shares (see Note 4.3.4.4).

The amount of the intangible asset corresponds to the underlying capital gains on the property holdings contributed by SIF, its subsidiaries, Horizons, Parigest, Montbrossol, Geci 1 and Geci 2. The intangible asset is written down for impairment when it exceeds the sum of these underlying capital gains.

Changes in equity investments mainly concern:

- the subscription to the capital increase of the GEC 13 subsidiary for €120 million;
- the subscription to the capital increase of the GEC 17 subsidiary for €60 million;
- the subscription to the capital increase of the GEC 12 subsidiary for €50 million;
- the subscription to the capital increase of the Khapa subsidiary for €30 million;
- the subscription to the capital increase of the Michelet subsidiary for €25 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.

After the Beaugrenelle reimbursement of €456 million in 2014, the largest shareholder loans were made to Gecimed for €291 million, GEC 9 for €114 million, Michelet, Khapa and GEC 17 for €70 million, GEC 13 for €63 million, GEC 12 for €62 million, SIF Espagne subsidiary for €46 million of receivables and €187 million of equity loans set up in 2010.

AMORTIZATION

€'000	Balance brought forward	Mergers	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	**7,654**		**2,148**	**1**	**9,802**
Concessions, licenses	7,654		2,148	1	9,802
Tangible fixed assets	**402,585**		**65,660**	**9,015**	**459,230**
Buildings	385,933		64,169	7,746	442,356
Buildings on third party land	12,726		539	1,238	12,027
Other tangible fixed assets	3,926		952	31	4,847
TOTAL	**410,239**	**0**	**67,808**	**9,016**	**469,032**

IMPAIRMENT

€'000	Balance brought forward	Mergers	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	**0**				**0**
Intangible assets	0				0
Tangible fixed assets	**112,533**		**11,741**	**6,112**	**118,162**
Land	111,329		11,684	5,782	117,232
Buildings	1,204		57	330	930
Financial investments	**329,240**	**(64)**	**13,131**	**2,952**	**339,355**
Equity investments and related receivables	268,518	(64)	13,131	2,952	278,633
Other equity investments	0				0
Other financial investments	153				153
Advances on property acquisitions	60,569				60,569
TOTAL	**441,773**	**(64)**	**24,872**	**9,064**	**457,517**

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 €200 million respectively.

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 latest appraisal value of €5 million).

4.3.4.2. OPERATING RECEIVABLES

€'000	12/31/2014	12/31/2013
Rent due	15,826	18,498
Impairment of rent due	(8,038)	(8,641)
TOTAL RENT DUE AND RELATED RECEIVABLES	**7,788**	**9,857**
Receivables on fixed asset disposals	0	180
Group receivables	44,542	199,473
Group income due	8,273	13,894
Miscellaneous income due	977	10,232
French state – income tax receivables	5,198	4,445
French state – VAT	2,734	14,198
Management agencies, co-ownerships and external managers	1,404	1,462
Miscellaneous other receivables	3,459	1,712
Other receivables impairment	(26,947)	(26,947)
TOTAL OTHER RECEIVABLES	**39,640**	**218,649**

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 corresponds 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	12/31/2014	12/31/2013
Investment securities (money market UCITS)	812	810
Treasury shares reserved for employees	50,487	56,458
Treasury shares (liquidity contract)	0	0
Cash instruments	0	183
Total gross amounts	**51,299**	**57,451**
Impairment	0	(884)
TOTAL INVESTMENT SECURITIES	**51,299**	**56,567**

Treasury shares recorded as investment securities for €50,487,000 include the 674,737 Gecina shares held to cover the 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 January 1, 2014	1,112,445	79,275
Share disposal *via* a liquidity contract	0	0
Shares allocated to Ornane bondholders through the exercise of their allocation right	(23)	(2)
BALANCE AT DECEMBER 31, 2014(1)	**1,112,422**	**79,273**

(1) These shares are recorded in "Other equity investments".

4.3.4.5. BOND REDEMPTION PREMIUMS

At December 31, 2014, this line comprised premiums related to all non-convertible bonds, which are amortized on a straight line over the term of the debt (€2.1 million in 2014).

4.3.4.6. CHANGE IN SHARE CAPITAL AND SHAREHOLDERS' EQUITY

At year-end 2014, the capital was composed of 63,104,820 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
12/31/2012	**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**
Capital increase (employees)	1,757	13,305	(211)			14,851
Account transfers			27,418	(27,418)		0
Merger premiums						0
2013 Income appropriation			37,097			37,097
12/31/2014	**473,286**	**1,898,971**	**819,241**	**453,351**	**0**	**3,644,849**

4.3.4.7. PROVISIONS

€'000	Values at 12/31/2013	Contribution/ Merger	Allocations	Write-backs	12/31/2014
Provisions for tax audits	976				976
Provision for employee benefits	10,775		1,270	605	11,440
Provision for share buyback plans	1,471		1,022	1,471	1,022
Other provisions	3,431		37	906	2,562
TOTAL	**16,653**	**0**	**2,329**	**2,982**	**16,000**

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, 2014, a total amount of €1 million was accrued as provision for the ongoing tax assessment notices, the same amount since December 31, 2013.

The allocation to employee benefit commitments of €1.3 million concern the increase in the company's commitments related to employee benefits.

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 spread over the vesting period.

4.3.4.8. BORROWINGS AND FINANCIAL DEBT

REMAINING MATURITIES

€'000	Less than 1 year	1 to 5 years	Over 5 years	Total 12/31/2014	Total 12/31/2013
Non-convertible bonds	50,565	1,150,000	800,000	2,000,565	2,003,260
Ornane bond		319,989		319,989	320,000
Loans and debt (excluding Group)	335,122	262,639	345,956	943,717	1,238,863
Group debt	303,889			303,889	395,427
TOTAL	**689,576**	**1,732,628**	**1,145,956**	**3,568,160**	**3,957,550**

During the fiscal year, the company issued a new bond debt of €500 million at 1.750% maturing in July 2021.

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 12/31/2014	Balance at 12/31/2013
Net debt/Revalued block value of property holding	Maximum 55%	36.7%	38.7%
EBITDA (excluding disposals)/Net financial expenses	Minimum 2.0x	3.2x	3.0x
Outstanding secured debt/Revalued Block value of property holding	Maximum 25%	11.2%	11.7%
Revalued block value of property holding *(€ million)*	Minimum 6,000/8,000	10,369	10,819

CHANGE OF CONTROL CLAUSES

€500 million bonds maturing 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.

€650 million bonds maturing 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.

€300 million bonds maturing 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 bonds: a change of control could lead to early reimbursement at the discretion of bondholders.

€500 million bonds maturing in July 2021: 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.

4.3.4.9. EXPOSURE TO INTEREST RATE RISKS

€'000	Debt before hedging at 12/31/2014	Effect of hedging at 12/31/2014		Debt after hedging at 12/31/2014	Debt after hedging at 12/31/2013
Floating rate financial debt	918,775	(1,890,000)	512,300	(458,925)	(1,578,278)
Fixed rate financial debt	2,270,713	1,890,000	(512,300)	3,648,413	5,058,680
INTEREST-BEARING FINANCIAL DEBT(1)	**3,189,488**	**0**	**0**	**3,189,488**	**3,480,402**

(1) Gross debt excluding accrued interests, bank overdrafts and Group debts.

DERIVATIVE PORTFOLIO

€'000	12/31/2014	12/31/2013
Derivatives in effect at year-end		
Fixed rate swaps	690,000	1,307,203
Caps (purchases)	1,250,000	1,113,000
Floors	0	250,000
Caps (sales)	(50,000)	(50,000)
Swaps floating rates versus floating rates		
Floating rate swaps	512,300	112,300
Subtotal	**2,402,300**	**2,732,503**
Derivatives with deferred impact(1)		
Floating rate swaps	0	250,000
Caps (purchases)	125,000	725,000
Floors		600,000
Fixed rate swaps	150,000	
Swaptions		117,000
Subtotal	**275,000**	**1,692,000**
TOTAL	**2,677,300**	**4,424,503**

(1) Including nominal changes on derivatives in portfolio at closing.

The fair value of the derivatives portfolio as at December 31, 2014 shows an unrealized termination loss of €71 million.

Hedging instruments were restructured during the fiscal year, leading to financial expenses of €122 million for termination.

4.3.4.10. EXPENSES PAYABLE, INCOME RECEIVABLES AND PREPAID CHARGES AND ACCRUED INCOME

These elements are included in the following balance sheet items:

€'000	12/31/2014	12/31/2013
Bonds	50,565	53,260
Financial debt	3,277	7,979
Trade payables	11,625	11,969
Tax and social security payables	16,395	15,505
Fixed asset payables	16,828	36,442
Miscellaneous	2,712	5,787
Total accrued expenses	**101,402**	**130,942**
Prepaid income	1,278	1,485
TOTAL LIABILITIES	**102,680**	**132,427**
Financial investments	6,303	6,303
Trade receivables	4,325	5,309
Other receivables	9,412	24,333
Total accrued income	**20,040**	**35,945**
Prepaid charges	23,446	28,915
TOTAL ASSETS	**43,486**	**64,860**

Prepaid charges mainly concern loan issuance costs for €20.5 million. Income receivables recognized under "Other receivables" correspond for €8 million to revenues from inter-company recharges.

4.3.4.11. DEPOSITS AND GUARANTEES RECEIVED

This item for a total of €28.9 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	12/31/2014	12/31/2013
Commitments received		
Swaps	1,352,300	1,669,503
Caps	1,375,000	1,838,000
Unused lines of credit	2,090,000	2,195,000
Commitments to sale of properties	2,200	1,158
Mortgage-backed receivable	4,950	4,950
Other	12,193	98,087
TOTAL	**4,836,643**	**5,806,698**
Commitments given		
Guarantees granted(1)	490,826	551,342
Guarantees given on differentials for subsidiaries' swap transaction (notional amounts)	0	0
Swaps	1,352,300	1,669,503
Floors	0	850,000
Caps	50,000	50,000
Swaptions	0	117,000
Payables secured by collateral	578,775	599,625
Commitments to sale of properties	16,664	19,042
Works amount to be invested (including sales of property for future completion)	0	0
Earnouts on share acquisitions	0	0
Other	11,489	11,296
TOTAL	**2,500,053**	**3,867,808**

(1) Including guarantees granted at December 31, 2014 by Gecina to Group companies for €491 million.

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 at 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 formatio*n – DIF) at December 31, 2014 the company's employees had earned 35,898 aggregate hours (after deduction of hours used since the establishment of the DIF). These hours acquired at December 31, 2014 will be transferred to the personal training account (CPF) on or after January 1, 2015.

4.3.5. NOTES ON THE INCOME STATEMENT

4.3.5.1. OPERATING INCOME

€'000	12/31/2014	12/31/2013
Rental revenues on residential properties	119,410	123,880
Rental revenues on commercial properties	152,500	146,999
TOTAL RENTAL REVENUES	**271,910**	**270,879**

4.3.5.2. OPERATING EXPENSES

Operating expenses (excluding depreciation and provisions) mainly include property rental expenses to recharge to tenants for €54.7 million.

Payroll costs include the competitiveness and employment tax credit (CICE) for an amount of €98,000 in 2014. This tax credit has been used for various investments.

4.3.5.3. DEPRECIATION AND IMPAIRMENT ALLOCATIONS AND WRITE-BACKS

	12/31/2014		12/31/2013	
€'000	Allocations	Write-backs	Allocations	Write-backs
Fixed assets depreciation(1)	67,808		71,786	
Intangible fixed assets impairment(1)				
Tangible fixed assets impairment(1)	11,741	6,112	14,701	16,067
Impairment of financial investments and investment securities	13,131	3,836	2,443	25,423
Receivables impairment(2)	1,426	2,029	21,858	1,862
Provisions for risks and charges(3)	2,329	2,982	2,860	5,123
Amortization of bond redemption premiums(4)	2,081		1,847	
TOTAL	**98,516**	**14,959**	**115,495**	**48,475**
of which:				
• operating	71,563	5,011	96,504	6,985
• financial	15,212	3,836	4,290	25,423
• non-recurring and tax	11,741	6,112	14,701	16,067

(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.

In 2013, impairments of receivables corresponded to Bami Newco, for €20 million.

4.3.5.4. NET FINANCIAL ITEMS

	12/31/2014		12/31/2013	
€'000	Expenses	Income	Expenses	Income
Interest and related expenses or income	258,615	58,175	182,529	179,372
Net gains on sale of marketable securities		92		5
Dividends of subsidiaries and income from equity investments(1)		287,806		90,277
Depreciation, impairment and provision charges and write-backs:				
• amortization of bond redemption premiums	2,081		1,847	
• impairment of investment in subsidiaries, related receivables or treasury shares	13,131	3,836	2,443	25,423
TOTAL	**273,827**	**349,909**	**186,819**	**295,077**

(1) Including in 2014 dividends received from SCI Beaugrenelle for an amount of €125 million.

4.3.5.5. EXCEPTIONAL ITEMS

€'000	12/31/2014	12/31/2013
Net gains on sale of properties	38,462	117,399
Impairment of fixed assets	(5,629)	1,366
Capital gains or losses on disposals of securities or mergers	786	(1,992)
Loss on purchase of treasury shares	0	(4,817)
Other non-recurring income and expenses	1,175	1,113
EXCEPTIONAL ITEMS	**34,794**	**113,069**

Block sales of 2 buildings in 2014 generated a gain of €5 million, the balance of €33 million having been generated by unit-by-unit sales.

4.3.5.6. OPERATIONS WITH AFFILIATED COMPANIES

€'000

Assets *(gross values)*		Liabilities		Net financial items	
Financial investments	3,427,695	Financial debts	301,207	Financial costs	17,605
Trade receivables	0	Trade payables	564		
Other receivables	52,815	Other payables	0	Financial income	348,012
Guarantees granted by Gecina on behalf of related companies			**490,826**		

At December 31, 2014, 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 of (€30.3 million in 2014) as well as loans governed by specific agreements.

4.3.6. OTHER INFORMATION

4.3.6.1. EXCEPTIONAL EVENTS AND DISPUTES

On September 11, 2014, the Spanish bank Abanca requested the payment by Gecina of €63 million pursuant to the guarantee letters of endorsements that were allegedly signed in 2008 and 2009, by Mr. Joaquín Rivero, former Gecina officer.

Gecina, which had no knowledge of these letters of endorsement, considered, after talking to its legal advisers, that they represent a fraudulent arrangement since they are in breach of its corporate interest and of applicable rules and procedures.

For these reasons, Gecina informed Abanca that it contested the fact that it owed the sum being claimed and that as a result, it would not respond to its claim. On October 24, 2014, the company filed a criminal complaint against Mr. Rivero and any other person involved, for misuse of authority under these letters of endorsement.

No provision was recognized for this purpose.

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, repartedly drawn by Gecina, in favor of a Spanish company known as Arlette Dome S.L. 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 SL 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. 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. Gecina continues to assert its rights in this respect.

04

4.3.6.2. WORKFORCE

Average headcount	2014	2013
Managers	165	162
Employees and supervisors	139	143
Operatives and building staff	94	100
TOTAL	**397**	**405**

4.3.6.3. COMPENSATION FOR ADMINISTRATIVE AND GOVERNANCE BODIES

Attendance allowances allocated to members of Gecina's Board of Directors for 2014 amounted to €0.93 million. No loans or guarantees were granted or arranged for members of the administrative and governance bodies.

4.3.6.4. CONSOLIDATING COMPANY

None.

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	7,540	1,900	350	1,100
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	38,780	60,700	47,965	45,280	0	0	0
Number of shares to be exercised	**0**	**0**	**0**	**0**	**0**	**9,850**	**62,210**	**8,600**
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	280
Subscription or purchase price (after adjustment)	€61.02	€96.48	€104.05	€104.72	€37.23	€78.98	€84.51
Number of shares bought or subscribed (after adjustment)	316,763	31,665	11,535	9,204	292,613	124,786	11,492
Number of shares to be exercised	**0**	**205,084**	**240,904**	**189,487**	**39,262**	**125,558**	**198,878**
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 January 12, 2015, Gecina placed a €500 million 10-year bond issue, maturing in January 2025. The bond was issued on a spread of 85 bp on the mid-swap rate, offering a 1.50% coupon, which is the lowest coupon and spread for a Gecina bond issue.

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	846,650	100.00%	782,018	782,018
SA GECIMED	232,914	77,516	100.00%	314,407	314,407
SAS HOTEL D'ALBE	2,261	92,977	100.00%	216,096	216,096
SCI CAPUCINES	14,273	1,966	100.00%	26,188	26,188
SNC MICHELET LEVALLOIS	75,000	12,328	100.00%	95,965	87,329
SAS KHAPA	30,037	35,742	100.00%	66,659	66,659
SCI 55 RUE D'AMSTERDAM	18,015	(1,911)	100.00%	36,420	36,420
SAS GEC 7	81,032	39,328	100.00%	119,553	119,553
SIF Espagne	32,961	(232,662)	100.00%	33,161	
SARL COLVEL WINDSOR	32,000	2,408	100.00%	58,016	36,911
SAS SPIPM	1,226	25,648	100.00%	26,890	26,890
SAS SADIA	90	20,731	100.00%	24,928	24,928
SCI ST AUGUSTIN MARSOLLIER	10,515	1,343	100.00%	23,204	23,204
SAS LE PYRAMIDION COURBEVOIE	37	25,060	100.00%	22,363	22,363
SAS L'ANGLE	37	22,036	100.00%	21,434	21,434
SCI 5 BD MONTMARTRE	10,515	5,860	100.00%	18,697	18,697
SAS ANTHOS	30,037	(1,575)	100.00%	50,953	42,771
SCI BEAUGRENELLE	22	30,924	75.00%	30,720	30,720
SCI GEC 15	5	4,409	99.00%	32,193	32,193
SNC GECINA MANAGEMENT	3,558	5,571	100.00%	12,215	6,828
SCI GEC 12	50,002	1,861	100.00%	50,002	50,002
SCI GEC 13	120,002	4,070	100.00%	120,002	120,002
SCI GEC 17	60,002	(173)	100.00%	60,002	60,002
B – General information on other subsidiaries or equity investments with gross value not exceeding 1% of Gecina's share capital					
a. French subsidiaries (Total)				14,332	11,940
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
	158,805	70,915	38,026	97,577	
299,682		44,104	10,633	17,300	
	212,060	21,758	15,102	14,129	69,873(1)
33,330		4,531	1,966		4,702(1)
72,292		13,686	(3,911)	4,250	
70,823		11,811	3,704	5,717	
24,245		1,329	(1,911)		4,255(1)
44,470	8,961	5,890	1,256		
232,719		3,617	(4,091)		199,770(2)
43,446		5,756	(37)		
62		2,449	1,786	1,095	4,075(1)
11,113		2,798	1,561	1,440	5,870(1)
10,103		2,833	1,343		4,537(1)
	51,000	4,343	2,060	1,849	
	60,000	5,635	2,775	3,573	
19,196		3,413	1,676	946	3,462(1)
25,257		3,107	277		
		12,999	226,971	125,250	
368		4,907	2,295		32,189(1)
3		7,155	2,301		
62,648		6,271	1,861		
63,648		15,105	4,070		
70,733		5,361	(173)		
13,483		16,805	(70)	307	
–	–	–	–	–	
7,571			(273)		
–	–	–	–	–	

05

Corporate governance

05

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 Corporate 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 19, 2015.

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, recommendation 25.1 of the AFEP-MEDEF Code and the stipulations of Recommendation No. 2014-08 of the AMF regarding the implementation of the "apply or explain" rule, the table below presents the AFEP-MEDEF Code provisions with which Gecina does not fully comply as at the date of this document and explains the reasons for this situation. It must be noted that this situation of non-compliance is temporary.

The Board of Directors has in fact, in its new composition and following the resignation of a number of Directors in September 2014, confirmed its commitment to comply with all the recommendations of the AFEP-MEDEF Code.

In this respect, it has decided to increase the percentage of independent directors on the Audit, Risks and Sustainable Development Committee and on the Governance, Appointment and Compensation Committee, which now equals two-thirds on each of these Committees (*versus*, respectively, three independent directors out of five and two out of four previously). It also set the goal of increasing the percentage of independent directors and the proportion of women on the Board of Directors to respectively 50% and 40%.

Furthermore, having reviewed the clarifications given by the Corporate Governance High Commission and by the AMF through their respective reports for fiscal year 2014, the Board of Directors decided to apply the recommendation regarding the measurement of the effective contribution of each Director at Board meetings based on their capability and their involvement in debates. It was therefore decided, as part of the annual assessment of the works of the Board and its Committees in 2014, to measure, with the assistance of an external firm, the actual contribution of each Director. The Board of Directors considers that such an analysis is important, particularly for works conducted by the Governance, Appointment and Compensation Committee with a view to preparing the renewal of directorships. The results of these analyses will not be published.

Subject	Recommendation of the AFEP-MEDEF Code	Gecina's situation	Justifications/Remarks
Proportion of independent Directors on the Board of Directors	Half of independent directors in companies with dispersed capital and without controlling shareholders (recommendation 9.2)	Four out of the nine Directors can be described as independent	As the Board of Directors comprises nine members, the independent directors represent 44% of its members (compared to the 50% required by the AFEP-MEDEF Code). This situation stems from the history of the company's shareholding organization and the direct involvement of the main former shareholders in the company's Board of Directors. It is nevertheless temporary and should cease at the end of the General Meeting convened to approve the financial statements for the year ending December 31, 2014, since the Board of Directors decided, at its meeting of February 19, 2015, on the recommendation of the Governance, Appointment and Compensation Committee, to propose to the said Meeting, the appointment of a female independent director. Subject to the vote of the General Meeting, the percentage of independent directors and the percentage of women on the Board of Directors will reach respectively 50% and 40% as recommended by the AFEP-MEDEF Code.

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, 2014, Gecina's Board of Directors is made up of nine members:

- Mr. Bernard Michel, Chairman of the Board of Directors;
- Ms. Méka Brunel (Ivanhoé Cambridge);
- Ms. Sylvia Fonseca, independent director;
- Mr. Claude Gendron (Ivanhoé Cambridge);
- Mr. Rafael Gonzalez de la Cueva, independent director;
- Mr. Anthony Myers (The Blackstone Group);
- Mr. Jacques-Yves Nicol, independent director;
- Predica, represented by Mr. Jean-Jacques Duchamp;
- Ms. Inès Reinmann Toper, independent director.

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. Philippe Depoux, Chief Executive Officer, represents the Executive Management of Gecina. Additional information on Executive Management procedures is provided in Section 5.1.3.

During 2014 and until the publication date of this document, the following movements occurred in the structure of the Board of Directors:

Director's name	Renewal	Appointment	Departure	Comments
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 has resigned, for Mr. Donnet's remaining period in office, *i.e.* until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2015. Cooptation ratified by the Shareholders' General Meeting of April 23, 2014.
Mr. Bernard Michel	X			Renewal by the Shareholders' General Meeting of April 23, 2014 for a four-year term, *i.e.*, until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2017.
Mr. Jacques-Yves Nicol, Independent director	X			Renewal by the Shareholders' General Meeting of April 23, 2014 for a four-year term, *i.e.*, until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2017.
Ms. Helena Rivero			X	Expiry of her directorship at the end of the Shareholders' General Meeting of April 23, 2014.
Ms. Victoria Soler			X	Revocation, with immediate effect, by the Shareholders' General Meeting of April 23, 2014.
Mr. Vincente Fons			X	Revocation, with immediate effect, by the Shareholders' General Meeting of April 23, 2014.
Mr. Eduardo Paraja	X		X	Cooptation by the Board of Directors of April 18, 2013 and ratified by the Shareholders' General Meeting of April 23, 2014. Renewal by the Shareholders' General Meeting of April 23, 2014 for a four-year term, *i.e.*, until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2017. Resignation duly noted by the Board of Directors' Meeting of September 17, 2014.
Ms. Méka Brunel		X		Appointment by the Shareholders' General Meeting of April 23, 2014 for a four-year term, *i.e.*, until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2017.
Mr. Anthony Myers		X		Appointment by the Shareholders' General Meeting of April 23, 2014 for a three-year term, *i.e.*, until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2016. The three-year term allows the staggered renewal of directorships (Article 12 of the Bylaws).
Mr. Claude Gendron		X		Appointment by the Shareholders' General Meeting of April 23, 2014 for a two-year term, *i.e.*, until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2015. The two-year term allows the staggered renewal of directorships (Article 12 of the Bylaws).
Metrovacesa			X	Resignation duly noted by the Board of Directors' Meeting of September 17, 2014.
Mr. Sixto Jimenez			X	Resignation duly noted by the Board of Directors' Meeting of September 17, 2014.
Mr. Antonio Trueba			X	Resignation duly noted by the Board of Directors' Meeting of September 17, 2014.

Note that most of these movements are linked to changes in the company's shareholding structure (cf. Section 6.2.3).

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 French Commercial Code, there is no director representing employees on the Board of Directors. However, in accordance with Article L. 2323-62 of the French Labor Code, members of the Workers' Council attend Board of Directors' meetings in an advisory capacity.

DIVERSITY OF THE STRUCTURE OF THE BOARD OF DIRECTORS

The Board of Directors reflects a diversification goal in its structure in terms of gender, nationalities and background, as recommended by the AFEP-MEDEF Code and its internal regulations (Article 7) which stipulate that *"The Board shall regularly examine the desired balance of its structure and that of its committees especially with respect to the representation of women and men, nationalities and diversity of backgrounds."*

The Board of Directors ensures that each movement in its structure is compliant with this goal in order to be able to carry outs tasks under the best conditions. Accordingly, to date, the members of the Board of Directors comprise four different nationalities and come from diverse and complementary backgrounds, especially in the area of real estate, finance, accounting, management, law and CSR. These competences are detailed in points 5.1.2.2, 5.1.2.3 and 5.1.2.4 which describe the duties and mandates exercised by the Directors as well as the experience and expertise of each one.

The table below sums up the main areas of expertise of the company's Directors.

Areas of expertise	Board of Directors (9 directors)
Administration and management	9 directors
Real estate	9 directors
Finances	8 directors
International experience	7 directors
Human Resources	5 directors
CSR	4 directors
Banking	4 directors
Accounting	3 directors
Law	3 directors
Insurance	3 directors

Furthermore, the Board of Directors decided, at its meeting of February 19, 2015 and on the recommendation of the Governance, Appointment and Compensation Committee, to propose to the Annual General Meeting convened to approve the financial statements for the year ending December 31, 2014 the appointment of an independent director. Subject to the vote of shareholders, the proportion of women on the Board of Directors, which was 33% on the date of publication of this report, will reach 40% at the end of the Annual General Meeting, *i.e.* ahead of the deadlines fixed by the AFEP-MEDEF Code and by the law no. 2011-103 of January 27, 2011 (2016 and 2017 respectively).

TRAINING OF DIRECTORS

In the context of the introduction of new Directors, and pursuant to the AFEP-MEDEF Code recommendation relating to the training of Directors, documentation on the key subjects of the company ("Director's kit") has been distributed to the latter and briefings on certain subjects have been organized for the Directors.

In addition, the Board of Directors allotted a budget for the training of administrators and the use of external consultants.

INDEPENDENT DIRECTORS

The Board of Directors reviews every year, after seeking the opinion 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 from its review that as at December 31, 2014, four out of its nine members can be described as independent, namely: Mr. Jacques-Yves Nicol, Mr. Rafael Gonzalez de la Cueva, Ms. Sylvia Fonseca and Ms. Inès Reinmann Toper.

The Board of Directors, at its meeting of September 26, 2014 and after seeking the opinion of the Governance, Appointment and Remuneration Committee, ruled on Predica's loss of its status as independent director as a result of the increase in the equity interest of the latter above the 10% threshold of the company's capital and voting rights.

It is specified that on the day of the publication of this report, none of the Directors considered as independent had direct or indirect business relations with the company or its Group.

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 Autorité des Marchés Financiers (the French market regulator) 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, 2014

The Board of Directors' internal regulations (Article 2) in accordance with the recommendations of the AFEP-MEDEF Code concerning the number of mandates of executive corporate officers and Directors, stipulate that:
"Directors should devote the necessary time and attention to their duties and participate, as much as possible, in all Board meetings and, as applicable, in the meetings of the Committees to which they belong. A Director shall not hold more than four other offices in listed companies external to the group, including foreign ones. Where a Director exercises executive functions in the company, such Director must devote his/her time to the management of the company and shall not hold more than two other directorships in listed companies external to his/her group, including foreign ones. He/she shall seek the approval of the Board before accepting another corporate office in a listed company."

Furthermore, the Directors' charter (Article 16), which is an appendix to the Board of Directors' internal regulations, specifies that *"The Director undertakes, for any new office of any kind, inside the Group, a French or foreign company, to contact the Chairman of the Board of Directors or the Secretary of the Board of Directors, in order to inform him/her, as necessary, of the conditions for compliance with the regulation applicable to the holding of multiple offices and the principles stemming from this Charter."*

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, 2014.

Chairman of the Board of Directors

Mr. Bernard Michel
66 years, French nationality
First appointment: GM of 05/10/2010
Office expiry date: GM 2018

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
Director of EPRA

Chief Executive Officer

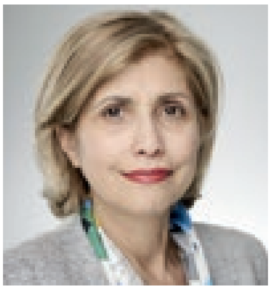
Mr. Philippe Depoux
53 years, French nationality
Appointment: Board of 04/17/2013
with effect from 06/03/2013
Unlimited term

Number of shares held: 0
Domiciled at: 14-16, rue des Capucines – 75002 Paris

Chairman of the Club de l'Immobilier
Director of:
- IEIF
- NGO Première Urgence – Aide Médicale Internationale

Corporate officer in most Gecina subsidiaries

Directors



Ms. Méka Brunel
58 years, French nationality
First appointment: GM of 04/23/2014
Office expiry date: GM 2018

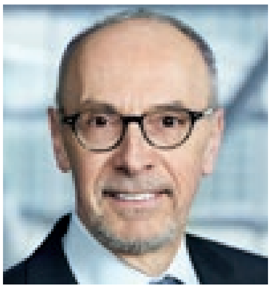
Member of the Strategic Committee
Number of shares held: 25,681
Domiciled at: 15, rue Jouvenet – 75016 Paris

Chair of Ivanhoé Cambridge Europe
Chair of France GBC
Director of:
- Crédit Foncier de France
- SPPICAV Lutiq
- P3 Group SARL
- EPRA
- FSIF

Ms. Sylvia Fonseca
53 years, French nationality
First appointment: GM of 04/23/2014
Office expiry date: GM 2016

Independent director
Member of the Audit, Risk and Sustainable Development Committee
Number of shares held: 40
Domiciled at: 77, avenue Ledru-Rollin – 75012 Paris

Chief Financial Officer of SANEF Group



Mr. Claude Gendron
62 years, Canadian nationality
First appointment: GM of 04/23/2014
Office expiry date: GM 2016

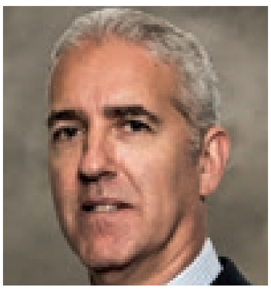
Member of the Governance, Appointment and Compensation Committee
Number of shares held: 40
Domiciled at: 4898, rue Hutchison – Montreal (Quebec) H2V 4A3 – Canada

Executive Vice-President, Legal Affairs and head of litigation of Ivanhoé Cambridge and companies affiliated to the Ivanhoé Cambridge Group
Member of the Ivanhoé Cambridge Executive Committee

Mr. Rafael Gonzalez de la Cueva
49 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)

Chairman – founder of Nuevos Espacios de Arquitectura y Urbanismo, S.L.



Mr. Anthony Myers
54 years, American nationality
First appointment: GM of 04/23/2014
Office expiry date: GM 2017

Member of the Strategic Committee
Number of shares held: 40
Domiciled at: 7 Campden Hill Court, Campden Hill Road, London W8 7HX (United Kingdom)

Senior Managing Director and Director of Europe Real Estate Acquisitions of The Blackstone Group LP
Chairman of the Supervisory Board of Multi-Corporation
Director of:
- Patria Investimentos
- Valad Europe Limited

 **Mr. Jacques-Yves Nicol** 64 years, French nationality First appointment: GM of 05/10/2010 Office expiry date: GM 2018	Independent director Chairman of the Audit, Risks and Sustainable Development Committee Number of shares held: 40 Domiciled at: 7, rue Brunel – 75017 Paris	N/A
 **Mr. Jean-Jacques Duchamp, Permanent representative of Predica** 60 years, French nationality First appointment: GM of 12/20/2002 Office expiry date: GM 2015	Member of the Strategic Committee and the Audit, Risks and Sustainable Development Committee Number of shares held by Predica: 8,095,829 Domiciled at: 16-18, bd de Vaugirard – 75015 Paris	Deputy CEO of Crédit Agricole Assurances (Member of the Executive Committee) Vice-President, Director of Générale de Santé SA(1) Director of: • SANEF (Autoroutes du Nord et de l'Est de la France) • Société Foncière Lyonnaise(1) • CRP-AM • SPIRICA • CA Vita • PACIFICA Permanent representative of SPIRICA, Director of: • Lifeside Patrimoine • ISR Courtage 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 Chair of the Governance, Appointment and Compensation Committee Number of shares held: 40 Domiciled at: 57, bd du Commandant Charcot – 92200 Neuilly-sur-Seine	Director of: • Cofinimmo(1) • AINA Investment Fund (Luxembourg), SICV Observer for OPCI Lapillus Member of the Management Board of EDRCF (Edmond Rothschild Corporate Finance), SAS Member of: • Club de l'Immobilier Île-de-France • Cercle des Femmes de l'Immobilier Fellow of The Royal Institution of Chartered Surveyors

(1) Listed company.

5.1.2.3. SUMMARY OF OFFICES AND FUNCTIONS EXERCISED IN ANY COMPANY DURING THE PAST FIVE YEARS AND TERMINATED

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	Offices and functions exercised in any company during the past five years and terminated
Mr. Bernard Michel	CEO of Gecina CEO of Crédit Agricole Assurances CEO of Predica Chairman of: GIE informatique Silca, AEPRIM SAS Chairman of the Board of Directors of: Crédit Agricole Immobilier, Unimo Chairman of CA Grands Crus SAS Vice-Chairman of Pacifica Director of: Amundi Immobilier SA, Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE 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 La Médicale de France SA, observer of Siparex[1] Member of the bureau of Fédération Française des Sociétés d'Assurances (FFSA) Vice-President 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 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 Board of Directors 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 • Architect and Project Owner (AMO) 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
Ms. Méka Brunel	Chair of ORIE Director of ORIE

Name and surname	Offices and functions exercised in any company during the past five years and terminated
Mr. Jean-Jacques Duchamp, permanent representative of Predica	Director of Foncière des Régions(1) Director of BES VIDA Director of Korian(1) Director of CA-IMMO Director of Dolcea Vie
Ms. Sylvia Fonseca	N/A
Mr. Claude Gendron	Senior partner at the Fasken Martineau Du Moulin LLP Law Firm
Mr. Rafael Gonzalez de la Cueva	Director of: • 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. Anthony Myers	N/A
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
Ms. Inès Reinmann Toper	Managing Director of Continental Europe de Segro Plc Director of Segro Plc Chairman of Acxior Immo Partner at Acxior Corporate Finance Director of Acxior Corporate Finance Co-pilot of the Innovative Financing group – Plan Bâtiment Grenelle 2

(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. After joining the CNCA (now Crédit Agricole S.A.) in 1996 as Secretary General and member of the Executive Committee of Crédit Agricole S.A., he was appointed Deputy CEO in 1998, a position he held until 2003. He was particularly in charge of the Technologies, Logistics and Banking Services cluster 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. Since February 2010, he has been Chairman of the Board of Directors of Gecina and also performed, from October 4, 2011 to June 3, 2013, the duties of Chief Executive Officer for Gecina.

PHILIPPE DEPOUX

Philippe Depoux graduated from the *École Supérieure de Commerce* de Rouen and holds a degree in business administration and finance (DESCAF). He performed the duties of Head of sales and acquisitions inside the real estate division of GAN from 1990 to 1999. He was Director of sales, acquisitions and appraisals for Immobilière Groupama (after the takeover 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. He was Chairman of Generali France Immobilier from 2008 to 2012, then CEO of Generali Real Estate French Branch from 2012 to 2013. Philippe Depoux was awarded the Pierre d'Or distinction, investor category in 2012. He has been Chief Executive Officer of Gecina since June 2013.

MÉKA BRUNEL

Méka Brunel is an engineer by training. She is the Executive Vice-President of Ivanhoé Cambridge since 2009 and heads in this respect, the real estate activities of Ivanhoé Cambridge in Europe. A public works engineer, Méka Brunel also holds an executive MBA from HEC and is MRICS.

Specialized in real estate for over 35 years, she began her professional career with Fougerolle (Eiffage group) where she had the opportunity to participate in prestigious projects such as the "Cour Carrée" of the Louvre museum or the extension of Musée Carnavalet. Méka Brunel then continued her career at the SINVIM before holding from 1996 to 2006 various managerial functions within Simco, now merged with

Gecina, then becoming in 2006 Chair of the Management Board of Eurosic, real estate company listed on the Paris Stock Exchange.

Méka Brunel is also active in corporate affairs and professional bodies (in particular, she is Director of Crédit Foncier, Chair of France GBC, Director of the FSIF and EPRA), and was voted professional of the year by the 2013 Pierre d'Or Awards.

SYLVIA FONSECA

A graduate of ESSEC, Sylvia Fonseca joined in 1982 Fougerolle, a construction group, in the human resources department. In 1989, she was Secretary General of Sofracim, real estate subsidiary of Fougerolle. In 1992, at Forclum as Omnilux Director, she developed contracts in the energy sector and created the purchasing function; in 2001, she was appointed group HR manager. Furthermore, at Eiffage, she participated in the development of highway projects and car park concessions as Director of Omniparc. In 2003, she joined the Eiffage holding and was appointed Director of the Group Internal audit, then Director of the general delegation to risks and controls. She has been Chief Financial Officer of the Sanef group since 2012.

CLAUDE GENDRON

Claude Gendron is a professional lawyer. He holds the position of Executive Vice-President, Legal Affairs and head of litigations at Ivanhoé Cambridge, a real estate subsidiary of the Caisse de dépôt et placement du Quebec, one of the largest institutional fund managers in Canada. Claude Gendron is member of the Ivanhoé Cambridge Executive Committee. He is in charge of all the legal affairs of this company as well as the General Secretariat.

Claude Gendron holds a degree in business administration from the University of Ottawa (Canada) in addition to a BA and MA in business law from the University of Montreal (Canada).

Specialized in financial and real estate transactions for more than 30 years, he started as a legal adviser at the Banque Nationale du Canada, a leading Canadian bank (1975 to 1980). Claude Gendron then continued his career within law firms by joining the Fasken Martineau firm, Lead manager on the international scale in business law, where he was the senior partner (1998-2013) before joining Invanhoé Cambridge.

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.

ANTHONY MYERS

Graduate of the University of Cape Town in civil engineering, MBA Columbia, Anthony Myers is Senior Managing Director at Blackstone and Director of Europe Real Estate Acquisitions. He started his professional career as a consultant with Ninham Shand. In 1988, he joined the real estate division of the Bear Sterns group in which he became Associate Director. In 1995, he joined Balfour Holdings, a company specialized in residential and commercial development projects, in the position of Executive Vice-President and Director of Operations. In 1997, following the acquisition of Balfour Holdings by a company affiliated with Blackstone, he continued to run the company on behalf of Blackstone and in 2001, he joined the Blackstone Real Estate Division.

Since that date, Anthony Myers has been involved in a large number of transactions, in Europe, as in the United States, including: Multi-Corporation, Logicor, the portfolio of Bank of America Merrill Lynch, Invitation Homes, Hilton hotels and Equity Office Properties.

Anthony Myers is also Director of Patria Investimentos, an alternative investment fund partly held by Blackstone, and Valad Europe, a property investment manager and Chairman of the Supervisory Board of Multi Corporation, one of the European leaders of shopping centers.

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.*

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

After studying law (post-graduate degree in property law), Inès Reinmann Toper worked for Dumez SAE and Bouygues, then continued her career with Coprim (Société Générale group), first as Development Director, then as Operational Director and lastly as Corporate Real Estate Commercial Director. From 2000 to 2004, she was 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. From 2010 to 2014, she was a Partner in charge of the real-estate subfund of Acxior Corporate Finance. She is a member of the Edmond de Rothschild Corporate Finance management board, in charge of real estate and director of Confinimmo. She is also a Fellow of the Royal Institution of Chartered Surveyors. In addition, she is a member of the *Club de l'Immobilier Île-de-France* and the *Cercle des Femmes de l'Immobilier*.

5.1.3 EXECUTIVE MANAGEMENT PROCEDURES

5.1.3.1. SEPARATION OF THE DUTIES OF CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF 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 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 was 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.

At its meeting of April 23, 2014, held after the Shareholders' General Meeting of the same day, the Board of Directors confirmed that the duties of Chairman of the Board of Directors and of Chief Executive Officer of the company remain separated (with Mr. Philippe Depoux as the CEO) and, having duly noted the renewal by the said Shareholders' General Meeting of his directorship, has decided, in agreement with the recommendations of the Governance, Appointment and Compensation Committee, to renew the appointment of Mr. Bernard Michel as Chairman of the Board of Directors for his outstanding term as Director, *i.e.*, until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2017.

The Board of Directors considers that the separation of duties is the most suitable form of governance for the company's activity, as it helps to strengthen strategic and control functions at the same time as 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.

5.1.3.2. SPECIFIC ROLE ASSIGNED TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

In connection with the return to the separation of functions as decided by the Board of Directors on April 17, 2013, it has been decided, as a matter of internal 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 (see below).

Furthermore, in addition to the remits generally provided for by law, the Board of Directors has decided to allocate the Chairman of the Board of Directors with a specific role 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 shareholder and investor relations;
- participates in the representation of the company in its high-level relations, especially major clients and public authorities, on the national and international level as well as in external and internal communication.

It is specified that this role shall be carried out in close coordination with the actions conducted in these field by the Executive Management and does 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 this role (Article 4.1.1).

5.1.3.3. POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall have the broadest powers to act in the company's name under any and all circumstances.

In connection with the return to the separation of functions as decided by the Board of Directors on April 17, 2013, it has been decided, as a matter of internal 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.

Accordingly, pursuant to Article 4.1.2 of the Board of Director's internal regulations, the Chief Executive Officer 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 20, 2014 renewed the authorization given to the 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, (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.

Commitments made by Gecina in previous fiscal years, which were still in effect as at December 31, 2014, represented a total of €512 million.

5.1.4. CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK

5.1.4.1. 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 2013, 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.

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 are attached to these regulations. 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.

5.1.4.2. 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 prior to their implementation, the 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 5.1.3 above).

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.

5.1.4.3. 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.

The Board of Directors met 13 times in 2014 with an attendance rate of 94.12%. The various committees held 34 work meetings, which go to show the involvement of Directors and the scale of the works carried out 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	13	94.12%
Strategic Committee	9	97.92%
Audit, Risk and Sustainable Development Committee	8	96.88%
Governance, Appointment and Compensation Committee	11	95.12%
Ad hoc Committee in charge of monitoring developments in ongoing judicial cases/proceedings	5	88.89%
Ad hoc Committee in charge of monitoring the strategic review of Metrovacesa concerning its equity interest in Gecina	1	60.00%

5.1.4.4. ACTIVITIES OF THE BOARD OF DIRECTORS DURING FISCAL YEAR 2014

Fiscal year 2014 was marked by significant changes to the company's shareholding and the structure of its Board of Directors. In the light of the foregoing, in addition to exercising its legal prerogatives and performing the tasks specified in its internal regulations, the Board of Directors also addressed all issues responding to the requirements of an exceptional period marked by a changing shareholder base and strategy adjustment.

The Board of Directors met 13 times in 2014, with an attendance rate of 94.12%.

MONITORING OF THE GROUP'S ROUTINE MANAGEMENT

The Board of Directors 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 2014, the Board of Directors drafted the Group's 2013 annual and consolidated financial statements, the consolidated financial statements for the period ended March 31, June 30 and September 30, 2014, management forecasts, press releases as well as the annual and half-year financial reports and the reference document. It also monitored the execution of the budget for fiscal year 2014 and drafted the budget for fiscal year 2015. Furthermore, it reviewed different investment or disposal transactions and in particular the continuation and finalization of the disposal process for the Beaugrenelle shopping center.

The Board of Directors noted the capital increases 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 CEO to grant deposits, endorsements and guarantees on behalf of the company within the limits recalled above (see paragraph 5.1.3).

05

DETERMINING THE STRATEGIC GUIDELINES

The Board of Directors met at a strategic seminar organized at head office, during which they discussed in the presence of members of the Executive Committee, the strategic guidelines for the company. These strategic guidelines were then validated by the Board of Directors and presented to the Works Council under the conditions set out by law no. 2013-504 of June 14, 2013 on protecting employment.

STRENGTHENING GOVERNANCE IN ACCORDANCE WITH MARKET RECOMMENDATIONS

With respect to governance, the 2014 financial year was particularly marked by movements within the structure of the Board of Directors, essentially linked to changes in the company's shareholding (see Section 5.1.2.1). On this occasion, the Board of Directors confirmed its will to follow the recommendations of the AFEP-MEDEF and the AMF, in particular regarding the appointment of independent directors, more women, different nationalities and the international background of Directors. Accordingly, following the resignations of a number of Directors in February and September 2014, the Board of Directors tasked the Governance, Appointment and Compensation Committee to initiate a recruitment process for a female independent director. The Board of Directors also decided, at its meeting of September 17, 2014, to increase the proportion of independent directors at the Audit, Risks and Sustainable Development Committee and the Governance, Appointment and Compensation Committee, in accordance with the recommendations of the AFEP-MEDEF Code.

With respect to issues of compensation, the Board of Directors expressed its opinion on the various compensation items of Mr. Philippe Depoux, Chief Executive Officer, as well as on the use of the Directors' attendance allowance budget under 2014 (see Section 5.2.3).

CONTINUING THE CORPORATE SOCIAL RESPONSIBILITY STRATEGY

The Board of Directors devoted one item on its agenda to the company's CSR policy. Accordingly, the Director of CSR presented the challenges, strategy and organization of the CSR policy as well as the actions undertaken and the results obtained by the company these recent years. On this occasion, the Board of Directors confirmed that the CSR policy was an integral part of the company's overall strategy and asked the Governance, Appointment and Compensations Committee to include the issue of CSR in its work program.

In the same manner as in previous fiscal years, the Board of Directors reviewed the 2013 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.

MONITORING DISPUTES AND CHANGES IN SHAREHOLDING

With the assistance of the *ad hoc* Committee in charge of monitoring the implementation of judicial files/proceedings, the Board of Directors continued to monitor and analyze the progress of the judicial proceedings in France and in Spain. In particular, it continued to monitor the bankruptcy proceedings of Bami Newco, a company in which the Gecina Group holds 49% of the capital through SIF Espagne, its Spanish subsidiary. In this context, it guaranteed the protection of the company's rights.

Furthermore, the Board of Directors, with the assistance of its *ad hoc* Committee tasked with monitoring Metrovacesa's strategy regarding its equity interest in Gecina, monitored the process launched in 2013 by this shareholder to dispose of its 26.74% equity interest in the company. Following the final completion of this operation, the Board of Directors ended, at its meeting of September 17, 2014, the assignment of the said *ad hoc* Committee.

5.1.4.5. 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, 2014, the Strategic Committee was made up of four Directors: Mr. Bernard Michel, Ms. Méka Brunel, Mr. Anthony Myers and Predica, represented by Mr. Jean-Jacques Duchamp. It is chaired by Mr. Bernard Michel, Chairman of the Board of Directors.

The movements below occurred in the Committee's structure during 2014:

- the Board of Directors' Meeting of April 23, 2014, held after the Shareholders' General Meeting of the same day, decided to replace Ms. Helena Rivero and Ms. Victoria Soler by Ms. Méka Brunel and Mr. Anthony Myers as members of this Committee;
- the Board of Directors' Meeting of September 17, 2014, after duly noting the resignation of Metrovacesa and Mr. Sixto Jimenez from the directorships in the company, noted the end of their office as

members 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 2014

The Strategic Committee met nine times in 2014, with an attendance rate of 97.92 %.

During these meetings, the Committee made decisions about a significant number of investment projects and asset disposals submitted by General Management, following a careful review of economic, financial and strategic consequences. As part of this, it continued with the sale of the Beaugrenelle shopping centre and discussed how to reinvest income from this disposal.

The Committee also provided guidance to the Board through its analyses of the strategic plans submitted by General Management to prepare for the Board of Director's strategy seminar. In view of this, it examined the perspectives and opportunities for development of the company in the medium and long term, regarding both operational and financial aspects.

As in preceding years, the Committee devoted one agenda item to reviewing the dividend distribution policy, seeking to balance the company's development with shareholders' interests. In addition, they completed the 2014 budget and began the in-depth analyses necessary for drafting the 2015 budget on the basis of a preliminary budget handed down from Executive Management.

As part of this work, a complete review of the company's properties was submitted to the Committee in order to identify the major value creation vectors within each business line of the company. It also received studies completed by external experts on real estate 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 eight consecutive years on that Committee, unless there is a break of at least two consecutive years. The Board can terminate at any time the functions of one or several Committee members.

At December 31, 2014, the Board was made up of three Directors, two of whom were independent, in accordance with the recommendations of the AFEP-MEDEF Code: Mr. Jacques-Yves Nicol, Ms. Sylvia Fonseca 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.

All 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).

The movements below occurred in the Committee's structure during 2014:

- the Board of Directors' Meeting of April 1, 2014, after duly noting the resignation of Ms. Inès Reinmann Toper from the Audit, Risks and Sustainable Development Committee, appointed Ms. Sylvia Fonseca to sit on this Committee;
- the Board of Directors' Meeting of April 23, 2014, held after the Annual General Meeting of the same day and having duly noted the expiry of the directorship of Ms. Helena Rivero, noted the termination of her office as member of this Committee;
- the Board of Directors' Meeting of September 17, 2014, after duly noting the resignation of Mr. Sixto Jimenez from his directorship in the company, noted the end of his office as member of this Committee.

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.

05

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 2014

The Audit, Risk and Sustainable Development Committee met eight times in 2014, with an attendance rate of 96.88%.

At these meetings, the Committee mainly examined the results of the property holdings appraisals of December 31, 2013 and June 30, 2014, the annual and consolidated financial statements for fiscal year 2013 and the consolidated financial statements of March 31, June 30 and September 30, 2014 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.

In line with its works carried out in previous fiscal years, the Committee conducted a review of rental, legislative and financial risks, as well as risks linked to sustainable development. Furthermore, it continued reviewing 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. At these meetings, Internal audit also submitted presentations on its review of off-balance-sheet commitments, risk mapping and the new risk policy. The Committee also conducted an in-depth review of certain mapping risks, such as construction risks, technological and digital risks, fraud risks and building risks linked to lead and asbestos.

Furthermore, the Committee met with the Finance Department and the Statutory Auditors and reviewed the budget for the Statutory Auditors. Statutory Auditors systematically participate in the Committee's works relating in particular to the different presentations of accounts and presented to the Committee the results of the forensic audit, the review of certain aspects of internal control and the recommendations issued as well as the selected accounting options.

The Committee has a minimum deadline of two days before the Board of Directors reviews the financial statements. Exceptionally, the Committee reviewing the consolidated financial statements of March 31, 2014 was held on the day preceding its review by the Board of Directors. To ensure that the Committee had sufficient time before the Board of Directors' meeting, the necessary documents and information were addressed to the Committee members prior to the meeting. It is stressed that this was exceptional and that the Board of Directors insists on complying with the two-day deadline as recommended by the AFEP-MEDEF Code.

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.

At December 31, 2014, the Board was made up of three Directors, two of whom were independent, in accordance with the recommendations of the AFEP-MEDEF Code: Ms. Inès Reinmann Toper, Mr. Claude Gendron, and Mr. Rafael Gonzalez de la Cueva. It is chaired by Ms. Inès Reinmann Toper, independent Director, who has the casting vote in case of a tie. There is no executive corporate officer on this Committee.

the movements below occurred in the Committee's structure during 2014:

- the Board of Directors' Meeting of April 23, 2014, held after the Shareholders' General Meeting of the same day, decided to replace Mr. Vincente Fons by Mr. Claude Gendron as member of this Committee;
- the Board of Directors' Meeting of September 17, 2014, after duly noting the resignation of Mr. Antonio Trueba from his directorship in the company, noted the end of his office as member of this Committee.

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 officers 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 2014

The Governance, Appointment and Compensation Committee met 11 times in 2014, with an attendance rate of 95.12 %.

At these meetings, the Committee addressed various issues related to governance, appointment and compensation.

Regarding governance and appointments, the Committee addressed issues related to the structure of the Board of Directors and Committees, at the same time as changes to the company's shareholding. In particular, at the request of the Board of Directors, the Committee organized recruitment processes for female independent directors with the help of an external firm selected for this purpose. On this occasion, the Committee paid special attention to diversifying the composition of the Board of Directors in terms of a balanced representation of gender, competences and international experience.

With respect to issues of compensations, the Committee examined in particular the compensation of Mr. Philippe Depoux, Chief Executive Officer, and the application of performance linked to his variable compensation. It organized debates about the CEO's compensation structure by ensuring compliance with the principles stipulated in the AFEP-MEDEF Code: exhaustiveness, balance, benchmark, coherence, intelligibility and measure.

It also debated the use of the attendance allowance package for 2014.

In addressing these issues, the Committee solicited the services of independent external firms which were in particular asked to conduct benchmark studies.

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 fiscal year 2014, Mr. Bernard Michel, Chairman of the Board of Directors, was invited to some of the Committee's meetings with an agenda on specifically the appointment of Directors and on preparing the evaluation of the Board of Directors' works. In the same manner, Mr. Philippe Depoux, CEO, was invited to some Committee meetings with an agenda concerning in particular the presentation of changes to the company's internal organization and on the compensation of members of the Executive Committee.

AD HOC COMMITTEE AND WORKS CARRIED OUT IN 2014 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.

As at December 31, 2014, the Committee comprised three Directors, of whom one independent director: 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.

It must be noted that the Board of Directors' Meeting of September 17, 2014, after duly noting the resignation of Mr. Sixto Jimenez from his directorship in the company, recorded the end of his office as member of this Committee.

Role

The Committee is tasked with monitoring the progress of the judicial cases/proceedings in connection with certain former 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 five times in 2014. It specifically conducted analysis of the different court decisions linked to the judicial proceedings in France and in Spain as described in this reference document and made recommendations on the positions to be adopted by the company.

AD HOC COMMITTEE AND WORKS CARRIED OUT IN 2014 IN CHARGE OF MONITORING THE STRATEGIC REVIEW 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 comprised the Chairman of the Board of Directors and independent directors who have no potential conflict of interests: Mr. Bernard Michel, Ms. Inès Reinmann Toper, 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 was 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 once in 2014. In particular, it analyzed developments in the process undertaken by Metrovacesa to dispose of its equity interest in Gecina.

At its meeting of September 17, 2014, the Board of Directors, after acknowledging the completion by Metrovacesa of the aforesaid process, terminated the Committee's assignment.

5.1.4.6. EVALUATION OF THE BOARD OF DIRECTORS' WORK

The rules for evaluating the Board of Directors' work are defined in its internal regulations (Article 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.

The Board of Directors of April 1, 2014 devoted one item on its agenda to a debate on its operation, on the annual assessment of the Board of Directors' works for 2013, conducted with the assistance of an external firm.

This annual assessment revealed that all Directors considered that governance had steadily improved since the previous assessment and that the majority of Directors were satisfied with the Board's momentum and performance. Points of satisfaction were stressed including the relevance of agendas, the conduct of discussions by the Chairman of the Board which facilitated the expression of opinions, the suitability of the number and nature of Committees, management of situations of conflicts of interest by the Board of Directors and the good level of involvement of the Board of Directors in the areas of strategy, financial policy, conduct of affairs, risks management and compliance, compensation of officers and financial reporting. The Directors praised again the efficiency of the Committees and of the Board Secretariat.

Certain Directors also expressed wishes for improvement and wanted a continuation of the proportion of independent directors and the proportion of women, stronger enforcement of compliance with the confidentiality of the Board's proceedings and the possibility of organizing board meetings without the presence of Executive Management (Executive Sessions).

Following the improvement wishes expressed during the assessment for the 2012 and 2013 fiscal years, certain actions were undertaken, in particular (i) the introduction of measures allowing stronger compliance with the confidentiality of the Board's proceedings by all stakeholders, (ii) regular information to the Board of Directors concerning the Group's main disputes and litigations, (iii) the conduct of the proceedings by the Governance, Appointment and Compensation Committee, (iv) the continuation of the annual organization of a the Board's strategic seminar as well as (v) the organization of an Executive Session in February 2015 in order to assess the accomplishment of its tasks by the Executive Management in 2014.

The Board of Directors of October 22, 2014, at the proposal of the Governance, Appointment and Compensation Committee decided to appoint an external firm to conduct the annual evaluation of the Board of Directors' work for fiscal year 2014. The assignment includes measuring the actual contribution of each Director in 2014, as recommended by the AFEP-MEDEF Code. The Board of Directors considers that such an analysis is important, particularly for works conducted by the Governance, Appointment and Compensation Committee with a view to preparing the renewal of directorships. The results of these analyses will not be published.

5.1.5. CONFLICTS OF INTEREST AMONG THE ADMINISTRATIVE, MANAGEMENT AND EXECUTIVE OFFICERS

The internal regulations of the Board of Directors and the Directors' charter, in accordance with the AFEP-MEDEF recommendations, set out the rules to be followed by Directors in the area of prevention and management of conflicts of interests.

Article 2 of the Board of Directors' internal regulations stipulate that "The Director shall inform the Board of any situations of conflict of interest even potential ones and shall refrain from participating in the vote on the corresponding deliberation".

Article 14 of the Directors' charter provides further clarity on the issue by stipulating that:

"The Director undertakes to ensure that the interests of the company and of all its shareholders prevail under all circumstances on direct or indirect personal interests.

Any Director who finds himself or herself, directly or indirectly through another person, in a situation of conflict of interest with respect to the corporate interest, owing to the duties that they perform or the interests that they have in other matters, hereby undertakes to inform the Chairman of the Board of Directors or any person designated by the latter thereof.

In the event of conflict of interests, the Director shall refrain from taking part in debates and decision making on the subjects concerned, and may therefore have to leave the board meeting, while the debate is going on, and during the vote, if any. This rule shall be waived if all Directors had to abstain from taking part in the vote owing to the application of this rule.

Pursuant to the law, each Director shall communicate to the Chairman of the Board any agreement to be concluded directly or by the intermediary of another person, with the company, its subsidiaries, except where owing to its object or financial implications it is not material for any of the parties.

Regarding a legal entity which is a Director, the agreements specified about concern those concluded with the company itself and the companies that it controls or which control it as defined by Article L. 233-3 of the French Commercial Code. The same applies for the agreements in which the Director is indirectly interested.

The Director may, for any ethical issue even occasional, consult the Chairman of the Board of Directors or the Chairman of the company's Governance, Appointment and Compensation Committee."

Each year, the Governance, Appointment and Compensation Committee devotes a point of its agenda to reviewing potential situations of conflict of interest.

To Gecina's knowledge:

- 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 Section 6.3.2, 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 family link among (i) members of the Board of Directors, (ii) corporate officers of the company (iii) between the persons referred to under (i) and (ii).

5.1.6. REGULATED AGREEMENTS

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE PAST YEAR

Neither agreement nor undertaking was submitted to the Board of Directors for approval in 2014.

AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS, WHICH REMAINED IN FORCE DURING THE FISCAL YEAR

AGREEMENT ENTERED INTO WITH MR. CHRISTOPHE CLAMAGERAN

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.

The agreement continued to be effective in 2014 on the following point: 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 total number of options received by Mr. Christophe Clamageran under these plans is 61,368 options.

This agreement was approved by the General Meeting of shareholders on April 17, 2012.

AGREEMENT ENTERED INTO WITH MR. PHILIPPE DEPOUX

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 services as CEO, following a forced departure due to a change in control or strategy, Mr. Philippe Depoux will receive a severance benefit contingent on performance condition with a maximum amount calculated as indicated below:
  - in office for less than one year: severance indemnity of a maximum of 6 months of gross remuneration as General Manager (fixed and variable), it is specified that this provisions became obsolete on June 3, 2014, since the CEO's time in office reached one year on that date;
  - 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 IF IN OFFICE FOR 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 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.

This agreement was approved by the General Meeting of shareholders on April 23, 2014.

Pursuant to the provisions of Article L. 255-40-1 of the French Commercial Code, based on the ordinance no. 2014-863 of July 31, 2014, the agreements and undertakings mentioned above, approved in prior fiscal years and which continued to be performed during the year, were reviewed by the Board of Directors' Meeting of February 19, 2015.

No other agreements were concluded or continued in 2014.

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 work group. 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. The internal control and risks management systems, without exception, apply to all the activities covered by the Group.

5.1.9.1. RISK MANAGEMENT SYSTEM

Gecina's current risk management system is described in paragraph 7 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;
- mobilize employees around a shared vision of the main risks.

Risk identification, analysis and management systems are implemented by the "Property Risks" Department with respect to risks linked to the safety and environment of properties, and by the "Risks and Compliance" Department 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 works are presented and monitored by the Audit, Risk and Sustainable Development Committee.

The "Risks and Compliance" Department has been deployed in 2014, a risk management policy which supplements the internal procedures and regulation. This policy makes it easier to incorporate risk management into the organization's objectives, culture and operation. It strengthens the link between the company's strategy and risk management. By clarifying the roles and responsibilities of the stakeholders, this policy tends to strengthen the involvement of each party. It can be consulted by all the Group's employees since it is posted on the Intranet.

Paragraph 7 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 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 was 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. This information is detailed in paragraph 5.1.3.

Company organization

In 2014, the company reorganized its operations. It shifted from an organization based on asset type to an organization based on business lines in accordance with the strategy and allowing cross-functionality and versatility.

Several new Departments were created, including:

- an "Acquisitions & Sales" Department, which centralizes oversight of acquisitions and sales processes;
- a "Real Estate Holdings" Department in charge of the real estate management of the property holdings including management, marketing as well as the Project Management function;
- an "Asset Management" Department tasked with drafting business plans by property and overseeing the turnover of the property holding. The creation of the Asset Management Department is a concrete manifestation of the policy initiated in 2013 to strengthen this Gecina function. This Department contributes, in liaison with the Real Estate Holdings Department and the Acquisitions & Sales Department, to the drafting of the real estate strategy;
- in order to centralize the different entities in charge of marketing and communications, a Marketing & Communications Department was also created. Its main duties are focused on the marketing of the commercial offering, relational and digital marketing. With respect to communication, this Department is in charge of commercial, corporate and internal communications.

The General Secretariat includes the Legal, HR and Information Systems Departments as well as the corporate fundation.

Previous attached to the General Secretariat, the Corporate Social Responsibility function is now an autonomous Department which reports to the CEO. CSR is at the heart of Gecina's strategy and represents a driver for creating value for the Group. That is why each of the departments have added CSR missions to their functions and apply the Group's strategy in this field. The Group's CSR policy (see 7.1.3. CSR Policy: commitments, objectives and action plans) is coordinated at global level by the CSR Department. The complete oversight system with the different departments is described in paragraph 7.1.4.1. Steering and coordination of the CSR process.

The organization of the Financial Department has not changed since 2013. It includes the Financial Communications, Financial Control, Financing, Treasury & Business Plan, and Appraisals Department, in addition to the Accounts, Tax and Insurance Department.

The Internal Audit and Risks and Compliance functions are maintained in the Audit Department. All the Departments mentioned above report to the CEO.

The Board Secretariat is attached to the Chairman and the Corporate Legal Affairs Department and also to Executive Management.

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 Acquisitions & Sales Committee, which meets to review ongoing acquisition or disposal projects presented by the Acquisitions & Sales Department. 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.

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 (see 1.4. Group organization and organization chart).

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. Job descriptions are drafted by the Human Resources Department and the delegations of authority are prepared by the Legal Department. 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. Furthermore, other internal communications media or devices such as the intranet or the guide distributed to each new employee help to clarify the responsibilities and powers of each party.

Human Resources management

The HR Department is the guardian of the development of the Group's human assets. In this respect, it is in charge of the recruitment and induction of employees, the management, training as well as the development of their career.

Guardian of a top-quality social climate, it ensures the Group's compliance with its legal and social obligations and nurtures permanent dialog with union organizations through the Group's employee representatives. For example, it organizes on a regular basis, briefings, consultations or negotiations on collective measures on human resources management which result in the signature of specific agreements.

The Group's HR policy seeks to promote a quality professional environment, devoid of any form of discrimination and which fosters diversity as well as the professional development of its employees. It is deployed through numerous systems such as the current recruitment, training and careers management processes as well as the commitments made with respect to gender equality, employment for young and older people or people with disabilities.

In 2014, the HR Department actively contributed to the project aimed at restructuring business lines by steering its operational implementation and by giving each department the necessary resources. Employees concerned by this restructuring received individual or collective support measures introduced to meet specific needs and after consulting the interested parties.

Information System

The Group's information system comprises a property management applications base interfaced between them and towards accounting, financial, HR and decision-making systems. In addition, it includes the different methods of digital communication: messaging, internet-based telephony, intranet, corporate social network. Business applications are tailored to each specific user requirement 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.

During fiscal year 2014, to meet the restructuring needs, the IT Department launched new programs for asset management and property management functions as well as for financial and asset steering. Most of these projects will be finalized in 2015.

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.

The operating performance of these facilities is guaranteed through the virtualization of nearly 80% of servers, which leads to the generation of substantial energy savings. This policy is in addition to other responsible actions carried out on IT tools (see 7.6.4. Responsible purchasing).

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 to all employees through internal IT communication systems. The coordination and support required for changes to standard procedures are provided by Internal audit.

Anti-fraud and anti-corruption measures

The Group's anti-fraud and anti-corruption arsenal was strengthened to support the introduction in 2013 of the "Risks and Compliance" function. These measures are based, first, on the evaluation and analysis of risks of fraud and corruption through annual risk mapping projects. The evaluation helps to define specific prevention measures which are based on the Group's Ethical Charter and on the repository of internal procedures which include various controls, segregation of tasks or access security measures. Prevention is also based on awareness-raising actions conducted by the "Risks and Compliance" function which organizes briefings or training for the Group's employees. Lastly, a detection measure is also implemented. It specifically concerns the integration of risks of fraud and corruption in the permanent control audit works carried out by the "Risks and Compliance" function, as well as on occasional investigations when anomalies are detected or reported.

Ethics charter

All the regulations, measures and internal procedures were supplemented by the implementation of the Group's Ethics Charter.

The Ethics Charter was drafted in accordance with Gecina's fundamental values and ratified by the Board of Directors' Meeting of December 14, 2011. It was distributed to all employees at the beginning of 2012 and posted on the Group's website 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. A practical guide illustrating the principles listed in the Ethics Charter has been distributed to all administrative staff. In the event of an additional query regarding a transaction or doubt about a specific situation, employees may report this directly to the Chief Compliance Officer. A whistle-blowing right was set up through a special e-mail address. Depending on the nature and seriousness of the problem, a Whistle-blowing Committee is then set up to handle the issue as rapidly as possible.

In 2012, 75% of employees at head office attended one of the four information and training seminars on the Ethics Charter. Each new employee is given the Ethics Charter and the practical guide on joining the company. A presentation on the Charter is also added to the orientation process for new Group employees. All new employees thus attended this presentation in 2013 and 2014. Taking into account staff turnover during the year, 82% of Group employees have been familiarized with the Ethics Charter.

Anti-money laundering and terrorism financing

Since 2013, 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. In 2014, the Risks and Compliance function organized an awareness-raising and information session for the Management Committee and the employees concerned. The publication of the process on the company's intranet helped to disseminate the information to all the Group's employees. The Risks and Compliance function is integrated in this new procedure as an informed entity and consulted by the operational entities.

CSR Indicators

To reach the objectives defined through its CSR policy (see 7.1.3. CSR policy: commitments, objectives and action plans), Gecina has developed since 2008, CSR performance measurement tools consolidated through indicator dashboards. These boards, which are constantly updated, are mostly prepared from a foundation of international reporting standards (Global Reporting Initiative G4, European Platform of Regulatory Authorities, etc.), regulatory texts (Article 225 of the "Grenelle 2" law, no. 2010-758 of July 12, 2010, etc.), of sector-based recommendations (CSR France GBC reporting guide) and the analysis of Gecina performances through the questionnaires of the non-financial rating agencies (Carbon Disclosure Project, RobecoSAM, Oekom, Global Real Estate Sustainability Benchmark, etc.). The indicators of these dashboards are calculated from the data collected from all the departments of the company concerned by CSR action plans. These indicators are essential for steering projects and for measuring the Group's CSR performance (see 7.1.4. Steering and coordination of the CSR strategy). 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. In accordance with the regulation in force, the published data is verified by an accredited independent third-party organization (see 7.7.1.3. External verification and OTI report).

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.

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.

Secure access from mobile devices or from the Internet has been set up for the functions requiring such access.

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 7 of Chapter 1, "Risks."

CONTROL ACTIVITIES

Internal control procedures, intended to manage the risks associated with the Group's operations are described in 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

The Group's main guidelines on asset investments are set through a three-year medium term plan and rolled out in the budget. 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. Following the restructuring, the process was formally revised within a new procedure. This procedure is performed by the Acquisitions & Sales Department, with the backing of 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.

The 2014 restructuring lead to the creation of a new analysis committee called the Steering Committee. This committee is comprised of the Acquisitions & Sales Director and the division Directors from each of the asset types, the Asset Management Director and the Director in charge of projects coordination as well as "Operations", "Project Management" and "Technical" Directors of the Real Estate Holdings Department. The Directors of Financial Control, Legal and CSR are also permanent members of this committee. For specific issues, other employees of the aforesaid Departments may intervene. This committee seeks to analyze the files of planned acquisitions. The files are compiled in accordance with the specific formal rules and parameters defined in a procedure. Acquisition projects reviewed by a Steering Committee and selected must then be validated by the Acquisitions Committee, comprised of members of the Executive Committee and the Head of the Legal Department. This Committee meets whenever necessary and always during each significant stage of any investment process. Lastly, in view of the restrictions on the CEO's powers established by Gecina's Board of Directors, the investment projects must also receive the Board's prior approval, and 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.

Lastly, deeds relating to acquisitions are also secured by involving in-house legal experts, notaries and/or legal advisers.

Divestments

The Group's main guidelines on asset transactions are set through a three-year medium term plan, detailed in the budget. The transaction volumes under consideration are planned by activity. The list of buildings likely to be sold is defined by a panel at Asset Review meetings and transmitted to the Financial Control for validation. The plan is then presented for approval to the Acquisitions Committee by the Acquisitions & Sales Department or the Real Estate Holdings Department concerning unit-by-unit residential sales. If the plan obtains the agreement of the Acquisitions Committee, the Strategic Committee is consulted for its opinion. 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.

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 must receive the prior approval of the Gecina's Board of Directors, and 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 Acquisitions & Sales Department, which uses 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.

Residential block sales

In the context of the disposal budget line by asset type set out in the disposals annual budget approved by the Board of Directors, and after authorization of the Acquisitions Committee and where applicable the Board, the Head of Acquisitions & Sales puts together a team to oversee the implementation of the disposal.

To coordinate these actions, the Head of Acquisitions & Sales relies on Locare teams as well as on external advice, especially from sales agents or lawyers/notaries.

Unit-by-unit sales

Unit-by-unit sales of residential properties are handled by a specific department reporting to the Real Estate Holdings 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 sale teams at Locare, a Gecina subsidiary attached to the Acquisitions & Sales Department, 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. Today, Gecina sells vacant apartments on new programs.

Project Management

The Project Management function is integrated in the Real Estate Holdings Department. It provides assistance to all the company's business lines. It monitors in particular 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

For the entire property holdings, the Real Estate Holdings Department participates actively in the security and management of the physical risks of properties: it is associated in particular with the assessments made under the oversight of the Properties Risks Function, and takes into account or oversees the implementation of prevention or correction actions following these evaluations.

The overview of expenditures linked to works is confirmed by the existence of works programs, established for each building by the Project Management and Operations departments. 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 €50,000 excluding VAT and a tender procedure with strictly defined rules for projects over €50,000 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.

Lastly, operators of healthcare 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.

Certain Capex works in the commercial real estate and healthcare 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 bimonthly meetings with Locare teams. The teams are now required to comply with the ALUR initiative which stipulates the regulation of rents, especially for Paris housing units based on a median rent published by the competent authorities. This initiative is expected to be rolled out experimentally inside Paris in a first stage;
- 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; the rents overseen by the Commercial Department must be compliant with conditions defined with inside asset reviews;
- 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 almost systematically entrusted to teams at Locare and, depending on the type of unit, sub-delegated to external agents if necessary. Students' residential properties are operated 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 Director of Real Estate Assets.

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 Operations Department oversees customer relations by relying in particular on the Marketing & Communication Department in charge of quality and customer satisfaction.

The Marketing & Communication Department oversees "Customer relations barometer" surveys and studies.

These barometers must define the Group customer relations performance indicators and key factors of quality by asset type (satisfaction surveys, reports) in order to assist operational action plans. This involves building an iterative and participative approach that fits into a comprehensive progress policy.

The Marketing & Communication Department continuously conducts incoming and outgoing customer satisfaction surveys in residential and student properties. The data obtained is extended through theme-specific studies and customer action plans and regularly monitored and updated.

For commercial and healthcare real estate, the Marketing & Communication Department conducts occasional surveys to better understand market changes from the viewpoint of demand.

The Marketing & Communication department also develops digital strategy at the service of customers. In 2014, a pilot project for an extranet has been set up for corporate and residential real estate. This will be developed as a priority for all the Group's commercial assets.

Following the reorganization deployed in 2014, Gecina Lab is now piloted by the Marketing & Communication department. Gecina wishes to strengthen its relationship with its customers and stakeholders, through Gecina Lab, a think tank promoting communication on specific themes, especially CSR. The aim of Gecina Lab is to establish a close relationship with customer-tenants by promoting knowledge, exchange and sharing of good CSR practices, comparing expert and user viewpoints. Gecina seeks to transpose progress ideas into concrete actions to help improve building performances for the tenant/user and the well-being of employees by the tenant-user.

The Marketing & Communication Department designs all the materials for information and communication actions on all properties for both future and present customers by integrating a responsible approach specific to the Group, with a concern for efficiency and measurement of the actions undertaken.

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.

A bimonthly Committee is held with each of the main user departments to monitor the various activities and projects associated with the function, as well as their compliance with user expectations and needs.

The quality of the IT department's services is closely monitored every month using indicators.

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 into the Finance Department 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 Project Management 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 two 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, Heads of the real estate entity, 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 by liaising directly and continuously with each of the Departments by supplying the reports required for monitoring the activity and useful for decision taking;
- on a centralized level by the Management control function. The latter is specifically 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. The Group Management control function is currently comprised of 12 people and is integrated into the Finance Department.

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 activity 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 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 Ethics 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, concerning Caja Castilla la Mancha and Banco Popular were taken on in Spain at the end of 2009 and the beginning of 2010. Furthermore, on September 11, 2014, the Spanish bank Abanca requested the payment by Gecina of €63 million pursuant to the guarantee letters of endorsements that they represent a fraudulent arrangement and that they were allegedly signed in 2008 and 2009 by Mr. Joaquín Rivero, a former Gecina officer. 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 from 2012. Gecina has already implemented and will continue to move forward with the procedures required to protect its interests.

5.2. COMPENSATION 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 as 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, the 2014 activity report of the Corporate Governance High Committee, the AMF 2014 report on corporate governance and the compensation for officers and the guide for preparing annual reports updated by the AMF, on December 17, 2013.

Given the nature of their functions, the respective compensations of the Chairman of the Board of Directors, Mr. Bernard Michel and the CEO, Mr. Philippe Depoux, include different elements which are detailed below.

It is recalled that 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.

Neither Mr. Bernard Michel nor Mr. Philippe Depoux have an employment contract and are not covered by any supplementary pension plan in the Group.

The Chief Executive Officer and the members of the Executive Committee do not receive attendance allowances for their corporate offices held in the Group's companies.

Furthermore, as required by the recommendation of the AFEP-MEDEF Code regarding the shareholders' right to have a say on the individual pay of officers ("say on pay"), the information below provide details of the compensation owed or allocated during the year ended to each executive corporate officer which will be submitted to the advisory vote of shareholders at the General Meeting of April 24, 2015.

5.2.1.1. COMPENSATION AND BENEFITS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS, MR. BERNARD MICHEL

The compensation of the Chairman of the Board of Directors includes a fixed compensation and fringe benefits.

FIXED COMPENSATION

The gross annual fixed compensation for Mr. Bernard Michel was set by the Board of Directors' Meeting of April 17, 2013 with effect from June 3, 2013 at €550,000. This fixed compensation has not changed since that date.

FRINGE BENEFITS

The fringe benefits correspond in particular to the provision to Mr. Bernard Michel of a company car and the IT devices required for carrying out his duties.

5.2.1.2. COMPENSATION AND BENEFITS OF THE CHIEF EXECUTIVE OFFICER, MR. PHILIPPE DEPOUX

The CEO's compensation includes a fixed compensation, an annual variable compensation, performance shares as well as fringe benefits. The CEO also receives 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.

FIXED COMPENSATION

The gross annual fixed compensation for Mr. Philippe Depoux was set by the Board of Directors' Meeting of April 17, 2013 with effect from June 3, 2013 at €400,000.

This fixed compensation has not changed since that date. Pursuant to the recommendations of the AFEP-MEDEF Code, the fixed amount of the annual compensation will only be reviewed within relatively long time frames, for example every three years.

VARIABLE COMPENSATION

The Board meeting of February 20, 2014, after seeking the opinion of the Governance, Appointment and Compensation Committee, set the performance criteria relating to the variable compensation for 2014 for Mr. Philippe Depoux. The variable compensation is fixed at 100% of the fixed portion of the compensation. The quantitative criteria represent 65% of the 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	25%	> 98	40%
> 96	15%	> 96	30%
> 94	10%	> 94	20%
< 94	0%	< 94	0%

Qualitative elements (representing 35% of the variable compensation) defined in an accurate way are particularly linked to the implementation of the strategic road map set by the Board of Directors and the success of the introduction of the company's new organization.

The Board meeting of February 19, 2015, 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 2014 at 80% of his fixed compensation received in 2014, i.e., €320,000.

Adherence to qualitative criteria, which represents 35% of variable compensation, resulted in achieving 25% of variable compensation in 2014. With respect to the quantitative criteria (representing 65% of the variable compensation), compliance with the criteria linked to the recurring income and EBITDA helped to reach respectively 25% and 30% of this compensation.

PERFORMANCE SHARES

Information relating to the performance shares allocated to Mr. Philippe Depoux are presented in tables no. 6 and no. 10 below (AFEP-MEDEF recommendation).

FRINGE BENEFITS

The fringe benefits correspond in particular to the provision to Mr. Philippe Depoux of a company car and the IT devices required for carrying out his duties.

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 as explained 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 indemnity of a maximum of six months of gross remuneration as Chief Executive Officer (fixed and variable), it is specified that this provisions became obsolete on June 3, 2014, since the CEO's time in office reached one year on that date;
- 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 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 conditions	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 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 conditions	Severance pay
Recurring income year N excluding fair value adjustment > average recurring income of years (N-1 + N-2)	100%
Recurring income year N excluding fair value adjustment < 4% of the average recurring income (N-1 + N-2)	80%
Recurring income year N excluding fair value adjustment < 8% of the average recurring income (N-1 + N-2)	50%
Recurring income year N excluding fair value adjustment < 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 was subject to the regulated agreements procedure and was approved by the company's Shareholders' General Meeting of April 23, 2014.

For enhanced legibility and comparability of information on the compensation of executive corporate officers, all the details of the compensation of Mr. Bernard Michel and Mr. Philippe Depoux is presented below, particularly in the form of tables as recommended by the AFEP-MEDEF Code.

TABLE SUMMARIZING THE COMPENSATIONS AND STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER (TABLE NO. 1 AMF – AFEP-MEDEF CODE)

€'000	12/31/2013	12/31/2014
Bernard Michel – Chairman of the Board of Directors		
Compensations due for the period (details in table 2)	325	556
Valuation of the multi-annual variable compensations allocated during the period		
Valuation of stock options allocated during the period	N/A	N/A
Valuation of performance shares allocated during the period	N/A	N/A
TOTAL	**325**	**556**
Bernard Michel – Chairman and Chief Executive Officer(1)		
Compensations due for the period (details in table 2)	640	N/A
Valuation of the multi-annual variable compensations allocated during the period		N/A
Valuation of stock options allocated during the period	N/A	N/A
Valuation of performance shares allocated during the period	N/A	N/A
TOTAL	**640**	**N/A**
Philippe Depoux - Chief Executive Officer(2)		
Compensations due for the period (details in table 2)	470	728
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	N/A
Valuation of performance shares allocated during the period (details in table 6)	486	N/A
TOTAL	**956**	**728**

(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.

TABLE SUMMARIZING THE COMPENSATIONS AND STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER (TABLE NO. 2 AMF – AFEP-MEDEF CODE)

€'000	12/31/2013		12/31/2014	
Bernard Michel – Chairman of the Board of Directors	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation	321	321	550	550
Annual variable compensation				
Multi-annual variable compensation				
Exceptional compensation				
Attendance allowance				
Value of benefits in kind (new technologies)				
Value of benefits in kind (company car)	4	4	6	6
Bernard Michel – Chairman and Chief Executive Officer(1)				
Fixed compensation	271	271		
Annual variable compensation*	325	748		325
Multi-annual variable compensation				
Exceptional compensation				
Attendance allowance	42	42		
Value of benefits in kind (new technologies)				
Value of benefits in kind (company car)	2	2		
TOTAL	**965**	**1,388**	**556**	**881**
Philippe Depoux – Chief Executive Officer(2)	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation	233	233	400	400
Annual variable compensation*	233		320	233
Multi-annual variable compensation				
Exceptional compensation				
Attendance allowance				
Value of benefits in kind (new technologies)				
Value of benefits in kind (company car)	4	4	8	8
TOTAL	**470**	**238**	**728**	**641**

(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.
** The variable compensation due for the year N-1 is paid in year N.*

The company recognized a provision of €400,000 corresponding to the variable compensation portion set at 100% of the fixed compensation to be paid to Mr. Philippe Depoux in 2014, for his services as CEO.

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 2014.

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 2014.

PERFORMANCE SHARES ALLOCATED TO EACH CORPORATE OFFICER (TABLE NO. 6 AMF GUIDELINE – AFEP-MEDEF CODE)

No performance share for new or existing shares was granted to executive corporate officers in 2014. Following the presentation of the strategic plan, approved by the Board of Directors on December 17, 2014, and for the sake of better alignment between management and shareholders, the Board has decided to implement a new performance share award plan in February 2015.

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 2014.

OTHER DISCLOSURES (TABLE NO. 11 AMF – AFEP-MEDEF CODE RECOMMENDATION)

		Employment contract		Supplementary pension plan		Compensations[1] or benefits due or likely to be due after the corporate officer leaves the position or changes functions		Compensations arising from a non-competition clause	
Corporate officers		Yes	No	Yes	No	Yes	No	Yes	No
Bernard Michel – Chairman			x		x		x		x
Date of appointment	02/16/2010								
Date of expiry of term[2]	GM 2018								
Philippe Depoux - CEO			x		x	x			x
Date of appointment	06/03/2013								

(1) The benefits in the event of termination of duties of the CEO are presented in Notes 5.1.6.
(2) The Shareholders' General Meeting of April 23, 2014 reappointed Mr. Bernard Michel as Director for a period of four years which will end after the Shareholders' General Meeting convened to approve the financial statements for fiscal year 2017.

5.2.1.3. ELEMENTS OF COMPENSATION DUE OR AWARDED IN 2014

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 24, 2015 will be asked to issue an advisory opinion on the elements of the compensation due or awarded in 2014 to each executive corporate officer.

ELEMENTS OF COMPENSATION DUE OR AWARDED IN 2014 TO MR. BERNARD MICHEL, CHAIRMAN OF THE BOARD OF DIRECTORS

Elements of compensation	Amounts or book valuation *(€,000)*	Overview
Fixed compensation	550	
Annual variable compensation	N/A	Mr. Bernard Michel is not entitled to any variable compensation.
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 2014.
Award of performance shares	N/A	Mr. Bernard Michel is not entitled to any performance shares.
Attendance allowance	N/A	The management team does not receive an attendance allowance in their capacity as corporate officers in Group companies.
Fringe benefits	6	Company car
Severance pay	none	Mr. Bernard Michel is not entitled to any severance pay.
Non-competition pay	N/A	Mr. Bernard Michel is not entitled to any non-competition pay.
Pension plan	N/A	Mr. Bernard Michel does not have a supplementary pension plan with the Group.

ELEMENTS OF COMPENSATION DUE OR AWARDED IN 2014 TO MR. PHILIPPE DEPOUX, CHIEF EXECUTIVE OFFICER

Elements of compensation	Amounts or book valuation *(€,000)*	Overview
Fixed compensation	400	
Annual variable compensation	320	The variable compensation is fixed at 100% maximum of the fixed portion of the compensation. The quantitative criteria represent 65% of the variable compensation and the qualitative criteria represent 35%. The pre-established and precisely-defined qualitative elements (35%) are particularly linked to the implementation of the strategic road map set by the Board of Directors and the success of the introduction of the company's new organization. The achievement of quantitative performance criteria is established according to the grid described in Chapter 5.2.1.2.
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 2014.
Award of performance shares	N/A	No performance share plan was awarded in 2014.
Attendance allowance	N/A	The management team does not receive attendance allowances in their capacity as corporate officers in Group companies.
Fringe benefits	8	Company car
Severance pay	none	Mr. Philippe Depoux, in his capacity as the CEO, will receive 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 5.2.1.2. Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, the granting of this severance pay was subject to the regulated agreements procedure and received the approval of the company's shareholders' General Meeting of April 23, 2014.
Non-competition pay	N/A	Mr. Philippe Depoux is not entitled to non-competition pay.
Pension plan	N/A	Mr. Philippe Depoux does not have a supplementary pension plan with the Group.

5.2.2. INFORMATION ON STOCK OPTIONS FOR NEW OR EXISTING SHARES AND PERFORMANCE SHARES

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)

Date of Shareholders' Meeting	04/18/2013
Date of Board meeting	12/13/2013
Total number of shares awarded free of charge	62,560
including the number awarded to	
Mr. Philippe Depoux	10,000
Acquisition date of shares	12/13/2015
End of holding period	12/13/2017
Performance conditions	Gecina share performance compared to the Euronext SIIC France index
Number of shares subscribed as at 02/19/2015	0
Aggregate number of cancelled or obsolete shares	350
Outstanding shares awarded free of charge at year end	62,210

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.

  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 number of performance shares allocated to Mr. Philippe Depoux in December 2013 represents 16% of all the shares allocated to group employees and officer in 2013. This award represents less than 0.02% of the capital as at December 31, 2014.

Pursuant to the performance share plan regulations, none of beneficiaries cannot use any hedging instrument.

No performance share plan was awarded during 2014.

Mr. Bernard Michel is not entitled to any performance share award.

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 of March 14, 2006	Stock options of December 2008	Stock options of April 16, 2010	Stock options of December 27, 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					
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).	178,562	€61.14	14,634	82,730	78,853	2,345

5.2.3. DIRECTORS' COMPENSATION

The Board of Directors continued in 2014 the application of attendance allowance allocation and payment rules. 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);
- annual fixed compensation of €25,000 for each of the Chairs of the Board of Directors' Committees.
- Chairman of the Board of Directors not paid for his directorship;
- 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.

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.

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.

For 2014, the Board of Directors decided to use this budget up to €929,667 to take account of the number of Directors who received attendance allowances during this period and consequently define a cap. This package takes the following elements into account:

- three Directors linked to the Ivanhoé Cambridge and Blackstone Group (Mrs. Méka Brunel and Mr. Claude Gendron and Mr. Anthony Myers) do not receive attendance allowance for reasons linked to the internal policy of their group;
- Mr. Bernard Michel receives no attendance allowance as Chairman of the Board of Directors;
- the number of Directors has been reduced from 13 to nine following the resignation of four Directors on September 17, 2014.

Furthermore, the following decisions were taken:

- The attendance allowances paid to the Directors who left their office during the year, on decision from the Board of Directors, were not capped.
- The annual fixed portion for the Chairs of the Audit, Risks and Sustainable Development Committee and the Governance, Appointment and Compensation Committee was not capped, given their regular attendance and their high involvement in preparing and leading the proceedings of these Committees.

It is further specified that:

- the members of the two *ad hoc* Committees created by the Board of Directors in 2013 were not paid for sitting on these Committees;
- some extraordinary Committee meetings held immediately before Board of Directors' meetings, and the Board of Directors' meeting held after the Annual General Meeting of April 23, 2014 did not lead to any compensation.

On these bases, the amounts of attendance allowances paid in 2013 and 2014 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 2013 *(in €)*	Amounts paid in 2014 *(in €)*
Ms. Méka Brunel(1)		
Attendance allowance	-	-
Other compensation		
Mr. Philippe Donnet(1)		
Attendance allowance	102,435	-
Other compensation		
Mr. Vicente Fons(1)		
Attendance allowance	81,939	29,740
Other compensation		
Ms. Sylvia Fonseca(1)		
Attendance allowance	-	72,694
Other compensation		
Mr. Claude Gendron(1)		
Attendance allowance	-	-
Other compensation		
Mr. Rafael Gonzalez de la Cueva		
Attendance allowance	102,771	98,318
Other compensation		
Mr. Sixto Jimenez(1)		
Attendance allowance	126,844	93,308
Other compensation		
Metrovacesa, represented by Mr. Carlos Garcia(1)		
Attendance allowance	96,290	71,308
Other compensation		
Mr. Anthony Myers(1)		
Attendance allowance	-	-
Other compensation		
Mr. Jacques-Yves Nicol		
Attendance allowance	147,215	117,016
Other compensation		
Mr. Eduardo Paraja(1)		
Attendance allowance	44,137	55,308
Other compensation		

(1) Directors whose terms began or ended in 2014.

Non-executive corporate officers	Amounts paid in 2013 *(in €)*	Amounts paid in 2014 *(in €)*
Predica, represented by Mr. Jean-Jacques Duchamp		
Attendance allowance	130,547	117,646
Other compensation		
Ms. Inès Reinmann Toper		
Attendance allowance	110,977	130,041
Other compensation		
Ms. Helena Rivero(1)		
Attendance allowance	130,547	42,740
Other compensation		
Ms. Victoria Soler(1)		
Attendance allowance	109,715	25,740
Other compensation		
Mr. Antonio Trueba(1)		
Attendance allowance	102,771	75,808
Other compensation		
TOTAL	**1,286,188**	**929,667**

(1) Directors whose terms began or ended in 2014.

The company recorded no provision for Directors' compensation and benefits.

06

Distribution, share capital and shares

06

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 2015, regarding fiscal year 2014, of a dividend of €4.65 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 2014 earnings for the year as follows, and to decide, after taking into account:

- profit for the year of €229,507,863.76;
- representing distributable earnings of €229,507,863.76;
- increased by a charge against available reserves in the amount of € 63,929,549.24;
- to distribute a dividend per share of €4.65 under the SIIC system, representing a maximum overall amount of €293,437,413.00.

Should the number of shares conferring dividend rights vary with respect to the 63,104,820 shares comprising share capital at 31 December, 2014, the overall amount of dividends would be adjusted on the basis of dividends effectively paid out.

The dividend per share of €4.65 will be paid on April 30, 2015.

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	2011	2012	2013
Total distribution	€275,661,971	€276,219,394	€289,204,282
Dividend per share	€4.40	€4.40	€4.60

Dividend no longer qualifying for the 40% tax rebate 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 €7,815,877.38.

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

	2010	2011	2012	2013	2014
Distribution	€275,507,619	€275,661,971	€276,219,394	€289,204,282	€293,437,413
Number of shares	62,615,368	62,650,448	62,777,135	62,870,496	63,104,820
Dividend under the SIIC system	€4.40	€4.40	€4.40	€4.60	€4.65(1)

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2014.

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.

6.2. INFORMATION ON SHARE CAPITAL

Share capital, composed of 63,104,820 shares at a par value of €7.50, totaled €473,286,150 at the end of fiscal year 2014.

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, 2014, 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 theoretical voting rights(1)	% of exercisable voting rights(2)
Blackstone & Ivanhoé Cambridge[a] [b]	18,826,248	29.83%	29.83%	30.70%
Crédit Agricole Assurances Predica[b]	8,435,388	13.37%	13.37%	13.76%
Norges Bank[b]	6,119,554	9.70%	9.70%	9.98%
Other resident institutional shareholders	4,877,378	7.73%	7.73%	7.95%
Individual shareholders	2,739,901	4.34%	4.34%	4.47%
Non-resident shareholders	20,319,192	32.20%	32.20%	33.14%
Treasury shares	1,787,159	2.83%	2.83%	
TOTAL	**63,104,820**	**100%**	**100%**	**100%**

(1) The calculation of percentages of voting rights takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the company which have restricted voting rights.
(a) On January 31, 2014, the concert parties Blackstone & Ivanhoé Cambridge became the owners of 14,448,037 Gecina shares, 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.
(b) On June 6, 2014, Gecina learnt that Metrovacesa had signed sale purchase agreements subject to conditions precedent on all the 16,809,610 Gecina shares (26.74%) held by Metrovacesa, with institutional investors among which Norges Bank, Crédit Agricole Assurances, Blackstone and Ivanhoé Cambridge acting in concert, through a jointly-owned affiliate and a company affiliated to Blackstone. This transaction was completed on July 28, 2014. Further details on declarations of crossings of ownership thresholds and statement of intent made to the Autorité des Marchés Financiers *(AMF) are provided in Section 6.3.5.*

To the company's knowledge, no other shareholder owns more than 5% of the share capital or voting rights at December 31, 2014.

As at December 31, 2014, the percentages of share capital and voting rights held by the members of the administrative and governance bodies were 12.87% and 13.25% respectively.

As at December 31, 2014, Group employees held 558,579 Gecina shares directly and 86,452 Gecina shares indirectly *via* the Gecina employee share ownership plan ("FCPE Gecina actionnariat"), representing a total of 1.02% of share capital.

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.

As at December 31, 2014, 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 2,881,486. The complete conversion of ORNANE bonds would imply a theoretical issuance of 3,745,931 new shares (excluding the allocation of existing shares), representing 5.94% of share capital.

- As at December 31, 2014, the potential number of shares to be created by the exercise of stock options and performance shares amounted to 405,096, or 0.64% of share capital.

Information on the stock options and performance shares granted and/or exercised in 2014 can be found in the special report of the Board of Directors.

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 4,151,027 new shares representing a maximum dilution potential of 6.58%.

- 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

	12/31/2014			12/31/2013			12/31/2012		
	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)
Blackstone & Ivanhoé Cambridge	29.83%	29.83%	30.70%						
Norges Bank	9.70%	9.70%	9.98%						
Metrovacesa				26.74%	26.74%	27.56%	26.78%	26.78%	27.71%
Rivero Group				16.14%	16.14%	16.64%	16.11%	16.11%	16.67%
Soler Group				15.22%	15.22%	15.69%	15.24%	15.24%	15.77%
Crédit Agricole Assurances Predica	13.37%	13.37%	13.76%	8.51%	8.51%	8.77%	8.23%	8.23%	8.52%
Individual shareholders	4.34%	4.34%	4.47%	4.44%	4.44%	4.57%	4.64%	4.64%	4.80%
Other resident institutional shareholders	7.73%	7.73%	7.95%	2.85%	2.85%	2.94%	3.28%	3.28%	3.39%
Non-resident shareholders	32.20%	32.20%	33.14%	23.12%	23.12%	23.83%	22.36%	22.36%	23.13%
Treasury shares	2.83%	2.83%		2.98%	2.98%		3.36%	3.36%	
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) The calculation of percentages of voting rights takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the company which have restricted voting rights.

6.2.4. CHANGE IN SHARE CAPITAL AND RESULTS OVER THE LAST FIVE YEARS

Year	Transactions	Number of shares	Capital (€)	Share issue or merger premium (€)
2010	Balance at 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 at December 31, 2010	62,615,368	469,615,260.00	
2011	Balance at 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 at December 31, 2011	62,650,448	469,878,360.00	
2012	Balance at 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 at December 31, 2012	62,777,135	470,828,512.50	
2013	Balance at 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 at December 31, 2013	62,870,496	471,528,720.00	
2014	Balance at January 1, 2014	62,870,496	471,528,720.00	
	Exercise of stock options	134,184	1,006,380.00	9,554,385
	Subscription under the Company's savings plan	53,260	399,450.00	3,750,569
	Shares issued under the performance share award plan – April 2010	1,600	12,000.00	
	Shares issued under the performance share award plan – December 2012	45,280	339,600.00	
	Balance at December 31, 2014	63,104,820	473,286,150.00	

During fiscal year 2014, 234,324 new company shares entitled to dividend on January 1, 2014 were created as a result of:

- the subscription of 53,260 shares under the Company's Savings Plan;
- the creation of 134,184 shares from the exercise of stock options;
- the definitive acquisition of 1,600 shares from the performance share plan of April 16, 2010;
- the definitive acquisition of 45,280 shares from the performance share plan of December 14, 2012.

THE COMPANY'S RESULTS OVER THE LAST FIVE FISCAL YEARS

	2010	2011	2012	2013	2014
I – Closing share capital					
Share capital *(€'000)*	469,615	469,878	470,829	471,529	473,286
Number of ordinary shares outstanding	62,615,368	62,650,448	62,777,135	62,870,496	63,104,820
Maximum number of future shares to be issued by converting bonds and exercising stock options	572,188	618,464	510,539	588,730	4,151,027
II – Operations and earnings for the year *(€'000)*					
Net revenues	294,411	302,248	268,394	270,879	271,910
Income before tax, depreciation, impairment and provisions	407,970	529,936	81,730	388,612	315,913
Income tax	(24,656)	42,495	(314)	(3,818)	(2,849)
Earnings after tax, depreciation, impairment and provisions	275,037	272,801	410,673	317,775	229,508
Distributed profits	275,508	275,662	276,219	289,204	293,437(1)
III – Earnings per share *(€)*					
Earnings after tax but before depreciation, impairment and provisions	6.12	9.14	1.30	6.12	4.96
Earnings after tax, depreciation, impairments and provisions	4.39	4.35	6.54	5.05	3.64
Total net dividend per share	4.40	4.40	4.40	4.60	4.65(1)
IV – Workforce					
Average headcount during the year	519	499	417	405	397
Annual payroll *(€'000)*	36,311	33,827	27,848	28,574	28,698
Annual employee benefits including social security and other social charges *(€'000)*	18,394	16,854	13,019	10,333	15,150

(1) Subject to approval by the General Meeting of Shareholders.

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' Meeting held on December 13, 2013 used this authorization to award 72,260 shares. This award 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	2013: Issue 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 2014: Issue of 45,280 shares from the performance share plan of December 2012 and of 1,600 shares from the performance share plan of April 2010 and of 134,184 shares from stock options plan
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 the 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 and 53,260 shares issued in 2014
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 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
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 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	Award in 2013 of 9,700 and 62,560 shares to be issued on December 2015

Securities concerned Date of General Meeting *(Term of authorization and expiry date)*	Restrictions	Use of authorizations
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 23, 2014 – 19th resolution (up to 18 months, expiry on October 24, 2015)	**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** €943,057,350	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. No transaction carried out in connection with the liquidity contract in 2014.
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 23, 2014 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 23, 2014 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 2014.

In 2014, Gecina did not use the authorization given to the Board of Directors by the General Meeting of Shareholders of April 18, 2013, then by the General Meeting of Shareholders of April 23, 2014, to purchase treasury shares.

LIQUIDITY CONTRACT

The liquidity contract granted by Gecina to Exane was terminated on December 27, 2013.

As at December 31, 2014, 1,787,159 treasury shares were held, *i.e.* 2.83% of share capital. The treasury shares represent a total investment of €129.8 million, at an average price per share of €72.61.

COMPANY TRANSACTIONS ON TREASURY SHARES

Aggregate information 2014		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2014	63,104,820	
Number of treasury shares at December 31, 2013	1,873,001	2.97%
Options exercised in the year	85,819	0.14%
Shares transferred to allocation plans		
Shares transferred to the conversion of ORNANE bonds	23	-
Cancellation of withdrawal of rights		
Share buyback	None	None
Average price of share buybacks including transaction fees		
Liquidity contract	None	None
Number of shares purchased	-	
Number of shares sold	-	
Average purchase price	-	
Average sale price	-	
Number of treasury shares at December 31, 2014	1,787,159	2.83%

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 Regulations of the AMF (amended by the decrees of April 2 and July 10, 2009), by the AMF Instruction 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 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. (hereinafter the "partnership").

(1) "Blackstone" refers to The 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 The 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.

06

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. ("Alteco") and of 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 (hereinafter 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) 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.

(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 2014, 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
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	March 4, 2014	March 5, 2014	OTC	€37.23	€67,497.99
Sylvia FONSECA, Member of the Board of Directors	Shares	Acquisition	March 7, 2014	March 10, 2014	NYSE Euronext	€100.65	€4,026.00
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	March 7, 2014	March 10, 2014	OTC	€37.23	€7,520.46
Pascale NEYRET, Member of the Management Committee	Shares	Disposal	May 22, 2014	May 22, 2014	NYSE Euronext	€102.75	€123,303.24
Loïc HERVÉ, Member of the Executive Committee	Shares	Disposal	May 22, 2014	May 22, 2014	NYSE Euronext	€102.36	€163,772.48
Vincent MOULARD, Member of the Executive Committee	Shares	Exercise of stock options	May 21, 2014	May 22, 2014	OTC	€78.98	€552,860.00
Vincent MOULARD, Member of the Executive Committee	Shares	Disposal	May 22, 2014	May 22, 2014	NYSE Euronext	€101.19	€708,306.90
Vincent MOULARD, Member of the Executive Committee	Shares	Disposal	May 22, 2014	May 22, 2014	NYSE Euronext	€101.07	€121,286.16
Veronica BASALLO-ROSSIGNOL, Member of the Management Committee	Shares	Disposal	May 22, 2014	May 22, 2014	NYSE Euronext	€102.04	€40,815.64
Pascale NEYRET, Member of the Management Committee	Shares	Exercise of stock options	May 22, 2014	May 23, 2014	OTC	€78.98	€506,261.80
Pascale NEYRET, Member of the Management Committee	Shares	Disposal	May 22, 2014	May 23, 2014	NYSE Euronext	€102.17	€332,657.71
Pascale NEYRET, Member of the Management Committee	Shares	Disposal	May 23, 2014	May 23, 2014	NYSE Euronext	€100.51	€317,007.59
Vincent MOULARD, Member of the Executive Committee	Shares	Exercise of stock options	May 26, 2014	May 27, 2014	OTC	€78.98	€47,545.96
Veronica BASALLO-ROSSIGNOL, Member of the Management Committee	Shares	Exercise of stock options	May 27, 2014	May 28, 2014	OTC	€37.23	€3,462.39
Veronica BASALLO-ROSSIGNOL, Member of the Management Committee	Shares	Exercise of stock options	May 27, 2014	May 28, 2014	OTC	€78.98	€82,613.08
Veronica BASALLO-ROSSIGNOL, Member of the Management Committee	Shares	Disposal	May 27, 2014	May 28, 2014	NYSE Euronext	€101.90	€9,467.70
Veronica BASALLO-ROSSIGNOL, Member of the Management Committee	Shares	Disposal	May 27, 2014	May 28, 2014	NYSE Euronext	€101.95	€106,637.71
Loïc HERVÉ, Member of the Executive Committee	Shares	Exercise of stock options	May 28, 2014	May 28, 2014	OTC	€78.98	€247,997.20
Loïc HERVÉ, Member of the Executive Committee	Shares	Disposal	May 28, 2014	May 28, 2014	NYSE Euronext	€102.12	€320,660.25
David SOLY, Member of the Management Committee	Shares	Disposal	May 30, 2014	June 2, 2014	NYSE Euronext	€104.00	€62,400.00
Loïc HERVÉ, Member of the Executive Committee	Shares	Exercise of stock options	May 30, 2014	June 2, 2014	OTC	€78.98	€990,725.12

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
Loïc HERVÉ, Member of the Executive Committee	Shares	Disposal	May 30, 2014	June 2, 2014	NYSE Euronext	€103.95	€1,303,923.71
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	May 30, 2014	June 2, 2014	OTC	€78.98	€394,900.00
Philippe VALADE, Member of the Executive Committee	Shares	Disposal	May 30, 2014	June 2, 2014	NYSE Euronext	€104.40	€521,977.50
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	June 2, 2014	June 3, 2014	OTC	€37.23	€139,165.74
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	June 3, 2014	June 4, 2014	OTC	€37.23	€595.68
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	June 3, 2014	June 4, 2014	OTC	€78.98	€131,975.58
David SOLY, Member of the Management Committee	Shares	Exercise of stock options	June 3, 2014	June 5, 2014	OTC	€78.98	€247,760.26
David SOLY, Member of the Management Committee	Shares	Disposal	June 3, 2014	June 5, 2014	NYSE Euronext	€105.00	€42,000.00
David SOLY, Member of the Management Committee	Shares	Disposal	June 4, 2014	June 5, 2014	NYSE Euronext	€104.11	€284,951.53
André LAJOU, Member of the Executive Committee	Shares	Exercise of stock options	June 4, 2014	June 5, 2014	OTC	€78.98	€1,651,629.76
André LAJOU, Member of the Executive Committee	Shares	Disposal	June 4, 2014	June 5, 2014	NYSE Euronext	€104.20	€627,409.20
André LAJOU, Member of the Executive Committee	Shares	Disposal	June 5, 2014	June 5, 2014	NYSE Euronext	€104.79	€1,560,398.11
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	June 11, 2014	June 11, 2014	OTC	€78.98	€122,182.06
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	June 11, 2014	June 11, 2014	OTC	€78.98	€122,813.90
Loïc HERVÉ, Member of the Executive Committee	Shares	Exercise of stock options	June 6, 2014	June 11, 2014	OTC	€96.48	€513,273.60
Loïc HERVÉ, Member of the Executive Committee	Shares	Disposal	June 6, 2014	June 11, 2014	NYSE Euronext	€108.64	€577,969.06
Vincent MOULARD, Member of the Executive Committee	Shares	Exercise of stock options	June 6, 2014	June 11, 2014	OTC	€78.98	€390,556.10
Vincent MOULARD, Member of the Executive Committee	Shares	Disposal	June 6, 2014	June 11, 2014	NYSE Euronext	€108.63	€537,582.37
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	June 11, 2014	June 12, 2014	OTC	€78.98	€101,015.42
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	June 11, 2014	June 12, 2014	OTC	€84.51	€422.55
Éric SAINT-MARTIN, Member of the Management Committee	Shares	Exercise of stock options	June 16, 2014	June 16, 2014	OTC	€78.98	€330,373.34
Éric SAINT-MARTIN, Member of the Management Committee	Shares	Disposal	June 16, 2014	June 16, 2014	NYSE Euronext	€106.11	€443,845.58
Philippe VALADE, Member of the Executive Committee	Shares	Exercise of stock options	June 17, 2014	June 17, 2014	OTC	€78.98	€147,297.70

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
Yves DIEULESAINT, Member of the Executive Committee	Shares	Exercise of stock options	June 17, 2014	June 17, 2014	OTC	€61.02	€318,341.34
Yves DIEULESAINT, Member of the Executive Committee	Shares	Exercise of stock options	June 17, 2014	June 17, 2014	OTC	€78.98	€98,961.94
Yves DIEULESAINT, Member of the Executive Committee	Shares	Exercise of stock options	June 17, 2014	June 17, 2014	OTC	€37.23	€3,723.00
Vincent MOULARD, Member of the Executive Committee	Shares	Exercise of stock options	June 17, 2014	June 17, 2014	OTC	€84.51	€181,723.95
Pascale NEYRET, Member of the Management Committee	Shares	Exercise of stock options	June 17, 2014	June 17, 2014	OTC	€84.51	€16,902.00
Pascale NEYRET, Member of the Management Committee	Shares	Exercise of stock options	June 17, 2014	June 17, 2014	OTC	€78.98	€119,338.78
PREDICA SA, Member of the Board of Directors	Shares	Acquisition	July 25, 2014	July 30, 2014	OTC	€92.00	€249,888,284.00
METROVACESA, Member of the Board of Directors	Shares	Disposal	July 28, 2014	August 1, 2014	OTC	€92.00	€1,546,484,120.00
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	August 5, 2014	August 6, 2014	OTC	€96.48	€105,163.20
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	August 5, 2014	August 6, 2014	OTC	€84.51	€202,401.45
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	August 8, 2014	August 8, 2014	OTC	€96.48	€232,034.40
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	August 11, 2014	August 11, 2014	OTC	€96.48	€99,374.40
Olivier HAYE, Member of the Management Committee	Shares	Exercise of stock options	August 18, 2014	August 21, 2014	OTC	€78.98	€165,226.16
Éric SAINT-MARTIN, Member of the Management Committee	Shares	Exercise of stock options	August 26, 2014	August 29, 2014	OTC	€96.48	€308,060.64
Éric SAINT-MARTIN, Member of the Management Committee	Shares	Disposal	August 26, 2014	August 29, 2014	NYSE Euronext.	€112.6462	€302,567.69
Éric SAINT-MARTIN, Member of the Management Committee	Shares	Disposal	August 26, 2014	August 29, 2014	NYSE Euronext.	€112.6405	€359,661.12
Olivier HAYE, Member of the Management Committee	Shares	Exercise of stock options	November 27, 2014	November 27, 2014	OTC	€104.72	€109,537.12
Olivier HAYE, Member of the Management Committee	Shares	Disposal	November 27, 2014	November 27, 2014	NYSE Euronext.	€109.01	€114,028.75
Vincent MOULARD, Member of the Executive Committee	Shares	Exercise of stock options	December 3, 2014	December 5, 2014	OTC	€104.05	€14,150.80
Vincent MOULARD, Member of the Executive Committee	Shares	Disposal	December 3, 2014	December 5, 2014	NYSE Euronext	€111.00	€15,096.00
Francis VASSEUR, Valuations and Appraisals Director	Shares	Exercise of stock options	December 30, 2014	December 30, 2014	OTC	€84.51	€135,216.00

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.

6.3.5. DECLARATIONS OF CROSSING OF OWNERSHIP THRESHOLDS AND STATEMENT OF INTENT

During fiscal year 2014, the Company was notified of declarations regarding the crossing of the following legal and statutory thresholds:

		Crossing of ownership thresholds							
		exceeding the threshold		falling below the threshold					
Shareholders	Crossing date	Legal	Statutory	Legal	Statutory	Shares	Voting rights	% of share capital	% of voting rights
Eliseo Finance S.à.r.l[(1) (2)]	01/31/2014	20%	/			14,448,037	14,448,037	22.98%	22.98%
Natixis S.A.[(3)]	01/31/2014		4%			3,134,830	3,134,830	4.99%	4.99%
Eliseo Finance S.à.r.l.[(4)]	04/11/2014			20%	/	14,425,100	14,425,100	22.94%	22.94%
Gevrey Investissement S.à.r.l.[(5)]	04/11/2014	20%	/			14,425,100	14,425,100	22.94%	22.94%
Amwal Investments LLC (Abu Dhabi)	07/22/2014		4%			2,941,291	2,941,291	4.66%	4.66%
Metrovacesa[(6)]	07/28/2014			25%	/	16,809,610	16,809,610	26.67%	26.67%
Norges Bank[(7)]	07/28/2014	5%	/			6,119,554	6,119,554	9.71%	9.71%
Blackstone and Ivanhoé Cambridge acting in concert[(8)]	07/28/2014	25%	/			18,826,248	18,826,248	29.87%	29.87%
Crédit Agricole S.A.[(9)]	07/28/2014	10%	/			8,429,307	8,429,307	13.37%	13.37%
Natixis S.A.	09/03/2014				4%	2,470,865	2,470,865	3.92%	3.92%
Cohen & Steers	12/18/2014		2%			1,279,656	1,279,656	2.03%	2.03%

(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), on the understanding 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 AMF document no. 213C0350 of March 15, 2013).

(2) This crossing of ownership thresholds resulted from the pledging of Gecina shares. The following statement of intent was made:

"Pursuant to Article L. 233-7 VII of the French 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 concert party formed by Blackstone, Ivanhoé Cambridge and their affiliates, including Eliseo Finance S.à.r.l. (the concert party) hereby declares the following with regard to the intentions of the concert party for the next six months: The members of the concert party became the owners of 14,448,037 Gecina shares, 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 Gecina shares, 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 decision and notification no. 213C0350 of March 15, 2013), are not acting in concert with any other person, whether a natural person or a legal entity. The concert party plans to purchase further shares of Gecina or interests in loans (guaranteed with Gecina shares). However, the concert party 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 concert party 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 concert party to influence Gecina's strategy. The concert party supports the strategy implemented by Gecina and its executive management.

The concert party 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 concert party 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 concert party is party to (i) the agreements or instruments set out in (4) and (4)-bis of Article L. 233-9 of the French Commercial Code or (ii) temporary transfer agreements relating to Gecina shares or voting rights."

(3) This crossing of ownership thresholds resulted from the pledging of Gecina shares.

(4) (5) These crossings of ownership thresholds resulted from the OTC sale by Eliseo Finance S.à.r.l. of 14,425,100 Gecina shares to Gevrey Investissement S.à.r.l.

The concert party comprised of The Blackstone Group L.P. (Blackstone) and Ivanhoé Cambridge II Inc. (Ivanhoé Cambridge) have not crossed any threshold and stated that it held, as at April 11, 2014, 14,476,248 Gecina shares representing as many voting rights, or 23.03% of the capital and voting rights of this company, broken down as follows:

	Shares and voting rights	% of share capital and voting rights
Gevrey Investissement S.à.r.l.	14,425,100	22.94
Moon Finance EIII ESC-Q S.à.r.l.	11,966	0.02
Moon Finance VII ESC-Q S.à.r.l.	5,633	0.01
Moon Finance Holding-Q S.à.r.l.	5,338	0.01
Caisse de dépôt et placement du Québec	28,211	0.04
TOTAL CONCERT PARTY	**14,476,248**	**23.03**

The following statement of intent was made:

"Pursuant to Article L. 233-7 VII of the French 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 Gevrey Investissement S.à.r.l., Moon Finance EIII ESC-Q S.à.r.l., Moon Finance VII ESC-Q S.à.r.l. and Moon Finance Holding-Q S.à.r.l., The Blackstone Group L.P. (Blackstone) repeats, in the name and on behalf of the concert party formed by Blackstone, Ivanhoé Cambridge II Inc. (Ivanhoé Cambridge) and their affiliates, including Gevrey Investissement S.à.r.l., Moon Finance EIII ESC-Q S.à.r.l., Moon Finance VII ESC-Q S.à.r.l. and Moon Finance Holding-Q S.à.r.l. (the concert party), the declaration made on February 4, 2014, with regard to the intentions of the concert party for the next six months, namely:

The members of the concert party acquired 14,448,037 Gecina shares, representing 22.98% of Gecina's share capital and voting rights, from Eliseo Finance S.à.r.l., subsidiary of Gevrey Investissement S.à.r.l. The acquisition of these shares, in addition to the 28,211 Gecina shares held by the Caisse de dépôt et placement du Quebec, was fully financed with shareholders' equity.

Blackstone and Ivanhoé Cambridge (and their affiliates, including Gevrey Investissement S.à.r.l., Moon Finance EIIIESC-Q S.à.r.l., Moon Finance VII ESC-Q S.à.r.l. and Moon Finance Holding-Q S.à.r.l.), which are acting in concert (see decision and notification no. 213C0350 of March 15, 2013), are not acting in concert with any other person, whether a natural person or a legal entity. The concert party plans to purchase further shares of Gecina or interests in loans (guaranteed with Gecina shares). However, the concert party 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 concert party 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 intercompany transfer of the Gecina shares previously held by Eliseo Finance S.à.r.l. and not of an intention on the part of the concert party to influence Gecina's strategy. The concert party supports the strategy implemented by Gecina and its executive management.

The concert party 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 concert party also intends to propose the appointment of Gecina directors, proportionally to its holding in Gecina's capital (at least three – see notice of meeting dated March 7, 2014 relating to the Gecina Ordinary General Meeting of Shareholders of April 23, 2014).

None of the members of the concert party is party to (i) the agreements or instruments set out in (4) and (4)-bis of Article L. 233-9 of the French Commercial Code or (ii) temporary transfer agreements relating to Gecina shares or voting rights."

(6) The crossing of these ownership thresholds is the result of an OTC sale of Gecina shares.

(7) The crossing of these ownership thresholds is the result of an OTC purchase of Gecina shares.

(8) The concert party comprised of the affiliates of The Blackstone Group L.P. (Blackstone) and Ivanhoé Cambridge II Inc. (Ivanhoé Cambridge) reported that it had exceeded, on July 28, 2014, following the OTC purchase of Gecina shares, the ownership thresholds of 25% of the share capital and voting rights of Gecina and held 18,826,248 Gecina shares representing as many voting rights, i.e., 29.87% of the share capital and voting rights of this company, broken down as follows:

	Shares and voting rights	% of share capital and voting rights
Gevrey Investissement II S.à.r.l.	4,350,000	6.90
Gevrey Investissement S.à.r.l.	14,425,100	22.89
Moon Finance EIII ESC-Q S.à.r.l.	11,966	0.02
Moon Finance VII ESC-Q S.à.r.l.	5,633	0.01
Moon Finance Holding-Q S.à.r.l.	5,338	0.01
Caisse de dépôt et placement du Québec	28,211	0.04
TOTAL CONCERT PARTY	**18,826,248**	**29.87**

(9) Crédit Agricole S.A. reported that it had exceeded, indirectly through the intermediary of the companies that it controls and in concert with Assurance Mutuelle Fédérale SA, the thresholds of 10% of Gecina's share capital and voting rights and that it held with a concert party, 8,429,307 Gecina's shares representing as many voting rights, or 13.37% of the capital and voting rights of this company, broken down as follows:

	Shares and voting rights	% of share capital and voting rights
Predica	8,096,229	12.85
Pacifica	111,348	0.18
Spirica	89,027	0.14
Médicale de France	64,312	0.10
Caci Life Ltd	19,743	0.03
Caci Non Life Ltd	18,367	0.03
Crédit Agricole Assurances	16,305	0.03
Crédit Agricole Life Insurance Company	7,286	0.01
Crédit Agricole and Corporate and Investment Bank	2,061	ns
Cali Europe	1,285	ns
TOTAL CRÉDIT AGRICOLE S.A.	**8,425,963**	**13.37**
Assurance Mutuelle Fédérale	3,344	ns
TOTAL CONCERT PARTY	**8,429,307**	**13.37**

The crossing of these ownership thresholds is the result of an OTC purchase of Gecina shares.
On this occasion, Predica individually exceeded the same ownership thresholds.
The following statement of intent was made:
"Pursuant to the provisions of Article L. 233-7 VII of the French Commercial Code and of Article 223-17 of the General Regulations of the *Autorité des Marchés Financiers*, Crédit Agricole S.A. hereby declares the goals that Crédit Agricole Assurances and its subsidiaries Predica, Pacifica, Spirica and Médicale de France, Caci Life Limited, Caci Non Life Limited, Ca Life Greece and Cali Europe, as well as Assurance Mutuelle Fédérale acting together in concert with regard to Gecina, intend to pursue with regard to Gecina for the next six months:
The shares were acquired from Gecina, the issuing company, together with the general assets of the subsidiaries of Crédit Agricole Assurances as part of their investment policy.
Crédit Agricole Assurances and its subsidiaries hereby declare that:
- they are acting in concert with Assurance Mutuelle Fédérale;
- they do not intend to continue buying Gecina shares; and
- they are not planning to take over control of Gecina.

Crédit Agricole Assurances and its subsidiaries are not planning to:
- modify the strategy of Gecina; and
- carry out the transactions set out in Article 223-171, 6° of the General Regulations of the *Autorité des Marchés Financiers*.

Crédit Agricole Assurances and its subsidiaries have not entered into any of the agreements and financial instruments mentioned in (4) and (4)-bis of I of Article L. 233-9 of the French Commercial Code.
Crédit Agricole Assurances and its subsidiaries have not entered into any temporary sale agreement involving the shares and/or voting rights of Gecina.
Predica is a member of Gecina's Board of Directors. Crédit Agricole Assurances and its subsidiaries are planning to ask the Board of Directors to appoint a new member in proportion to their holding in Gecina's share capital."
On this occasion, Gevrey Investissement II S.à.r.l. reported that it had individually exceeded the ownership thresholds of 5% of the capital and voting rights of Gecina.
The following statement of intent was made:
"Pursuant to Article L. 233-7 VII of the French Commercial Code, and Article 223-17. I of the General Regulations of the *Autorité des Marchés Financiers*, after the ownership thresholds of 25% of the capital and voting rights of Gecina were exceeded by Gevrey Investissement S.à.r.l., Gevrey Investissement II S.à.r.l., Moon Finance EIII ESC-Q S.à.r.l., Moon Finance VII ESC-Q S.à.r.l. and Moon Finance Holding-Q S.à.r.l., The Blackstone Group L.P. (Blackstone) repeats, in the name and on behalf of the concert party formed by Blackstone, Ivanhoé Cambridge II Inc. (Ivanhoé Cambridge) and their affiliates, including Gevrey Investissement S.à.r.l., Moon Finance EIII ESC-Q S.à.r.l., Moon Finance VII ESC-Q S.à.r.l. and Moon Finance Holding-Q S.à.r.l. (the concert party), the declaration made on February 4, 2014, with regard to the intentions of the concert party for the next six months, namely:
- Gevrey Investissement II S.à.r.l. acquired 4,350,000 Gecina shares, such that the members of the concert party hold together 18,798,037 Gecina, shares representing 29.82% of the share capital and voting rights of Gecina. In addition to these 18,798,037 Gecina shares, there are the 28,211 Gecina shares held by the Caisse de dépôt et placement du Québec;
- the acquisition of the Gecina shares was fully financed with shareholders' equity;
- Blackstone and Ivanhoé Cambridge (and their affiliates, including Gevrey Investissement II S.à.r.l., Gevrey Investissement S.à.r.l., Moon Finance EIII ESC-Q S.à.r.l., Moon Finance VII ESC-Q S.à.r.l. and Moon Finance Holding-Q S.à.r.l.), which are acting in concert (see decision and notification no. 213C0350 of March 15, 2013), are not acting in concert with any other person, whether a natural person or a legal entity;
- the concert party 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;
- the ownership thresholds of 25% of the share capital and voting rights of Gecina were exceeded as a result of the acquisition of Gecina shares by Gevrey Investissement II S.à.r.l from Metrovacesa, an acquisition that the concert party had arranged the possibility of reviewing, as indicated in the statement of intent to act in concert dated February 4, 2014 (see decision and information no. 214C0205 of February 6, 2014);
- the concert party supports the strategy implemented by Gecina and its executive management;
- the concert party 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 concert party which currently has three representatives on the Gecina Board of Directors plans to request the appointment of other representatives to maintain its representation on the Gecina Board of Directors at a level consistent with its equity interest in Gecina's share capital;
- none of the members of the concert party is party to (i) the agreements or instruments set out in (4) and (4)-bis of Article L. 233-9 of the French Commercial Code or (ii) temporary transfer agreements relating to Gecina shares or 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 2014.

The report below shows the number and main terms of the stock options awarded between 2004 and 2010 by Gecina to its staff:

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	104.05	104.72	37.23	78.98	84.51
Number of shares subscribed or purchased to date	**316,763**	**31,665**	**11,535**	**9,204**	**292,613**	**124,786**	**11,492**
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	143,665	14,634	0	0	131,234	81,391	2,345
Number of shares that can be exercised	**0**	**205,084**	**240,904**	**189,487**	**39,262**	**125,558**	**198,878**
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	0	115,702	123,393	110,320	26,142	62,902	114,655

(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 2014 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 2014

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 2014

None.

STOCK OPTIONS EXERCISED BY CORPORATE OFFICERS AND EMPLOYEES OF GECINA IN 2014

The Gecina stock options exercised by all Group employees in 2014 were as follows:

Plans	Strike price of options	Number of options exercised in 2014
Stock options October 12, 2004	€61.02	22,493
Stock options March 14, 2006	€96.48	31,665
Stock options December 12, 2006	€104.05	11,535
Stock options December 13, 2007	€104.72	9,204
Stock options December 18, 2008	€37.23	10,922
Stock options April 16, 2010	€78.98	122,692
Stock options December 27, 2010	€84.51	11,492
TOTAL		**220,003**

INFORMATION CONCERNING OPTIONS EXERCISED BY THE TEN EMPLOYEE STOCK OPTION HOLDERS WHO EXERCISED THE HIGHEST NUMBER OF OPTIONS DURING 2014

Plans	Strike price of options	Number of options exercised in 2014
Stock options March 14, 2006	€96.48	14,634
Stock options December 18, 2008	€37.23	82,730
Stock options April 16, 2010	€78.98	78,853
Stock options December 27, 2010	€84.51	2,345
TOTAL		**178,562**

No option was exercised by corporate officers and employee directors of Gecina during 2014.

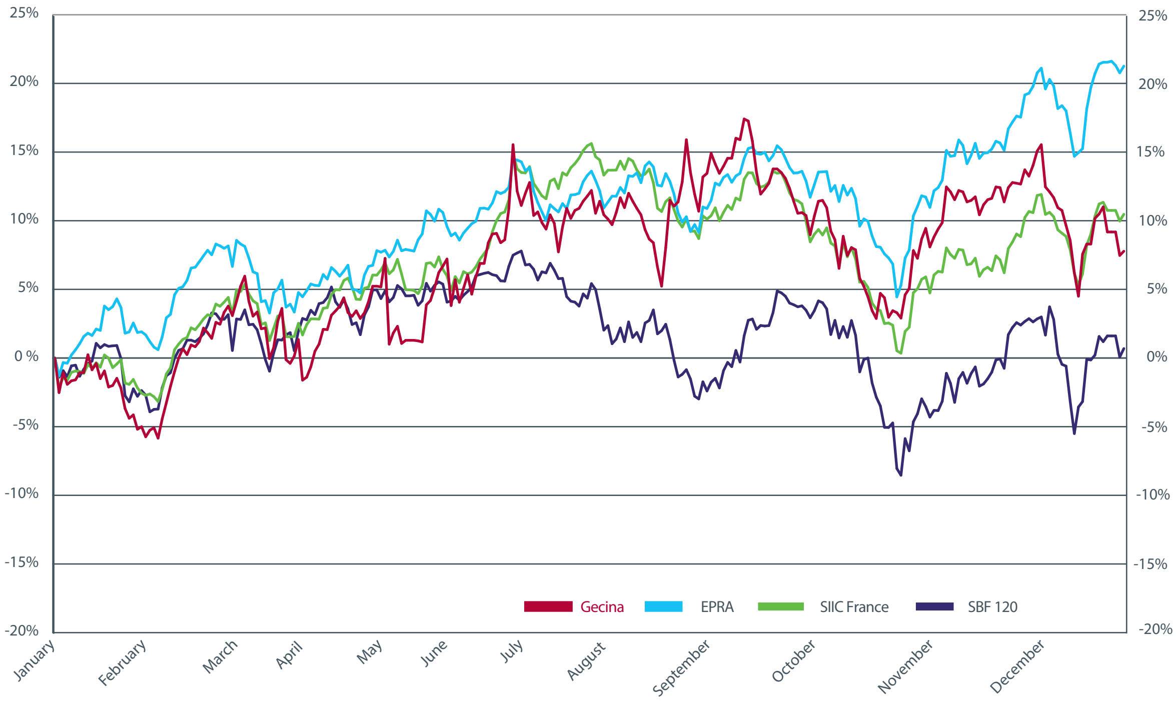
6.4.2. AWARD OF PERFORMANCE SHARES

The company did not implement a performance share plan in 2014. Following the presentation of the strategic plan, approved by the Board of Directors on December 17, 2014, and for the sake of better alignment between management and shareholders, the Board has decided to implement a new performance share award plan in February 2015.

6.5. GECINA'S STOCK

6.5.1. THE SHARE PRICE IN 2014

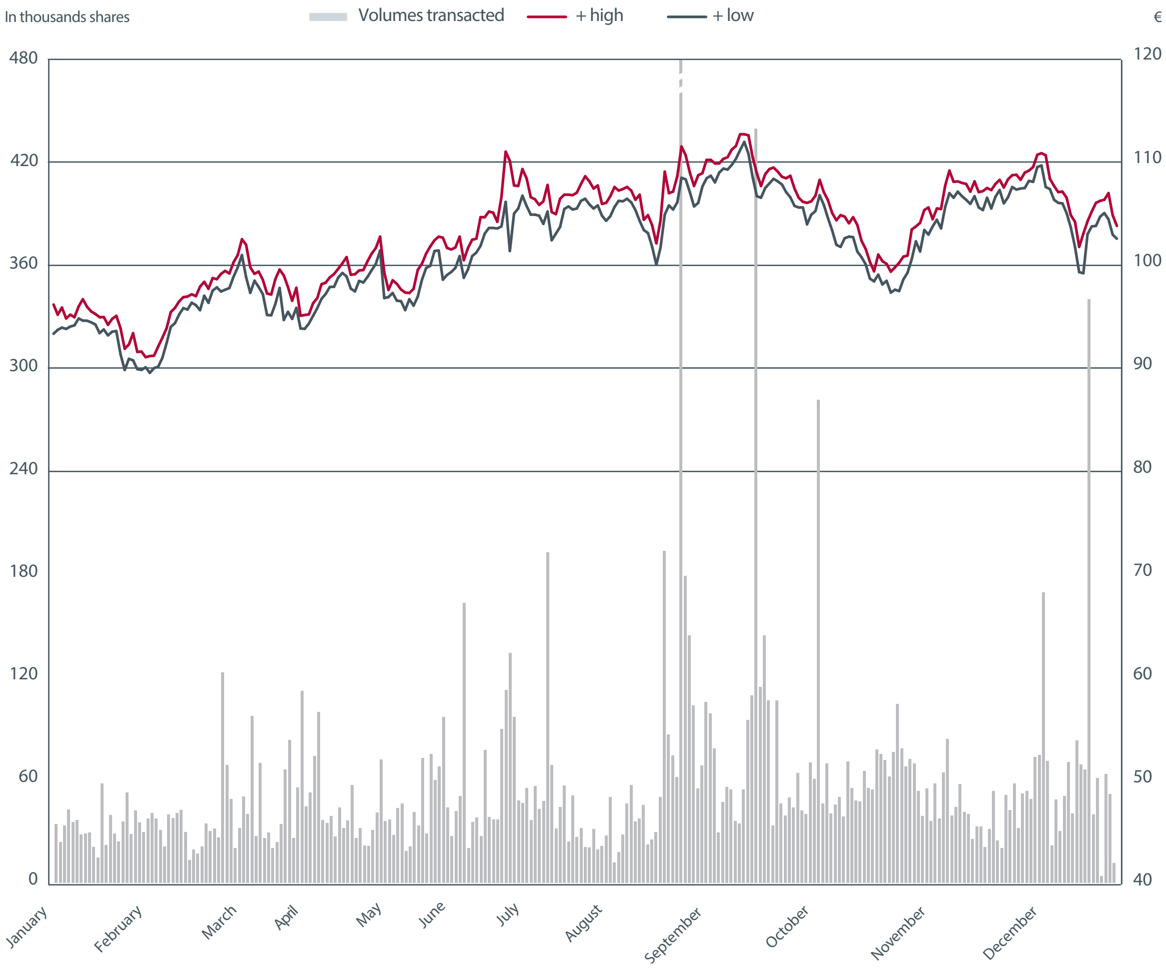
The Gecina share price was up by 7.8% in 2014, climbing from €96.03 on December 31, 2013 to €103.50 on December 31, 2014. This price ranged between a low of €89.70 on February 4 and a high of €113.00 on August 25.



The table presented in section 6.5.3 below provides a summary of the statistics on the share's performance on the Stock Exchange in 2014. In total, 15,192,672 securities were traded on Euronext in 2014 for a total amount in capital of €1,581 million.

At year-end 2014, the company's market capitalization amounted to €6,531 million.

GECINA 2014 – SHARE PRICE EXTREMES IN EUROS



6.5.2. EQUITY MARKET

STOCK EXCHANGE LISTING

Gecina's shares are listed on Euronext Paris, Compartment A (Large Cap) under ISIN Code FR0010040865. The shares are eligible for the Deferred Settlement System (SRD) and are included in the SBF 120, Euronext 100, Cac Mid 60, EPRA, FTSE4Good, DJSI Europe and World, STOXX Global ESG Leaders, GPR250, IEIF REITS, IEIF SIIC France, Euronext Vigeo Europe 120 and Eurozone120 indices.

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 the Issue	Gecina 2.125% 01JAN16 Bonds redeemed in cash and/or in new and/or existing shares (Ornane)	Gecina 4.25%3FEB16 Euro Medium Term Notes	Gecina 4.75%APR19 Euro Medium Term Notes	Gecina 2.875%MAY23 Euro Medium Term Notes	Gecina 1.75%JULY21 Euro Medium Term Notes
Issue date	04/09/2010	02/03/2011	04/11/2012	05/30/2013	07/30/2014
Amount of the Issue	€320 million	€500 million	€650 million	€300 million	€500 million
Issue price	€111.05	99.348% in respect of €500 million	99.499% in respect of €650 million	98.646 % in respect of €300 million	99.317% in respect of €500 million
Maturity date	01/01/2016	02/03/2016	04/11/2019	05/30/2023	07/30/2021
Annual interest	2.125%	4.25%	4.75%	2.875%	1.75%
ISIN Code	FR0010881573	FR0011001361	FR0011233337	FR0011502814	FR0012059202

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 *(€)*	Price extremes low *(€)*
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
January 2014	731,996	68.65	96.89	89.98
February 2014	751,211	72.00	99.66	89.70
March 2014	1,052,865	102.57	102.75	94.00
April 2014	804,227	79.53	103.00	96.02
May 2014	1,099,292	110.85	104.90	95.83
June 2014	1,374,139	145.92	111.30	101.60
July 2014	948,059	100.68	109.35	100.25
August 2014	3,017,085	331.05	113.00	105.65
September 2014	1,621,601	173.13	109.75	102.00
October 2014	1,439,747	146.31	108.00	97.54
November 2014	846,914	91.23	109.45	105.60
December 2014	1,505,536	159.20	111.15	99.43

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
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
2014	15,192,672	255	€113.00	€89.70	€103.50

Source: Euronext.

07

CSR Responsibility and performances

07

Foreword

THE METAMORPHOSIS OF REAL ESTATE?

A powerful economic sector in France, real estate is central to the environmental debate and its key issues [(1)]: energy efficiency, climate change, the protection of biodiversity and more frugal management of renewable and non-renewable resources.

While some of the work has already been done, in terms of embracing corporate social responsibility (governance, stakeholders consultation, extending responsibility across the value chain, etc.) or the rapid breakthrough in the design and construction of new buildings (spread of environmental certification, anticipation of 2012 thermal building regulations, life cycle analysis and early initiatives to source bio-based materials, new approach towards biodiversity, planting on buildings, etc.), much remains to be done, especially on existing buildings.

First, for budgetary or decision-making reasons, the rate of stakeholders uptake is structurally very uneven: an office building owned by Gecina in the center of the Paris business district will be transformed more quickly than a building in co-ownership in the outer suburbs. More importantly, we are convinced that there is a lack of awareness of the need for a radical shift in how we live, the problem being that the magnitude of the changes to be made (their "radical" nature) means that they are inevitably long term. The end result is that people are lulled into a false sense of security, in the mistaken belief that there is plenty of time.

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 (reassessed in 2014 [(2)]), its project management, its governance, the functioning of all departments and the everyday practices of its 473 employees.

THE CHALLENGE FOR GECINA: TO BE A REAL ESTATE OPERATOR WITH ADVANCED SOCIETAL EXPERTISE

Designing, investing in, managing and renovating a property portfolio is an influential activity in today's urban societies, from the densely populated capitals of the developed world, faced with an obsolescent building stock, to the rapidly expanding cities of emerging countries. In real estate, 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.

The main challenge for Gecina is striking a fair balance between the need for value creation of a private-sector operator (measured by the performance and value of its assets), and the value created for society (judged first and foremost by stakeholders and local communities, taking into account external factors that may be direct or indirect, positive or negative). This is what differentiates Gecina and lends it resilience in a difficult and uncertain economic and environmental context. This collaborative method will represent 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 Gecina must demonstrate its capacity for innovation, proposing and managing products with the requisite "sustainable and responsible" manner. **The call for innovative urban projects to reinvent Paris ("Réinventer Paris"), in which Gecina has just submitted its entry, is evidence of this.**

To count in this new urban reality, the Group must rise to the challenge of urban integration in the widest possible sense, requiring skills beyond the traditional expertise of the engineers and architects of individual projects, and encompassing three distinct strands:

- economic integration, in the fair distribution of the value created;
- environmental integration, which is not only a question of initial design, investment and innovation, but also one of usage and efficient building performance, reversing the extensive damage caused to the two main systems for regulating natural resources, the atmosphere and biodiversity;
- social integration, upstream and downstream of projects, boosting its attraction to different communities.

This presupposes new forms of collaboration, building in partnership with our clients in a way that increasingly demands the temporal and spatial management of their needs to optimize the use of the structure throughout its life cycle.

This responsible dimension of the new real estate business model changes the parameters of the performance and know-how of the profession. CSR excellence gives the company a new role within its value chain. It forces it to anticipate constraints, to turn them into development opportunities, and to gauge their utility rather than being purely focused on costs. Objectives include saving time and resources and garnering 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.

(1) With 70 million tons of oil equivalent, the building sector consumes over 40% of final energy (and nearly 60% if we include induced transport and energy) and contributes nearly 25% to national greenhouse gas emissions (120 million tons of CO_2, or 32.7 million tons of carbon). Overall activity generates around 360 million tons of waste per year (41% of waste) and consumes large amounts of water (18% of consumption). Primary source: ADEME, Contexte et enjeux – secteur construction (2013).

(2) See 7.1.2.2. "An approach in constant evolution".

GECINA'S STRATEGIC PRIORITIES IN TERMS OF CSR

Through significant intellectual, technical and operational investment, recognized today 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. It is organized around the following strategic priorities in terms of CSR:

- to extend the analysis of its corporate social responsibility to all components of its value chain while identifying its dependencies and measuring its direct or indirect environmental, social or economic impacts, or those induced by it;
- to maintain a systemic approach (responsible building concept) towards the environmental performance of assets through interaction of the various themes (energy efficiency and CO_2 emissions, resource management and waste recycling, biodiversity, comfort and well-being, immaterial value, etc.);
- extend CSR mapping and tools to the entire property portfolio;
- monetize actions, impacts and results by developing and adhering to the integrated reporting framework.

MAJOR ACHIEVEMENTS IN 2014

Gecina had a good year in 2014 in terms of CSR [(3)], the highlights of which included:

- a significant improvement in its governance (Board of Directors reduced to 10 members, equal number of independent directors and four female directors [(4)]);
- the affirmation of CSR as a strategic differentiating factor and its core positioning within Gecina's organization chart and various business lines;
- the adoption of new commitments under the Global Compact and Millennium Development Goals or the guiding principles for constructive dialogue with stakeholders proposed by the Comité 21;
- the publication of its first integrated report for 2013;
- the merits of the "resilient" approach of the property portfolio with the delivery of the Lecourbe student residence and the successful conversion of office buildings;
- the pursuit of proactive experimentation/innovation (HQE performance tests, air quality measurement, biodiversity (BiodiverCity© label, biodiversity audits by the LPO, a bird protection society));
- the significant progress made with key performance indicators such as the certification of office buildings in operation (63%, in line with the target of 80% by 2016).

KEY POINTS TO BE ADDRESSED IN 2015 AND 2016

Encountering difficulties is inherent in any human activity, particularly when this is carried out at a time of profound change. In 2014, the energy efficiency of the property portfolio fell slightly in the office sector (-21.4% at constant climate, base 2008) compared with the previous fiscal year (-23% at constant climate, base 2008), and is only improving very gradually in the residential sector (-14.9% at constant climate, base 2008) compared with the previous year (-13% at constant climate, base 2008).

This is largely due to the management difficulties encountered during "mid-season" periods (which were numerous in 2014) where demand for heating (warming the building up before employees arrive) swiftly alternates with demand for cooling (just one or two hours after work begins, given the internal inputs, particularly from IT), which by nature are more difficult to optimize. In 2015, the deployment of real-time monitoring of energy consumption (the Hypervision system, which only covered some buildings in 2014) must take precedence if we are to maintain progress towards the targeted reduction in consumption.

Switching to the subject of "green leases", while 17% of tenant clients (who are naturally "CSR" inclined and positively welcome this approach) in buildings with a surface area of less than 2,000 sq.m – *i.e.* leases that do not require an environmental schedule – have signed up, over a third of those who are legally required to do so have not yet done so, 18 months after the deadline.

These tenants have voiced several reservations:

- a reluctance to see environmental 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 quite simply the fear of having to achieve results.

Gecina will continue trying to convince these clients in 2015, since achieving its goals of reducing consumption and emissions inevitably depends on a shared approach, in the same way as the pursuit of certification for buildings currently in operation.

(3) A significant improvement in most non-financial ratings and the presentation of several awards (see 7.2.5.2. "Results and analysis of non-financial rankings for 2014").
(4) The Board of Directors of Gecina decided to propose the appointment of an independent member to the General Meeting called to approve the financial statements for the year ending December 31,2014. Subject to the vote of the shareholders, the feminine proportion will reach 40%.

OUTLOOK 2016/2020

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 classic 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**.

In concrete terms, Gecina is resolutely continuing to implement its second four-year plan (2013-2016), in which the roadmaps specific to each of the four pillars of its CSR strategy (Assets, Planet, Employees, Society) commit it to targets for 19 key performance indicators, such as energy efficiency (-40% at constant climate, base 2008, for office buildings directly operated by Gecina [5]), building certification (80% of the portfolio certified in 2016), the optimization of non-renewable natural resources (life cycle analysis for 100% of projects), or the responsible purchasing policy (CSR performance rating of 50% of suppliers) – goals that today can be described as reasonably accessible.

To conclude, as 2015 gets under way, a year in which the focus will be on preparing a new international agreement on CO_2 emissions at COP21 in Paris – an event the Group will be closely involved in under the dual banner of the Comité 21 and France GBC – Gecina is confident in its ability to rise to the challenges that lie ahead and to achieve the goals set in its various action plans.

Yves Dieulesaint, Director of CSR

7.1. A CSR POLICY IN RESPONSE TO THE EXPECTATIONS OF STAKEHOLDERS

7.1.1. DESCRIPTION OF THE VALUE CHAIN AND STAKEHOLDERS MAPPING

7.1.1.1. GECINA'S VALUE CHAIN AND BUSINESS

At each stage of its business, Gecina identifies the key issues and stakeholders that are predominantly involved within its area of influence. As such, the company is able to analyze how it can implement its extended responsibility all along its value chain, both up and downstream of its business base. With the exception of social matters, which are completely controlled by Gecina, managing other identified questions (see section 7.1.2. "Key issues and materiality matrix") is a process shared between Gecina and its various stakeholders from a perspective of extended company. The diagram below illustrates this qualitative analysis:

Investment, design, construction and reconstruction, marketing, operation and divestement are the 5 key steps of Gecina's activity. The main impacts of Gecina when investing naturally relate to issues identified in the Assets pillar of Gecina's CSR policy (see 7.1.3.2. "Gecina's CSR Policy"). These cover, in particular, issues related to the immaterial value, such as location, connectivity and health quality and security and control of risks (asbestos, lead, flood risk, etc.). Integration within surrounding areas and relations with stakeholders, including local residents and local communities, are also important issues when investing. The CSR scoring grid that analyzes investment following the responsible building themes (see 7.6.4.1. "Incorporation of CSR criteria in specifications and investments") is a key tool to manage these impacts during acquisition.

At the design stage, construction and restructurion, the impacts are distributed over almost all of the issues identified in the Assets, Planet and Society pillars of Gecina's policy. Certification, energy efficiency, raw materials use, preservation of biodiversity and subcontractors working conditions are important issues during this stage. They are managed through specfifications and responsible purchasing policy. It is the same when operating and devesting. During the marketing step, the impacts live in relations with stakeholders, especially customers whose satisfaction is regularly measured and business ethics. These impacts are managed through the green lease and the regular dialog exchanges with the tenants on these subjects.

(5) *The targets for the residential sector and office buildings not directly operated by Gecina have been reassessed to 2020. See 7.3.1.2. «Energy efficiency of the real estate portfolio».*

GECINA CSR IMPACTS ON ITS BUSINESS CHAIN

	INVESTMENT	DESIGN, CONSTRUCTION AND RESTRUCTURING	MARKETING PHASE	OPERATION	RETRACT INVESTMENTS (AND DEMOLITION)
Major stakeholders concerned	Sellers and intermediaries	Specifications (architects and subcontractors)	Clients (tenants and intermediaries)	Operator specifications	Clients (buyers) and suppliers (subcontractors)
Key tools	CSR scoring grid for real estate investments	Responsible purchasing charter	Green leases and client awareness campaigns	Monitoring of data and sensitization	Specifications
Energy performance and renewable energies		●		●	
Labeling, certification and environmental performance		●			●
Immaterial value					
Comfort and well-being	●	●		●	
Localisation, connections and clean transportation	●			●	
Health and health quality	●	●		●	
Accessibiliy and adaptability	●	●		●	
Security and control of risks	● (pollution of soil, asbestos, etc.)	● (pollution of soil, water, air, etc.)			● (pollution of soil, water, air, etc.)
Climate change and GHG emissions		●		●	
Natural resources and waste					
Recycling and waste management		● (projects)		●	●
Non renewable raw materials		● (eco-design)			
Biodiversity		●			
Water				●	
Integration into the surrounding areas	●			●	
Relations with Stakeholders	● (Government and local authorities, local communities, associations and NGOs)	● (Government and local authorities, local communities, associations and NGOs)	● (client satisfaction and vacancy rate)		
Business ethics		●	● (fair value of assets, etc.)		●
Responsible purchasing		● (Extraction, manufacture, materials transport, subcontractor working conditions)		●	●

Furthermore, Gecina has been modeling the breakdown of the overall value generated by its business since 2012 (see section 7.6.1.1. "Breakdown of the value created by Gecina") and has the components checked by an independentthird party. This year, the breakdown is being carried out with a reasonable level of assurance regarding this information (see section 7.7.1.3. "External verification and independent third party reports").

In addition, in 2014, Gecina carried out a quantitative analysis of its socio-economic impacts. This analysis was completed by the consulting firm Utopies using the Local Footprint© methodology and detailed results of the study were published in a special report available on the Gecina site (www.gecina.fr), under the Responsability/News & publications heading.

7.1.1.2. STAKEHOLDERS MAPPING AND DIALOGUE PROCESS

A dialogue process must be at the core of corporate social responsibility policies in order to create value for and with each stakeholder. The regulatory framework that Article 225 of the Grenelle 2 law together with non-financial standards such as the Global Reporting Initiative (GRI) make up encourages Gecina to identify the various groups of stakeholders and to analyze their expectations. Suitable dialogue modes can be determined and solutions provided to meet diverse expectations. Through this dialogue process, Gecina seeks to increase transparency, assess the credibility of its actions, remove potential reciprocal misunderstandings, identify and resolve any contradictory interest issues and form partnerships to attain mutually beneficial objectives. By taking into account the opinions expressed by its stakeholders, Gecina can capture signals useful for implementing a process highlighting continual improvement, openness and transparency that will bolster its competitiveness. Convinced that dialogue with stakeholders is a driver of action and innovation as well as a modernizer of the governance process, Gecina engaged in different types of bilateral and multilateral dialogues with them.

The paragraphs below describe the key elements of Gecina's dialogue process with its stakeholders. Additionally, a special report published on this subject provides an overall perspective of the process. This report can be accessed on the Gecina site (www.gecina.fr), under the Responsability/News & publications heading.

7.1.1.2.1. STAKEHOLDERS MAPPING

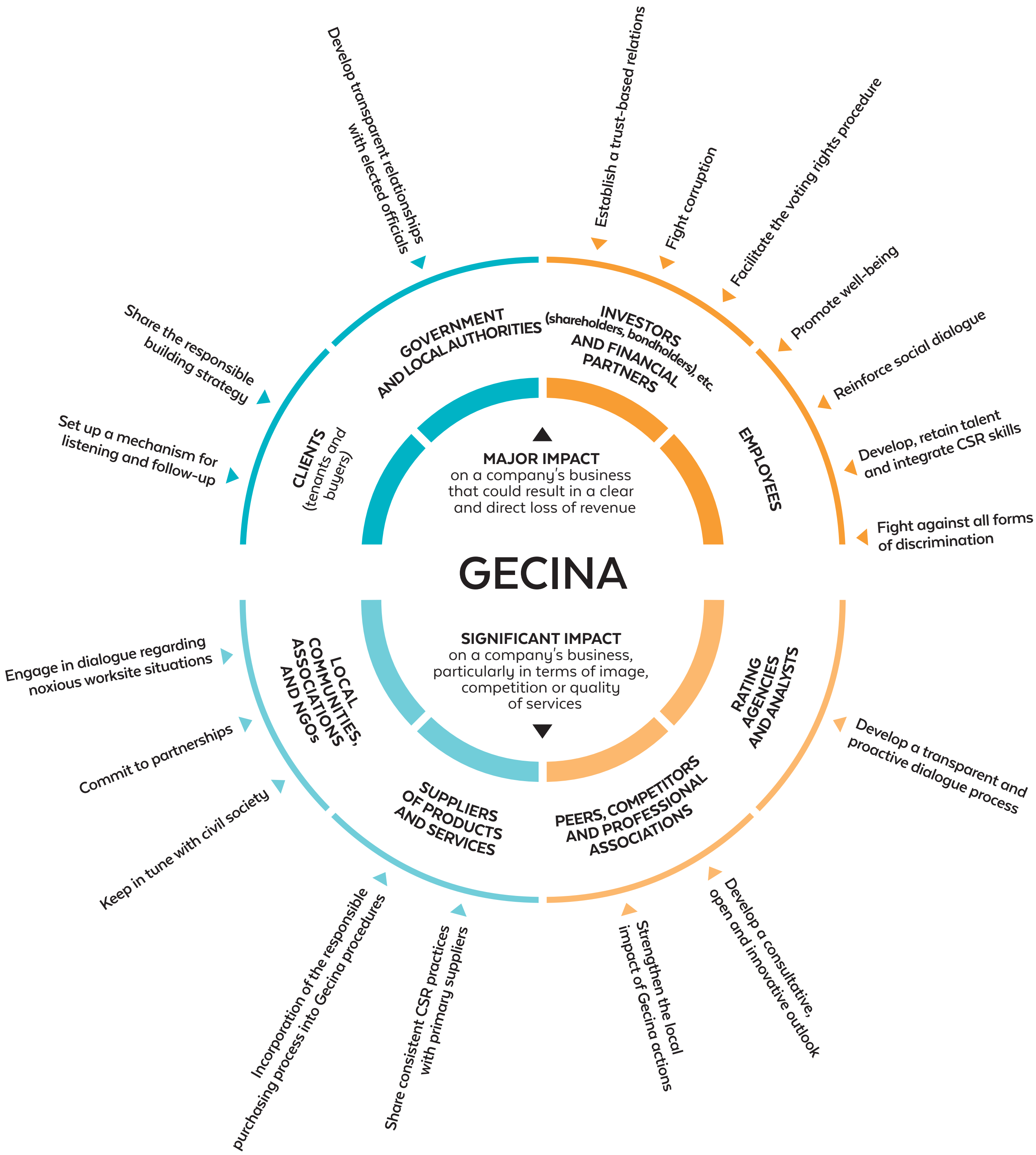
Gecina identified eight stakeholders groups featuring direct or indirect interaction at different stages of its business, throughout its value chain. These stakeholders may be categorized according to the level at which dialogue with them must be held:

- the corporate (overall) level;
- both the corporate (overall) and local (per asset) levels.

The level of influence on the company's business is determined by the following with regard to each of the stakeholders groups:

- a major impact on a company's business that could result in a clear and direct loss of revenue;
- a significant impact on a company's business, particularly in terms of image, competition or quality of services.

STAKEHOLDERS MAPPING



Dialogue at the Corporate and Assets level
Dialogue at the Corporate level

07

7.1.1.2.2. PANORAMA OF THE TYPES OF BILATERAL DIALOGUE

The table below shows the overall perspective of bilateral dialogue methods used to meet the expectations and frequency of contact for each of the groups of major stakeholders identified by Gecina. This table also provides information on the key elements of response provided by Gecina and several examples of specific subjects addressed during the year.

IDENTIFICATION OF STAKEHOLDERS' KEY CONCERNS

	DIALOGUE AT THE CORPORATE AND ASSETS LEVEL	DIALOGUE AT THE CORPORATE LEVEL
Major impact on the business	**CLIENTS (TENANTS AND BUYERS)** **Principal expectations:** Share the responsible building strategy and set up a mechanism for listening and follow-up	**INVESTORS (SHAREHOLDERS, BONDHOLDERS, etc.) AND FINANCIAL PARTNERS** **Principal expectations:** Establish a trust-based relationship, fight corruption and facilitate the voting rights procedure
	Dialogue method and rate of frequency: Client relationships indicator (3 year time), green leases and Collaborative Rental Councils (monthly), Gecina Lab (3 or 4 times yearly) **Gecina's response to their expectations:** Client action plans, exchange of views on vectors of energy performance, openness to innovative themes such as biodiversity and intangible immaterial value **Specific subjects addressed during the year:** Improving energy efficiency (via Cube 2020 and the CPCU subscription), the French eco-garden label and tenant satisfaction survey	**Dialogue method and rate of frequency:** Presentations dedicated to analysts, investors and for road shows (section 7.6.2.3.) **Gecina's response to their expectations:** Communication campaign on the voting mechanism and developing means of prevention and checking on practices (e.g., the Ethics Charter) **Specific subjects addressed during the year:** Preventing money laundering
	GOVERNMENT AND LOCAL AUTHORITIES **Principal expectations:** Develop transparent relationships with elected officials, take on an innovation role for the area	**EMPLOYEES** **Principal expectations:** Promote well-being, strengthen reinforce social dialogue, fight against all forms of discrimination, develop and retain talent and integrate CSR skills
	Dialogue method and rate of frequency : Gecina's Stakeholder Committee (yearly), information and exchange of views meetings (occasional) **Gecina's response to their expectations:** compliance with tax and duties regulations and procedures, transparent information with regard to urban planning rules **Specific subjects addressed during the year:** Regional planning (Lyon), sale of residential units to social housing associations	**Dialogue method and rate of frequency:** Survey of psycho-social risks and well-being, evaluation interviews (once or twice yearly), Sustainable Development Week & handicap events (yearly) **Gecina's response to their expectations:** Disabilities policy, AGEFIPH agreement, Generational contracts, parenting charter, professional gender equality policy, signature of the NOA agreement (Compulsory Annual Negotiations) and incentive plan **Specific subjects addressed during the year:** Handicap, nutrition, management, fire safety (training for all employees)
Major influence on the business	**SUPPLIERS OF PRODUCTS AND SERVICES** **Principal expectations:** Incorporation of the responsible purchasing process into Gecina procedures, share consistent CSR practices with primary suppliers	**RATING AGENCIES AND ANALYSTS** **Principal expectations:** Develop a transparent and proactive dialogue process
	Dialogue method and rate of frequency : General information about the responsible purchasing process to suppliers (annual), promote awareness among suppliers about CSR issues (annual) and follow-up meeting (annual) **Gecina's response to their expectations:** Responsible purchasing strategy and action plans, Responsible Purchasing Charter, CSR evaluation questionnaires for suppliers and visit to an exemplary worksite Health and safety on the job issues, adherence to environmental rules and energy efficiency	**Dialogue method and rate of frequency:** Response to questionnaires sent out and participation in the main non-financial rankings (yearly), debriefing on results (yearly), interviews and road shows (yearly – section 7.6.2.3.) **Gecina's response to their expectations:** Encounters with investors and non-financial analysts (section 7.6.2.3.) to identify areas of improvement and to detail actions completed **Specific subjects addressed during the year:** Integrated report, CSR reporting tool, details of actions related to improving energy efficiency
	LOCAL COMMUNITIES, ASSOCIATIONS AND NGOs (HOUSING, URBAN LIFE AND ENVIRONMENT) **Principal expectations:** Keep in tune with civil society, commit to partnerships and engage in dialogue regarding noxious worksite situations	**PEERS, COMPETITORS AND PROFESSIONAL ASSOCIATIONS** **Principal expectations:** Develop a consultative, open and innovative outlook and reinforce strengthen the local impact of Gecina actions
	Dialogue method and rate of frequency : Internal foundations and skills sponsorship (see section 7.6.5.2.) and partnerships with associations, follow-up project meetings with neighboring residents **Gecina's response to their expectations:** Assistance with the ESSEC Alumni trophies program and coaching young entrepreneurs through the ASHOKA organization **Specific subjects addressed during the year:** Handicap, developing social entrepreneurship, environmental innovation, follow-up on noise and other pollution prevention measures	**Dialogue method and rate of frequency:** Working group and participation in the significant think-tanks of the sector, especially in the area of CSR (Number of think-tanks and frequency, see 7.6.2.5.) **Gecina's response to their expectations:** New methods for analyzing intangible immaterial value of assets, develop a biodiversity label and a method of CSR scoring of assets **Specific subjects addressed during the year:** The Pinel real estate law (through FSIF), biodiversity (through CIBI), environmental assessment of assets (GRA)

Details of actions carried out with the various stakeholders by dialogue mode are provided in section 7.6.2. "Relations with stakeholders".

7.1.1.2.3. MULTILATERAL DIALOGUE

Apart from the different bilateral dialogue mechanisms described in the table above, Gecina has engaged in multilateral dialogue with its stakeholders since 2013, particularly by means of a committee of experts that it set up. The subjects addressed by this committee primarily deal with Gecina's assimilation of sustainable development issues of the real estate sector and the analysis of solutions provided to the most significant or material of these (see section 7.1.2.4. "The new Gecina materiality matrix"). The committee has met once per year since it was formed and analyses and recommendations prepared by the experts have been submitted to the Executive Committee following each of these meetings. The final syntheses of the two committee meetings of October 2013 and July 2014 are included in section 7.1.2.3. "The Gecina Stakeholders Committee".

Simultaneously, as part of its commitment to the UN Global Compact, Gecina submits COP (communication on progress) reports to peers of the GC Advanced club in order to exchange views on the relevance of its strategy and to stimulate the implementation of good practices meeting all of its criteria (see section 7.6.2.5. "Active participation in representative bodies and think tanks").

7.1.1.2.4. OBJECTIVITY ANALYSIS OF THE STAKEHOLDERS DIALOGUE PROCESS

In order to improve the relevance of its communication efforts and the quality of its relationships with its stakeholders, the executive management of Gecina contracted with the Ipsos Institute to carry out a study on how the Group is perceived in November 2014. In accomplishing this, interviews were carried out to get the opinion of major clients, elected officials, professionals in the sector and opinion leaders on Gecina and its various commitments. The survey was done on the basis of individual interviews carried out in the strictest confidence. An analysis of the overall results is expected in the first quarter of 2015.

In addition, in order to obtain an objective analysis of its dialogue process with stakeholders, Gecina consulted the British consultancy IMS Consulting, an expert in communications strategy and stakeholders dialogue. The resulting comparative study of Gecina practices with those of six other French and British property development companies highlighted the strong points of its process and the good practices in the sector that could be useful to strengthen the company. The table below indicates the key elements of this study.

PRINCIPAL FINDINGS OF THE IMS CONSULTING ANALYSIS

Analysis themes	⊕ Strong points for Gecina	↗ Areas of improvement/? questioning
Mapping of stakeholders	Comprehensive targeting of stakeholders	↗ Regular revision
Materiality of the issues	Overall similarity to French property companies	↗ Analyze materiality of social and other excluded issues
Materiality process	Gather stakeholders views via the committee, interviews with Comex members and independent analysis	↗ Set up a discussion seminar on materiality of issues with the Comex
Multilateral dialogue (Stakeholder Committee)	Regular committee meetings that address strategic subjects	↗ Open up panel to other categories of stakeholders and stabilize participation (50% recurring attendees)
Bilateral dialogue by stakeholder type	**- Investors and financial partners:** Controlling dialogue	↗ Query shareholders and investors regarding expectations, especially CSR-related
	- Government and local authorities: Representation in the Stakeholder Committee and participation in Gecina Lab	↗ Exchange views with local authorities and the government regarding expectations
	- Rating agencies and analysts: Response to numerous agencies	↗ Query investors about the rating agencies they use
	- Local communities, associations and NGOs: Active corporate foundation and numerous partnerships with associations	? Engage in a more operational dialogue with relation to different assets
	- Clients (tenants): Extranet client promoting transparency and dialogue	↗ Use Gecina Lab to invigorate innovation actions of tenants on CSR-related subjects
	- Employees: Multiple internal communications initiatives to promote assimilation of CSR subjects	? Consider types of dialogue to establish in order to promote recruiting of young talent
	- Suppliers of products and services: Signature of the Responsible Purchasing Charter and supplier assessment surveys	? Maintain dialogue with VSB and SME regarding CSR issues
	- Peers and professional associations: Participation in numerous sector think-tanks linked to CSR	? Analyze relevance of involvement in other think-tanks on specific topics

07

Gecina also launched a comparative study of the analyze of materiality issues facing various French and international property development companies. This study was carried out by Institut RSE Management (see section 7.1.2.2. "An approach in constant evolution") and its results led Gecina to update its materiality matrix (see section 7.1.2.4. "The new Gecina materiality matrix"). Gecina also launched a study of the expectations of non-financial ratings agencies. This study was also completed by Institut RSE Management (see section 7.2.5. "A method acknowledged by the non-financial rating agencies and real estate and CSR actors").

7.1.1.2.5. SIGNATURE OF THE "PRINCIPLES FOR CONSTRUCTIVE DIALOGUE WITH STAKEHOLDERS" DOCUMENT

Lastly, in view of the diversity of the acknowledgement and interpretation as well as the low readability of dialogue practices with stakeholders, Gecina decided to subscribe to the initiative put forth by Comité 21 in preparing a reference and confidence framework, which is useful for maintaining a constructive effort in the area. During the summer of 2014, Gecina's CSR management participated in consultations started to enhance and finalize the "Principles for Constructive Dialogue with Stakeholders" document. Gecina (Yves Dieulesaint, CSR director) chose to sign off on these guiding principles at their publication on January 13, 2015, a demonstration of the determination to commit the Group to a responsible approach with regard to its stakeholders. The final text highlights ambition and common perspective for the voluntary dialogue process with stakeholders and identifies seven guidelines for all participants in these processes to adhere to that give rise to an atmosphere of trust. The universal scope of these guidelines seeks to promote integration of dialogue processes with stakeholders in the governance and management processes of all organizations. The full text and list of signatories are available on the Comité 21 website at: http://www.comite21.org/le-projet-dialogue-parties-prenantes.html.

7.1.2. KEY ISSUES AND MATERIALITY MATRIX

7.1.2.1. METHODOLOGY AND HIERARCHY OF THE ISSUES

In 2012, Gecina chose to carry out a full review of the issues mapping it completed in 2008 and to enhance it with a materiality analysis that accounted for its context, organization and business-related constraints. The development of this materiality matrix was completed by Institut RSE Management. Initially, an analysis of major reference sources and sector reports led to determining the nature of different issues. The impact on Gecina's business and expectations of stakeholders was subsequently evaluated by some members of Executive Committee with the support of the institute. This segmentation of the issues was then shared with all members of the Executive Committee. Committee members enhanced the work by evaluating the level of control Gecina exerted over the various issues. The consultation process promoted the assimilation of the method by each of the Executive Committee members whose involvement was one of the key factors in completing this materiality matrix. Details on the methodology and completion of this matrix are available in the 2013 Reference document (section 7.1.2.2. "Methodology and priorities of CSR issues", page 206).

In order to continue this analysis of issues process, Gecina re-evaluated its materiality matrix in 2014. To accomplish this, the Group relied on the expertise of the Stakeholders Committee (see section 7.1.2.3. "The Gecina Stakeholders Committee") and on the completion of a sector benchmark study (see section 7.1.2.2. "An approach in constant evolution").

7.1.2.2. AN APPROACH IN CONSTANT EVOLUTION

Gecina decided to revise its materiality matrix in 2014 in order to take into account emerging issues, to reflect progressive control it is exercising over the issues it faces and to pursue the co-development of its perspective together with stakeholders.

Continuing the work it undertook over the past several years, the Group called in Institut RSE Management to complete a sector benchmark ranking. In this way, the ranking of the various issues and methodologies employed by the eleven property development companies from France (five), the UK (three), Australia (two) and Belgium (one) for their non-financial evaluations, were analyzed *via* their communications tools. From those reviewed, eight property development companies published materiality matrices and the other three identified their priority issues using a generally precise and meticulous methodology. Only one other company from the group, Altarea Cogedim, showed the level of control over their issues in the way Gecina did. In order to ensure comparability of items, the issues were matched with the GRI G4 reference wording. Fifteen of the GRI G4 issues could be identified to establish a comparison between property development companies. The fifteen issues below include fourteen out of the seventeen issues identified by Gecina.

LIST OF THE 15 MAJOR ISSUES IDENTIFIED BY PROPERTIES COMPANIES IN THE ANALYZED PANEL AS SPECIFIED IN THE GRI G4 GUIDELINES AND IN CORRESPONDENCE WITH 14 OUT OF 17 GECINA ISSUES

ECONOMY	ENVIRONMENT	SOCIAL – EMPLOYMENT AND DECENT WORK PRACTICES	SOCIAL – SOCIETY	SOCIAL – PRODUCT-RELATED RESPONSIBILITY
• **Purchasing policy** >> Gecina: Responsible purchasing • **Investment in communities** >> Gecina: Sponsorship and partnerships	• **Energy** >> Gecina: Energy efficiency and renewable energy • **Water** >> Gecina: Water • **Biodiversity** >> Gecina: Biodiversity • **Emissions** >> Gecina: Climate change and GHG emissions • **Materials** • **Effluents and waste** >> Gecina: Natural resources and waste	• **Health and safety at work** >> Gecina: Working conditions • **Training and education** >> Gecina: Talents and skills sets • **Diversity and equal opportunity** >> Gecina: Diversity and equal treatment	• **Local communities** >> Gecina: Integration into the surrounding areas • **Compliance** >> Gecina: Business ethics	• **Labeling of products and services** >> Gecina: Labeling, certification and environmental performance • **Consumer health and safety** >> Gecina: Security and control of risks

Three other issues identified by Gecina not included in the GRI G4 Guidelines:
>> Integrate CSR into Gecina's business lines, Relations with stakeholders and Immaterial value.

An analysis of these results and the inclusion of opinions expressed by members of the Stakeholders Committee (see section 7.1.2.3. "The Gecina Stakeholders Committee") led Gecina to produce a release of its materiality matrix. In order to increase the transparency and readability of the actions undertaken, the materiality threshold figured prominently in the new version of the matrix shown in section 7.1.2.4. "The new Gecina materiality matrix".

7.1.2.3. THE GECINA STAKEHOLDERS COMMITTEE

In 2013, Gecina initiated a multilateral consultation process for its stakeholders *via* the establishment of a committee of independent experts. This committee, which was institutionalized in 2014, is to be consulted at least once yearly by CSR Management. Its conclusions are presented to the Executive Committee; by all the experts consulted in 2013 and directly by the CSR direction in 2014. Meetings are held according to a stakeholder dialogue methodology that is guided and monitored by an independent expert, Institut RSE Management, consistent with the "Principles for Constructive Dialogue with Stakeholders", a document whose completion was coordinated by the Comité 21 and which was signed by the Group CEO on January 13, 2015 (see section 7.1.1.2.5. "Signature of the "Principles for Constructive Dialogue with Stakeholders" document"). This independent expert ensures that the choice of experts consulted, preparation of exchanges of perspective, rollout and evaluation meet the independence requirements of participants and those of building an authentic dialogue, without avoiding subjects and targeting the collective interest.

7.1.2.3.1. FIRST STAKEHOLDERS COMMITTEE MEETING ON OCTOBER 1, 2013

The first dialogue meeting was held on October 1, 2013 to exchange views on the strategic perspective of Gecina's CSR issues, its policy, its action plans and the quality of communications on the subject.

This proved to be an opportunity for each of the Executive Committee members to listen to experts' viewpoints and to get them involved in Gecina's strategic and operational decision making process. As part of the transparency policy, a summary of this initial meeting appears in the 2013 Reference Document, in section 7.1.1.2. "The Gecina Stakeholders Committee", and under the CSR heading of Gecina's web site (www.gecina.fr) under the Responsability/News & publications heading.

Key messages and solution provided by Gecina

The principal conclusion addressed to the property company was to go beyond a reporting status deemed complete and satisfactory that is well entrenched in the monitoring of sustainable performance, to develop a more encompassing process, toward a quest for innovation, collaboration with stakeholders and the development of an economic model that moves from a logic of square meters leased to one of services provided (*i.e.* services related to the proper use of shared areas). The Chief Executive Officer, Philippe Depoux, during the evaluation of the conclusions, recommended that the Executive Committee engage in a specific effort to confront these issues with reactions of clients and other stakeholders involved during the renovation of a site as an experiment.

In view of the progress of the asset restructuring program and the reorganization of the Group begun in the first quarter of 2014, the implementation of this type of experiment was delayed. With the new organization, the Group nonetheless armed itself with an innovation oriented structure in the real estate assets department and launched a study on the buildings of the future with the ISPOS Institute. In parallel, Gecina continued its efforts to structure its dialogue process with its stakeholders (see 7.1.1.2. "Stakeholders mapping and dialogue process").

Note that Gecina is pursuing its involvement in innovative actions in the area of biodiversity, particularly through its participation in tenders for "innovative re-vegetation" projects launched by the City of Paris by scrutinizing the ageing of green roofs and walls in the asset base over three years (see section 7.4.3. "Biodiversity").

In addition, Gecina is concerned about the flexibility of its assets in response to changes in their environments and to market expectations, as evidenced by the office space to student residence conversion projects (such as the delivery of the rue Lecourbe project with 104 student housing created and rue Auguste Lançon project with 60 student housing, planned to be delivered in May 2015).

7.1.2.3.2. SECOND STAKEHOLDERS COMMITTEE MEETING ON JULY 24, 2014

The 2014 Stakeholders Committee meeting was held on July 24, 2014 with seven representatives of the different types of stakeholders present, selected for their expertise on the subjects on the agenda. These experts were consulted as part of the overall review carried out by Gecina on its strategy and in the preparation process for the 2014 Reference Document. The subjects of integration within surrounding areas and the types of relationships with stakeholders were the ones mainly on the table and specific proposals that concerned strategic orientations, action plans and steering indicators were put forth by the experts. The proposals presented to the Executive Committee and to the specialized consulting committee CARDD (Audit, Risk and Sustainable Development Committee) were intended to enhance Gecina's operational action plans and to take part in assimilating its stakeholders strategy into a long-term project. The final summary of this second meeting of the Gecina Stakeholders Committee appears below.

Opinion of the experts participating in the second Gecina Stakeholders Committee

The experts who gathered to the second Stakeholders Committee meeting set up by Gecina on July 24, 2014 recommended that the company initiate a strategic discussion to bolster dialogue with public authorities who are essential players in determining urbanization issues. As such, entering into a partnership process and adopting a proactive attitude with regard to these bodies will result in a source of value creation for the Group. As a private player, it is expected of Gecina that it take part in and propose solutions for co-building the city of the future and address the complexity of urban renewal processes using a sustainable logic.

This need for partnerships with the primary urban entities such as regulators, planners, architects, developers, builders, landscape contractors, ecologists, energy specialists, etc., is crucial in the current context of a disrupted value chain in property development. The experts hope that Gecina will lend its cooperation to this new urbanism reasoning of "better sharing" and affirm its own responsibilities, which are bound to increasingly cut across the issues. From now on, property development companies like Gecina will bear a full share of responsibility as purchasing advisors, with the clear integration of strict CSR criteria in their specifications and their possible investment options upstream.

From that point, Gecina is requested to orient its thinking and investment choices on Greater Paris, the new horizon of urban scenarios in the Île-de-France region. The objective is to adapt to new use forms and models of urban development by extending a currently localized spectrum and to take on board a long-term vision of changes in products and uses in the sizing and management of real estate assets.

An attitude of listening to requirements and following up on municipalities' projects should be systematically integrated into the Gecina review process. This could guarantee the inclusion of public and collective issues in the region concerned when its specifications are being prepared.

A property development company like Gecina has a role to play in the control of urban sprawl and is particularly requested to monitor and even mitigate and reduce the artificialization of land stemming from changes to its asset base. In this framework, the experts emphasized that innovative indicators and related objectives could better assess the creation of value provided by Gecina and thus improve the company's impact as a principal in the design of a responsible, convertible and multi-use building. The operational recommendations made by the experts are available upon request of Gecina at the following address: rse@gecina.fr.

The seven experts consulted by Gecina on July 24, 2014

Dominique Alba: Architect, CEO of Atelier Parisien d'Urbanisme – APUR

Isabelle Baraud Serfaty: Director of Ibicity, a consulting and urban economy expert agency

Yves Duplaix: Manager of the Public Services division and in charge of the GPTW program at Atos Consulting

Geneviève Férone: CEO of CASABEE, former Sustainable Development director at Veolia Environnement and Eiffage and founder of the Arèse consulting firm

Matthieu Gauvin: Sustainable Development Project Leader at Bouygues Construction

Emmanuel de la Masselière: Director of Strategy and Development of the Etablissement Public d'Aménagement Plaine de France

Guillaume Sainteny: President of GS Conseil

Representing Gecina: Nathalie Bardin, Director of Marketing and Communication, Yves Dieulesaint, CSR Director, Stéphane Carpier, Technical Director, Aurélie Rebaudo-Zulberty, CSR Projects Manager.

Recommendations furnished by Gecina

Most of the operational recommendations submitted by the experts have now been implemented to improve 2014 reporting in the Reference Document and all the other communications mechanisms formats, to include the Annual Integrated Report, the website and four reports consecrated to specific themes such as the socio-economic contribution, stakeholders dialogue, human rights and biodiversity, available on the Gecina website (www.gecina.fr) under the Responsability/News & publications heading:

- updating of the materiality matrix (see sections 7.1.2.2. "An approach in constant evolution" and 7.1.2.4. "The new Gecina materiality matrix");
- incorporating the concept of urban sprawl to include a formalization of the way Gecina assimilates local architecture into its designs and selects architects (see section 7.6.1.2. "Urban sprawl and incorporating local architecture into designs");
- promoting the biodiversity and nature in cities policy (see section 7.4.3.1. "Gecina's biodiversity strategy: Nature in cities" and the report dedicated to biodiversity on the Gecina's website);
- clarification of Gecina's responsibility concerning assimilation of CSR criteria by developers (see section 7.6.4.1. "Incorporation of CSR criteria in specifications and investments");
- a communications policy focused on the main issues and on strategic subjects, through improvement of certain CSR communications materials at Gecina.

Concerning action plans or indicators proposals and reporting, operational teams will take experts others recommendations into account in a medium and long-terme view.

As an example of its determination to make progress, Gecina asked Guillaume Sainteny, member of the Stakeholders Committee and biodiversity expert, to contribute to biodiversity report by submitting his opinion on its content.

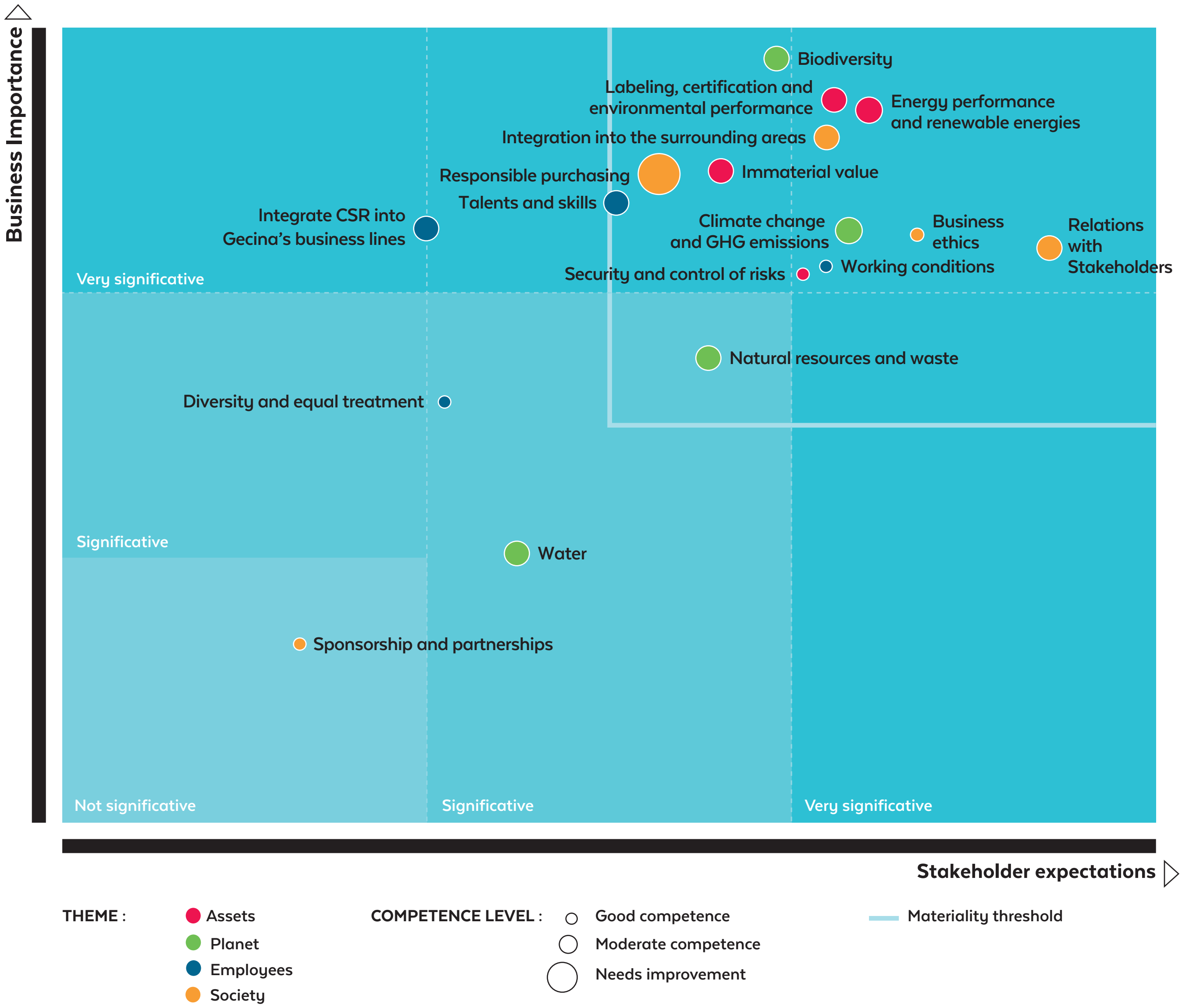
In addition, an event was set up for the month of September featuring Jean-Louis Missika, a deputy of the Mayor of Paris for urbanism, architecture, projects in Greater Paris, economic development and attractiveness, to exchange views on Gecina's contribution to these issues. Gecina confirmed its determination to support the urban development of Paris by responding to the "call for innovative urban projects" put out by the city at the end of 2014.

On October 21, 2014, Benoît Labat, Director of enhancement and assets of the Société du Grand Paris gave a presentation to the Management Committee of the company to introduce the project and to enliven the perception of the issues facing this area by the principal managers of Gecina.

07

7.1.2.4. THE NEW GECINA MATERIALITY MATRIX

The methodology used to update Gecina's materiality matrix and the complete process is described in the preceding paragraphs (sections 7.1.2.1. "Methodology and hierarchy of the issues", 7.1.2.2. "An approach in constant evolution", and 7.1.2.3. "The Gecina Stakeholders Committee").



THE PRINCIPAL CHANGES IN THE MATERIALITY MATRIX

- Visibility of the materiality threshold of issues identified in the matrix, *i.e.* the point of reference where the issues become more material (in the meaning of GRI G4) meaning they are most priorities for Gecina (in terms of reporting, follow-up and analysis).
- Levels of control linked to the integration of CSR in business lines, to energy performance and renewable energies, to business ethics as well as climate change and to GHG emissions have improved following changes to Gecina's organization (see sections 7.1.4.1. "CSR at the heart of organization") and in advance of corresponding action plans (see section 7.1.3.4.1 "Level of progress achieved in various CSR action plans").
- The respective positioning of issues linked to working conditions, diversity and equal treatment, talents and skills and to the security and control of risks were adjusted up on the two axes so as to be in harmony with the general perception arising from the comparative analysis performed by IRSE Management (see section 7.1.2.2. An approach in constant evolution) which revealed a significant gap in these social issues. That is why e Gecina once again evaluated them.
- A comparative analysis of the responsible purchasing issue reveals like positioning relatively close to the preceding materiality matrix version. However, as this issue was made up by applying the lion's share of other issues in the matrix to Gecina's supplier chain, positioning of this issue was purposely revised upward on the two axes of the matrix, above the position of this issue by its peers.
- Gecina has decided, based on its convictions regarding this subject and in view of numerous studies published about it, as well as the launching of the French Green Building Plan working group and the recommendations of experts at its Stakeholders.
- Committee meetings (see section 7.1.2.3. "The Gecina Stakeholders Committee"), to adjust the general rank of this issue upward, thus voluntarily taking a different position than the company's peers, that percive it less material.
- The economic significance of the issue related to immaterial value has also been upgraded to take into account the various studies on the subject and the economic impact revealed by the productive effeficiency indicator developped by Gecina (see section 7.3.3. "Immaterial value, well-being and productivity").

7.1.2.5. DETERMINING THE KEY ISSUES

A diagram of the Gecina value chain shown in section 7.1.1.1. "Gecina value chain and business" positions all of the key issues facing the company in the stages of its business and indicates the stakeholders involved for each of these. The table below summarizes stakeholders concerned for the most material issues.

LIST OF STAKEHOLDERS CONCERNED FOR EACH MATERIAL ISSUE

GRI ASPECT	MATERIAL ISSUE FOR GECINA	STAKEHOLDERS INVOLVED
Economics	**Responsible purchasing**	Employees and suppliers
Environment	**Energy efficiency and renewable energies**	Employees, suppliers and clients
	Biodiversity	Employees, suppliers, clients, government and local authorities, rating agencies and analysts, peers and professional associations, local communities, associations and NGOs
	Climate change and GHG emissions	Employees, suppliers and clients
	Natural resources and waste	Employees, suppliers and clients
Social – Employment and decent work practices	**Working conditions**	Employees
	Talents and skills	Employees
Social – Society	**Integration into the surrounding areas**	Employees, government and local authorities, local communities and NGOs
	Business ethics	Employees, clients, suppliers, peers and professional associations
Social – product-related responsibility	**Labeling, certification and environmental performance**	Employees, suppliers and clients
	Security and control of risks	Employees, suppliers and clients
Issues not included in the GRI reference source	**Immaterial value**	Employees, suppliers and clients
	Relations with Stakeholders	Employees, suppliers, clients, government and local authorities, investors and financial partners, rating agencies and analysts, peers and professional associations, local communities, associations and NGOs

The following 13 issues are those that appear to be the most material, *i.e.* the most relevant for Gecina in its materiality matrix. They are ranked above the materiality threshold shown in the diagram in paragraph 7.1.2.4. "The new Gecina materiality matrix".

7.1.2.5.1. ENERGY EFFICIENCY AND RENEWABLE ENERGIES

This area includes all energy considerations related to the construction and operation of buildings (insulation, heating, cooling, lighting, etc.). Real estate assets account for 43% of primary energy consumption in France and the sector is subject to strict regulations stemming from the Grenelle 2 law. In construction, with the onset of French thermal regulation RT 2012 on January 1, 2013, energy use in buildings must be divided by 2 to 2.5 with relation to RT 2005 regulations and energy consumption of all existing commercial buildings must be reduced by 38% by 2020. Beyond RT 2012, the longer term regulatory risks for poorly performing buildings are numerous, as shown by the example of the United Kingdom, where beginning in April 2018, the lease or sale of residential or commercial edifices with energy labels exceeding the "E" rating will be prohibited. Energy efficiency requirements bind real estate operators to make a technological breakthrough by adopting eco-construction and eco-operation methods. Gecina is now preparing for future regulations in the form of RT 2020, in which the BEPOS (Positive Energy Buildings) should become the standard. The financial impact on renovation work is significant, but the results bring about major operating gains. Controlling this issue is considered to require improvement in view of the long-term character of these objectives. Monitoring energy use and steering of actions has nonetheless improved with the implementation of the new organizational structure (see section 7.1.4.1. " CSR at the heart of organization") and the reconfiguration of the energy management function (see section 7.3.1.1. "Reconfiguration of energy management"). Key Gecina actions in the area of energy performance improvement are described in section 7.3.1.2. "Energy efficiency of the real estate portfolio".

With regard to renewable energies, no specific regulatory constraint is being imposed on the real estate sector. Nonetheless, France's overall objective is to promote the use of clean energies and to optimize the energy mix. Key Gecina's actions in this area are described in section 7.3.1.3 "Development of renewable energies".

This competence issue increased due to the new energy conservation structure and the implementation of management tools (see section 7.3.1.1. "Reconfiguration of energy management"). However it is still a moderate issue as the instrumentation extension in the buildings is incompleted and the tenants implication has to be improved.

7.1.2.5.2. LABELING, CERTIFICATION AND ENVIRONMENTAL PERFORMANCE

Labeling and certification meet strong market expectations, both for new construction and renovations (HPE, THPE, HQE®, BEPOS, etc.) of office buildings and for their operation (HQE® Operations, BREEAM® in Use, etc.). While certifications are progressively being defined as a reference standard, exploiting the "green value" of an edifice is always a market opportunity, particularly in the high certification levels, where, for example, an HQE® certified building commends higher lease rates. The Group has by now already achieved its objectives in the area of construction certification and is moving toward an objective set for operations certification through the implementation of CSR mapping of the asset base (see section 7.1.4.3. "CSR scoring to assist in mapping of properties") and through actions described in section 7.3.2.2. "Operation". Gecina is also advancing in the assimilation of all criteria that defines responsible buildings (see section 7.1.3.3. "A systematic approach: Responsible buildings in a responsibly managed area") in its investment criteria (see section 7.6.4.1. "Incorporation of CSR criteria in specifications and investments").

Environmental performance also concerns the issue of usage and consequently the implementation of green leases and environmental appendices. Since the Grenelle 2 law in 2012, lease contracts for surface area in excess of 2,000 sq.m must contain an environmental appendix, in which both parties to the contract agree to be accountable for CSR related themes. This contracting with tenant clients for medium/long term agreements relating to these subjects is a way of making them share in the responsible building strategy. Key Gecina actions and results in this area are described in paragraph 7.3.2.3. "Green leases and environmental appendices".

7.1.2.5.3. BIODIVERSITY

The real estate sector has a major impact on changing biodiversity through the artificialization of the ground that it engenders. Respecting nature in cities and green or blue belts, together with the control of the impact of construction materials through the development of a life cycle reasoning, are levers for preserving and enhancing biodiversity. To accomplish this, various action plans can be implemented by real estate sector operators, such as respecting the Natura 2000 and/or ZNIEFF (Natural Ecological Flora and Fauna Interest Areas) areas, using phytosanitary products that cause no harm to biodiversity, placing stickers in the form of raptors on glass surfaces to reduce bird fatalities from collision with glass, preserving wetlands and natural areas, placing vegetation on facades or rooftops, integrating suitable vegetative species on terraces and gardens or setting up habitat for protected species. The biodiversity issue, which is still considered only moderately important by the real estate sector as a whole, is nonetheless taking on greater importance, as demonstrated by the launching of a working group on this theme through the sustainable building plan in late 2014, which was co-steered by Gecina. While assimilating respect for biodiversity may currently help in obtaining building permits, the value acquired by bolstering biodiversity accountability on built structures goes beyond this. More and more numerous studies are appearing that tend to prove that biodiversity impacts productivity in office building occupants, or speed of healing in health facilities. Gecina wants to be a benchmark operator in this area and is developing multiple actions to evaluate its impact and to promote urban biodiversity (see section 7.4.3. "Biodiversity"). Compared with the previous years, the control over this issue increased due to the implementation of its strategy on this theme and the extension of an indicator (Biotope area factor by surface area). However it still remains moderate because specific actions have to be developed in construction, reconstruction and operational buildings. Meanwhile, educational efforts must be realized with tenants and employees to share biodiversity issues, as B1L Evolution reports shows.

7.1.2.5.4. INTEGRATION INTO THE SURROUNDING AREAS

This issue corresponds to the capacity of Gecina to design and operate properties that meet local societal requirements. It involves buildings that are better connected to local services, to transportation, energy and waste management systems, that fit well into local architecture, that stimulate the economy of the locality and interact with the local entrepreneurial fabric. This subject also includes Gecina's involvement in collaboration processes between private and public entities of sustainable cities, whose objective is to imagine and put into play innovative collective solutions. Expectations of local collectivities and stakeholders in the broad sense are therefore strong with regard to this CSR issue. Actions implemented by Gecina to measure its socio-economic impact and to bolster integration of its business into areas concerned are described in section 7.6.1. "Integration into the surrounding areas".

Even if Gecina improves in the measure and the evaluation of its impacts, as the dedicated report shows, the control of this issue is still moderate because actions carried out locally must be developed to reinforce the collaboration with the local communities.

7.1.2.5.5. IMMATERIAL VALUE, WELL-BEING AND PRODUCTIVITY

The concept of immaterial value is essential to Gecina. This concept is taking on increasing importance in the real estate sector because it is a factor of innovation and of business differentiation. Included in immaterial values are all concepts related to accessibility (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 noise and light pollution. Stakeholders expectations are very high as regards this issue, especially those of office building users. A growing number of studies and real estate operators agree that immaterial value concepts have an impact on productive efficiency and consequently may potentially impact the valuation of assets. The key actions produced by Gecina to assess and bolster the immaterial value of assets are described in paragraph 7.3.3. "Immaterial value, well-being and productivity".

Useful actions are gradually integrated into buildings' action plans following the evaluation of the level of productive efficiency of the building after the detailed analysis of its characteristics.

7.1.2.5.6. RESPONSIBLE PURCHASING

This increasingly significant topic consists of integrating CSR performance into methods of selecting, managing and supporting suppliers, particularly those in the construction, renovation and building maintenance sectors. The value chain thus contributes to the Group's CSR objectives in the environmental, social and societal areas. Gecina has no dedicated Purchasing function, however the Group has set up action plans and a responsible purchasing strategy coordinated by CSR management that is being progressively implemented (see section 7.6.4. "Responsible purchasing"). Even if the responsible purchasing charter signature demonstrates Gecina's and its suppliers' shared determination to develop responsible policies and actions, solid operational progress plans have to be co-built with them in order to improve the competence of this issue, after having assessed their CSR performance.

7.1.2.5.7. TALENTS AND SKILLS

Keeping employees involved and effective, trained in key issues and capable of anticipating emerging trends so as to participate in the value creation process is a major issue for companies. Attracting and retaining talent by offering promotions adapted to staff profiles is equally necessary in a sector like real estate, where jobs require high qualification levels and where career mobility is fluid and fueled by strong competition, especially for qualified personnel. In addition, real estate jobs change enormously, implying major employee training issues. Gecina's actions and performance in this area are described in section 7.5.2. "Talents and skills".

7.1.2.5.8. CLIMATE CHANGE AND GHG EMISSIONS

The building sector alone accounts for over 20% of greenhouse gas (GHG) emissions. It has been subjected to heavy regulatory pressure and is generating significant expectations on the part of its stakeholders. This issue encompasses the implementation of an overall policy of greenhouse gas emissions reduction and of mitigation and adaptation to climate change, taking into account full building life cycles, such as accounting for gray energy, and the internal activities of the company (employee travel, purchasing, etc.). Adjusting for climate change while accounting for GHG emissions is primordial in separating out changes in consumption linked to weather conditions for a year and measuring the actual impact of company actions on consumption of HVAC systems. Gecina is progressively increasing its control of this issue through the implementation of dedicated action plans accompanied by quantified objectives (see section 7.4.1. "Climate change and GHG emissions").

7.1.2.5.9. BUSINESS ETHICS

Just as other sectors, the real estate sector is concerned about numerous ethical issues. The prevention of any form of corruption is an issue in the real estate sector, where transaction amounts are generally quite high and for which calls for tender are strictly regulated. Accordingly, compliance with purchasing procedures, performing reasonable diligence and good commercial conduct are essential. In strict compliance with the laws, decrees and regulatory texts, the sector's compliance also applies to the prevention of insider trading on the Stock Exchange, frauds, financial embezzlements, unfair competition and collusion. The transparency of lobbying elected officials and public authorities is also a powerful compliance issue for the sector, especially regarding the consistency 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.

7.1.2.5.10. RELATIONS WITH STAKEHOLDERS

This issue determines Gecina's capacity to put in place a formalized procedure for listening, answering and monitoring the expectations of stakeholders regarding its CSR policy and its operations in general, as well as the collaborative process started to co-build mutually beneficial solutions with stakeholders. Detailed mapping with stakeholders and the methods of bilateral and multilateral dialogue undertaken with them by Gecina is presented in section 7.1.1.2. "Stakeholders mapping and dialogue process". A special report dedicated to stakeholders is available on the Gecina website (www.gecina.fr) under the Responsability/News & publications heading.

7.1.2.5.11. WORKING CONDITIONS

This issue deals with health, safety, work organization and remuneration terms of employees. These concepts cover quality of life on the job and have a major impact on involvement and absenteeism of employees, and consequently on productivity. In addition to assessing psycho-social risks, measuring absenteeism and monitoring work accidents, Gecina is implementing numerous actions to strengthen the quality of life at work for its employees. These are described in section 7.5.3. "Working conditions".

7.1.2.5.12. SECURITY AND CONTROL OF RISKS

This issue is primarily regulatory. Controlling these risks is specifically a Gecina responsibility (see section 1.7. "Risks"). The risks affecting the real estate sector are multiple, involving asbestos, lead, cooling towers, etc. They are also the subject of numerous regulations due to their potential impact on human health. Gecina has drawn up a rating system managed internally through a platform of risks called PROVEXI, in which each asset is assessed using different criteria. Stakeholders expectations, such as the impact on the business, are more moderate than the previous ones.

7.1.2.5.13. NATURAL RESOURCES AND WASTE PRODUCTS

This issue addresses the question of natural resources other than energy and water, which are dealt with in dedicated issues of the materiality matrix. In fact, these involve non renewable raw materials such as minerals and metals. With regard to buildings, this pertains to eco-construction and eco-operations processes. Gecina is implementing responsible purchasing practices as described in section 7.6.4.2. "Gecina's actions and performance in the area of responsible purchasing", use life cycle analysis and other actions to assimilate the impact of the construction materials described in section 7.4.2.1 "Eco-design". With regard to waste, the issue for Gecina as an operator is to set up the best networks using suitable contractors and provide the necessary space in buildings so that tenants can organize waste sorting. Gecina is consecrating a very specific focus on this issue and has put dedicated indicators for it in place (see section 7.4.2.2. "Waste management").

The following four issues have been identified as important to Gecina in its materiality matrix, and fall beneath the materiality threshold.

7.1.2.5.14. INTEGRATE CSR INTO THE BUSINESS LINES

Gecina's objective is that all of its employees take on the capacity to think in terms of sustainability to optimize the impact of its actions and CSR performance. The challenge is to integrate CSR into the company's processes, to train employees in both the issues and changes to them, to interest them in achieving CSR objectives and to mobilize them by involving them in the Group's CSR policy. As the CSR scoring grid introduced to the Investments Committee shows, this issue is also linked to the development of tools for assisting the assimilation of CSR impacts in decisions. This lever is decisive for the Group in achieving CSR results. Stakeholders expectations are primarily internal, but the analysts are focusing on these issues in order to evaluate how sincerely CSR is incorporated into the company's strategic decisions and action plans. The mechanism for CSR strategy coordination and steering at Gecina was bolstered as a result of the Group's new organization effort. It is described in section 7.1.4. "Steering and coordinating the CSR strategy". All actions implemented to involve top management and to train and sensitize employees are described in section 7.5.1 "Integrate CSR into Gecina's business lines".

7.1.2.5.15. DIVERSITY AND EQUAL TREATMENT

The issue here consists of guaranteeing equal opportunities and treatment to employees, specifically by adhering to all criteria determined by law. This issue is moderate for Gecina, given its record on the subject. Nonetheless, major actions have been undertaken to guarantee gender equality (see section 7.5.4.4. "Gender equality") and to promote the employment of handicapped persons (see section 7.5.4.2. "Disabilities policy and hiring handicapped persons").

7.1.2.5.16. WATER

This issue concerns primarily Gecina's water use in the operation of its office and residential properties. Action has been taken locally to reduce water use, as described in paragraph 7.4.4. "Water". As regards the use of water in constructing buildings, a significant issue arises in the choice of resources needed during the construction process, such as the example of construction with concrete and cement, which require much more water than building with wood.

7.1.2.3.17. SPONSORSHIP AND PARTNERSHIPS

This issue corresponds to the capacity for drawing up long term agreements with non-profit associations and organizations with a view to extending the societal benefits stemming from Gecina's business. The more these types of sponsoring and philanthropic actions are based on Gecina's expertise and support its CSR policy with a not-for-profit approach, the more they will appear credible and consistent to stakeholders from a CSR perspective. This issue is also important to illustrate the "different approach to real estate" with public municipalities. All of the actions regarding this theme that have been carried out directly by Gecina or through its corporate foundation are described in section 7.6.5. "Sponsorship and partnerships".

7.1.3. CSR POLICY: COMMITMENTS, GOALS AND ACTION PLANS

7.1.3.1. HIGHLIGHTS OF 2014

2014 was a particularly full year in terms of CSR, firstly with regard to the integration of CSR within Gecina's new organization (7.1.4.1. "CSR at the heart of organization"). Yet Gecina also continued to move forward with determination:

With its commitments in relation to:

- the Global Compact and the Millennium Development Goals (admission to the GC Advanced level (see 7.1.1.2.3. "Multilateral dialogue");
- the signing of the guiding principles for a constructive dialogue with the stakeholders proposed by Comité 21 (see 7.1.1.2.5. "Signature of the guiding principles for a constructive dialogue with the stakeholders").

In the analysis of the performance of its assets, with:

- the implementation of CSR mapping for the 12 responsible building themes and joining the GRA (Global Reporting Alliance) (see 7.1.4.3. "CSR scoring to assist in mapping of properties");
- the instrumentation of buildings with the Hypervision© system (see 7.3.1.1. "Reconfiguration of energy management");
- the BiodiverCity© label obtained for the pilot restructuring operation at 55 Amsterdam and the Ecojardin label for Défense Ouest (Gecina's first office building) (see 7.4.3.3 "Major biodiversity actions carried out during the year").

In its communications with:

- its continued proactive initiative in relation to integrated reporting (publication in 2014 of a second IAR) to better reflect the IIRC principles after a first initiative in 2013 (http://www.gecina.fr under Media center/Publications);
- the publication of four special reports on the respect of human rights, dialogue with stakeholders, economic contribution and biodiversity (www.gecina.fr under Responsibility/News and publications).

But for Gecina, 2014 was also marked by the very special recognition it received for its CSR policy when it won first place in the ranking by Novethic and by the EthiFinance Gaia Index (services sector), a position as sector leader in the GRESB ranking and that of leader in transparency in the Carbon Disclosure Project (CDP) ranking. Gecina also received the France GBC trophy for its biodiversity policy and the SIIC trophy for its CSR policy (see 7.2.5.3. "CSR approach recognized by real estate and CSR actors").

7.1.3.2. GECINA'S CSR POLICY

Confronted with a necessary transformation of the offer, practices and company governance policies required by multiple societal issues, Gecina chose to respond in a proactive and determined manner *via* its CSR policy that features both:

- a specific offering of buildings and real estate services that are both sustainable and responsible to clients and that act as a catalyst to their growth chains and to their own societal responsibility issues. This is accomplished through improved working conditions, comfort, health, air quality, responsible use of utilities, environmental protection, accessibility and connectivity, innovation, etc.;
- a mobilizing project for stakeholders and employees, the policy acts as a change factor at collective and individual levels all along the value chain, through attracting and retaining talent, training, job satisfaction and career management of employees, increasing responsible purchasing practices, involvement of various stakeholders, etc.

In this way, Gecina has taken on commitments and set objectives to address each of the seventeen issues identified in the four CSR pillars of Assets, Planet, Employees and Society (see section 7.1.4. "The new Gecina materiality matrix"). These objectives were set out since 2008 by the Executive Management as part of the four-year plans for 2012 and 2016. For some asset types or issues, monitoring tools development and experience gained revealed a difficulty in achieving the objectives. Thus, the Executive committee revised the objectives linked to energy performance and reported them from 2016 to 2020 relating to the operational control of assets. While remaining ambitious and respectful of the regulatory environment, Gecina determined more compatible values with the context met on every type of assets.

Priority is given in the CSR policy to set action plans directed at ten issues requiring improvements in management from among the thirteen material issues (*i.e.* that are above the materiality threshold of the matrix). The action plans and objectives to achieve are detailed in section 7.1.3.4. "CSR action plans".

GECINA CSR POLICY STRUCTURED IN 4 PILLARS WITH 17 ISSUES, TEN OF WHICH ARE PRIORITY

ASSETS	PLANET	EMPLOYEES	SOCIETY
Energy efficiency and renewable energies Reduce energy use in buildings *(Cut primary energy use in office properties by 40% at constant climate between 2016 and 2020 compared with 2008)*	**GHG emissions and climate change** Attenuate GHG emissions and adapt to climate change *(GHG emissions in office properties to be reduced by 40% at constant climate between 2016 and 2020 compared with 2008)*	**Integrating CSR into Gecina's business lines** Change business lines and mobilize employees to promote CSR *(Reach 30% of training hours integrating CSR in 2016)*	**Integration into the surrounding areas** Contribute to the sustainable city concept *(Improve assessment of the local socio-economic footprint in 2016)*
Labeling, certification and environmental performance Increase number of certified buildings *(100% of buildings delivered with high level of certification / 80% of office properties with HQE® Operations certification in 2016)*	**Natural resources and waste** Optimize the use of natural resources and contribute to the recycling of waste *(100% of delivered buildings having undergone an LCA / 80% of waste from office properties sorted in 2016)*	**Talents and skills** Develop the skills of employees and retain talent *(Over 25% of jobs filled through internal staff mobility in 2016)*	**Relations with Stakeholders** Establish a relationship of trust and balance with stakeholders *(Over 90% satisfied clients in 2016 – clients outgoing from*
Immaterial value Meet tenant expectations in terms of use performance *(75% of office properties with high productive efficiency in 2016)*	**Biodiversity** Ensure the protection and restoration of biodiversity *(Improve the biotope area factor for all properties in 2016)*	**Diversity and equal treatment** Improve gender equality and resist all forms of discrimination *(No professional classification levels with a salary gap between men and women above 3% in 2016)*	**Business ethics** Guarantee the integrity of individual and collective practices s *(0 convictions for breaking the law in 2016)*
Security and control of risks Map, evaluate and communicate building risk levels *(Over 70% of properties at the "Efficient" or "Very Efficient" levels in 2016)*	**Water** Preserve water resources *(Achieve 0.93m^3/sqm/year, i.e. reduce by 25% compared with 2008)*	**Working conditions** Promote attractiveness and well-being of employees at work *(Reduce by 10% of employees missing work for periods of less than three days in 2016 compared with 2013)*	**Responsible purchasing** Implement responsible purchasing strategies with partners and suppliers *(Assess CSR performance of 50% the suppliers in 2016)*
			Sponsorship and partnerships Gecina sponsorship and partnerships policy to be in line with its beliefs and commitments *(Over 20% of employees mobilized in 2016)*

The action plans implemented to address the issues in the Assets and Planet pillars may be broken down into twelve major themes as detailed in section 7.1.3.3. "A systematic approach: Sustainable buildings in sustainable locations". These refer to the precautionary principle set out in the Rio declaration and stipulated in French law in 1995 through "the Barnier law" [6].

The action plans put in place for each of the issues identified in the Employees and Society pillars also address central subjects of the UN Global Compact, such as respect of human rights and labor law. In accordance with its commitments, Gecina chose to improve readability of its actions on this theme and to publish a special report on its website (www.gecina.fr), under the sustainable development/news & publications heading.

These action plans are detailed in paragraph 7.1.3.4 "CSR action plans".

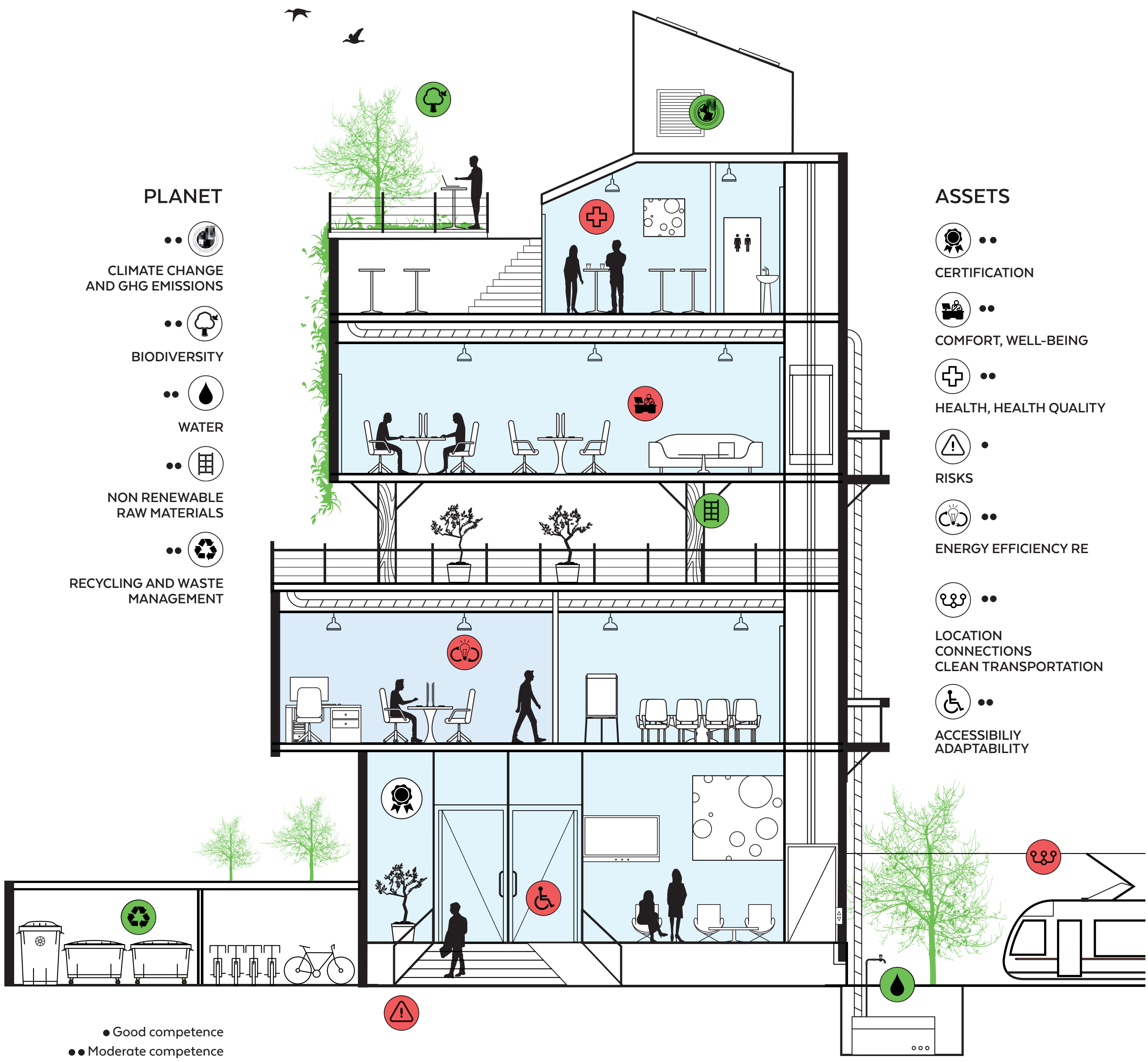
(6) In France, the Barnier law of 1995 stipulates that «where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective and adequate measures to prevent environmental degradation».

7.1.3.3. A SYSTEMATIC APPROACH: SUSTAINABLE BUILDINGS IN SUSTAINABLE LOCATIONS

Gecina participates in the planning and development of sustainable cities by deciding, building, managing or operating sustainable buildings. These buildings are part of a perspective of sustainable development and address the issues highlighted in the Assets and Planet pillars of the company's CSR policy, as shown in the diagram below.

GECINA'S RESPONSIBLE BUILDING

Through indicators defined for the twelve responsible building themes, Gecina follow the annual performance of its portfolio in comparison with the objective for 2016.



The action plans set out for each of the issues making up sustainable buildings are detailed in section 7.1.3.4. "CSR action plans". The level of progress achieved and monitoring methods are also stipulated in this section. Overall, the new organizational structure implemented in 2014 (see section 7.1.4.1. " CSR at the heart of organization") has had a positive impact on the progress of action plans, in particular the use of the CSR ranking system that analyze CSR assets features (see section 7.1.4.3. "CSR scoring to assist in mapping properties"), although adapting the Green Rating™ tool for use required numerous consultations with the stakeholders concerned, Bureau Veritas and CSTB to adapt it to sustainable building issues.

Reconfiguring how to manage energy (see section 7.3.1.1. "Reconfiguration of energy management") was a major advance for Gecina, although the complexity of the existing building automation and centralized building management systems in buildings slowed the implementation of the Hypervision® energy supervision tool selected for the program.

AN EXAMPLE OF THE APPLICATION OF THE SUSTAINABLE BUILDING CONCEPT: 55 AMSTERDAM

The restructuring of 55 rue Amsterdam in Paris, an office building of 12,100 sq.m built in 1929, is an illustration of the quest for excellence and innovation developed by Gecina in each of the sustainable building themes.

The table below provides examples of specific achievements in every sustainable building theme.

ACHIEVEMENTS AND PERFORMANCE OF THE PROPERTY LOCATED AT 55 RUE D' AMSTERDAM (PARIS, FRANCE) IN EACH SUSTAINABLE BUILDING THEME

	ISSUES	SUSTAINABLE BUILDING THEME	ACHIEVEMENTS
ASSETS	**Energy efficiency and renewable energies**	**Energy efficiency and renewable energies**	Reduction of energy use Target: 45% ("prior to" vs. "after" renovation) through high efficiency thermal insulation and high performance HVAC equipment *Modeled actual energy use: 275 kWhPE/sqm/year*
	Labeling, certification and environmental performance	**Labeling and certification**	Certifications targeted: HQE® Exceptional, BREEAM® Outstanding, LEED® Platinum, Label Effinergie Renovation and Label BiodiverCity
	Immaterial value	**Health and hygiene**	Implementation of low impact construction materials with the most highly restrictive labels including GreenGuard, Ange Bleu and Cygne blanc
		Well-being and comfort	Optimal management of ambient comfort (real time monitoring of energy use with the Hypervision® tool, comfort level with the Fireflies® sensors for temperature control, air quality and noise control)
		Accessibility and adaptability	Compliance with applicable regulations
		Connectivity with clean transportation	Alternative transportation means promoted by providing assigned parking places for electric vehicles with recharging facilities (10% of total) and for ride-sharing vehicles (3%), plus a bicycle storage room of 50 sqm.
	Security and control of risks	**Security and control of risks**	Compliance with applicable regulations
PLANET	**Climate change and GHG emissions**	**Climate change and GHG emissions**	Connection to urban heat and cold networks, partially powered by renewable energy *Modeled overall emissions: 8.9 kg eq CO_2/sqm/year*
	Natural resources and waste	**Non-renewable raw materials**	Use of bio-based and locally produced materials: use of 6,000 sqm of wood based insulation inside the building, with 10% of products from a local producer (located within 800 km)
		Recycling and waste management	Installation of structures adapted for sorting with six waste sorting lines available
	Biodiversity	**Biodiversity**	Buildings with high vegetation concentration: green roofs and courtyards (*a 300% improvement in BAF*) - 20 cm substrate and 56 different species integrated
	Water	**Water**	Rain water retention facilities and reuse of gray water (sink waste water) for toilets and plant watering *(overall water use of 0.54 m3/sqm/year and accommodation of 25% of the building's requirements of non-potable sanitary facilities water – 100% watering requirements)*

7.1.3.4. CSR ACTION PLANS

Following up on an initial four-year plan covering 2008-2012, Gecina developed action plans for the 2012-2016 period in order to guarantee achievement of objectives fixed through 2016. These plans are monitored and revised through a coordination process by CSR staff, who collaborate as required with various other personnel in such areas as operational, technical and management services, management control, human resources, marketing and communications, audit and risks, IT services and support services.

These action plans are validated during the budget review by the Executive Committee and are analyzed by concerned staff at dedicated meetings throughout the year (see section 7.1.4. "Steering and coordinating the CSR strategy").

Indicators implemented to follow up on the progress of action plans and their performance are presented in section 7.2.3. "Table of non-financial indicators". A limited number of Key Performance Indicators (KPI), mostly set up with quantitative objectives, were determined for each issue on the basis of environmental, social and societal impacts of Gecina's activities (see section 7.1.2.4. "The new Gecina materiality matrix"):

- steering Group performance in the area of CSR;
- compliance with regulatory requirements under Article 225 of the Grenelle 2 law;
- compliance with external reporting and transparency expectations on CSR subjects.

7.1.3.4.1. LEVEL OF PROGRESS ACHIEVED IN VARIOUS CSR ACTION PLANS

As with the 2012 and 2013 financial years, the action plans carried out by Gecina for each of the 17 issues and commitments are detailed in the table below, according to the four pillars of the company's CSR policy (see the 2012 CSR Progress Report and the 2013 Reference Document).

In order to provide a more accurate vision of progress in the action plans, in 2014, Gecina carried out a qualitative estimate of the progress reached in each of the action plans. This estimate is presented for information purposes only, as progress is not linear and does not necessarily reflect the entire range of complexity. Progression of results achieved in various indicators with respect to the 2016 target is detailed in the non-financial indicators table (see section 7.2.3. "Table of non-financial indicators").

07

Issues Commitments	Action plan	Qualitative estimation of the level of advancement of the action plan	Key Performance Indicators *(KPI)* 2016 Objectives (scope)
Assets			
Energy efficiency and renewable energies ***Reduce the energy consumption of our properties***	Reduction in consumption of primary and final energy according to buildings control levels and award of high performance EPC labels	■■□□	Average and gains in consumption of primary energy ***284 kWhPE/sq.m (constant climate), i.e. down -40% compared to 2008 (offices)***
	Implementation of an “Energy Management” function	■■■■	
	Implementation of consumption supervision in buildings intended to identify any immediate and longer-term actions to be taken	■□□□	
	Optimize the performance of buildings in operation through consultations with tenants and provide support to tenants in their use of the premises by means of efficient steering 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).	■■□□	
	ISO 50001 Certification	■■□□	
	Labeling of construction or renovation work according to the best energy performance standard available upon signature of a construction contract with evaluation of the possibility of achieving energy-plus buildings	■■■□	
	Implementation of a guarantee of intrinsic energy performance through the use of handover standards, and incorporating this guarantee into lease terms	■■□□	
Labeling, certification and environmental performance ***Expand the number of certified buildings***	Implement building-specific action plans shared with tenants as an extension of the signing of the environmental appendices, to include erasure solutions, green energy, improved practices, increasing sorting procedures, water-saving meters, implementation of travel plans, etc.	■□□□	% of surface areas delivered certified with one of the two top levels of certification ***100% (offices and residential)***
	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 planning)	■■■□	
	Include amounts in CAPEX budgets for improving CSR of portfolio properties	■■□□	
	Incorporate CSR criteria and requirements into maintenance and operations specifications of buildings, to include private and common areas	■■■□	
	Increase operations certification for properties by achieving recognition for their intrinsic and/or operational quality		
	Create performance-enhanced programs determining standards and innovation levers for new and heavy restructuring projects adapted to the sustainable operation of assets	■■■□	
	Construction and restructuring: obtain one of the two highest certification levels sought	■■■■	% of Assets with Operation certification (in surface areas) ***80% (offices)***
	Incorporate new labels	■■■□	
	Steering of operations and construction through the General Management System (GMS) and increasing recognition of GMS by certifying organizations	■■■■	
	Selection of investments based on the CSR performance criteria to improve the quality of our properties	■■□□	
	Develop an exemplary head office that showcases Gecina’s CSR policy. Address the various sustainable building topics, including energy consumption, optimization of water resources, waste recovery and monitoring of the GHG emissions assessment.	■■■□	
Immaterial benefits, well-being and productivity ***Meet the building occupants’ expectations of performance in use***	Improve the productive efficiency of assets by incorporating the actions to be conducted into building-specific action plans	■□□□	% of Assets with high productive efficiency (categories A, B and C) ***75% (offices)***
	Determine and implement a methodology for measuring tenant satisfaction in occupied premises using the example of a post-occupancy evaluation	□□□□	
	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	■□□□	
	Contribute to the development of alternative travel methods such as shared vehicles, parking for non-motorized two-wheelers, charging stations for electric vehicles, parking exclusively for car sharing vehicles, etc.	■■□□	
	Improve the accessibility to properties for people with disabilities based on completed assessments	■■■□	
Security and control of risks ***Map and evaluate building risk levels***	Monitoring of operational action plans on risks related to lead, air cooling towers, asbestos and telephone relay towers, in accordance with Gecina’s risk management platform required criteria (criteria that most often exceeds regulations)	■■■■	% of Assets with a “Very Efficient” or “Efficient” rating ***> 70% (offices and residential)***

□□□□ *Action not initiated.*
■□□□ *Action launched / late.*
■■□□ *Action implemented / in progress.*
■■■□ *Advanced action / in finalization stage.*
■■■■ *Finalized action / exceeding objectives.*

Planet			
Issues Commitments	**Action plan**	**Qualitative estimation of the level of advancement of the action plan**	**Key Performance Indicators *(KPI)* 2016 Objectives (scope)**
GHG emissions and climate change ***Reduce GHG emissions and adapt to climate change***	Reduce emissions by decreasing consumption of energy and changing the energy mix Study of the impact of climate change on the properties portfolio and modification of air-conditioning equipment considering the risk of heatwaves Replace higher impact GWP (Global Warming Potential) fluids with lower impact fluids		Greenhouse gas emissions and% reduction ***17 kgCO_2e/sq.m (constant climate), i.e. down -40% compared to 2008 (offices)***
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 repurposing/reusing items Site waste recovery and recycling Increase of the number of selective sorting systems and outfitting of sorting facilities used to recover and recycle waste produced in the buildings		% of buildings delivered subjected to LCA 100% (Properties) % recovered waste ***80% (offices)***
Biodiversity ***Ensure protection and restoration of biodiversity***	Use of our properties' landscaped areas by predominantly applying processes and uses promoting biodiversity Perform audits to increase knowledge of the biodiversity present in the asset base Increase eco-garden type labeling of green areas Bolster and seek to improve the green surfaces in our properties Increase urban biodiversity through new or renovation projects Implement Biodiversity labeling		Biotope Area Factor (properties) ***Improve the BAF compared to 2011***
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 necessary uses Limit the impermeabilization factor of projects by reducing the area of surface coverings Perform building water analyses to ensure adequate water quality for users		Water consumption and% reduction ***0.93 m^3/sq.m, i.e. down -25% compared to 2008***

Action not initiated.
Action launched / late.
Action implemented / in progress.
Advanced action / in finalization stage.
Finalized action / exceeding objectives.

Employees

Issues Commitments	Action plan	Qualitative estimation of the level of advancement of the action plan	Key Performance Indicators *(KPI)* 2016 Objectives (scope)
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.	■■□□	% of hours of training dedicated to CSR ***Increase the percentage of dedicated training hours compared to 2013 (Group)***
	Include CSR in budgeting 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) or 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 the Intranet, leaflets and other means	■■■□	
Talents and skill ***Develop skill sets of employees and retain talent***	Set up standard skill sets for the various occupations	■■□□	% of positions filled through in-house mobility ***> 25% (Group)***
	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	■■■■	
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	■■■■	Number of levels of occupational classification for which the pay gap between men and women is greater than 3% ***0/7 (administrative population, excluding the Executive Committee, Group)***
	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	■■■■	
Working conditions ***Promote workplace attractiveness and well-being of employees at work***	Risk characterization of occupational illnesses and job stress or duress, and identify risk areas in jobs	■■■■	% of employees with at least one work stoppage for medical reasons less than or equal to three days ***Decrease the percentage of employees concerned by 10% compared to 2013 (Group)***
	Continue to provide 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	■■□□	

□□□□ *Action not initiated.*
■□□□ *Action launched / late.*
■■□□ *Action implemented / in progress.*
■■■□ *Advanced action / in finalization stage.*
■■■■ *Finalized action / exceeding objectives.*

Society			
Issues Commitments	Action plan	Qualitative estimation of the level of advancement of the action plan	Key Performance Indicators *(KPI)* 2016 Objectives (scope)
Integration within surrounding areas ***Contribute to the sustainable city concept***	Incorporate the public's concerns expressed in work projects and Local Urban Planning, the local stakeholders in new projects and the Collaborative Rental Councils for residential projects	■■□□	-
	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 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	■■■□	
Relations with stakeholders ***Establish a trust-based and balanced relationship with stakeholders***	Create a representative standing stakeholders' committee	■■■□	Satisfaction rate of outgoing customers ***> 90% (residential, excluding student residences)***
	Develop stakeholders 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 based on 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	■■□□	
Business ethics ***Guarantee integrity in individual and collective practices***	Implement a procedure for the fight against money laundering	■■■■	Number of fines for non-compliance with laws and regulations related to making products available ***0 (Group)***
	Update the charter by integrating new and useful issues and themes and implementing suitable training initiatives such as e-learning or other methods	□□□□	
	Present and provide a copy of the Ethics Charter with its practical use guide to new hires during orientation day	■■■■	
	Include the elements of the Ethics Charter in the collective training program	■□□□	
Responsible purchasing ***Implement a responsible purchasing policy with partners and suppliers***	Share commitments with regular suppliers by signing the Responsible Purchasing Charter	■■■□	% of regular suppliers that have signed the Responsible Purchasing Charter ***100%***
	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 conducting CSR awareness raising initiatives intended for VSEs/SMEs	■□□□	
	Increase the use of ESAT/EA disability insertion programs in appropriate business lines (particularly in operations and maintenance)	■□□□	
	Train technical, asset management and investment teams in responsible purchasing and green buildings	■■□□	
	Create a system for monitoring our technical suppliers' accident history	□□□□	
	Update the consultation procedure by incorporating CSR criteria and organize our communications to the departments concerned	■■■■	
	Systematize the CSR analysis of our investments	■■■□	
	Revise the specifications by incorporating, among other things, new environmental and social criteria for construction, upkeep and maintenance works	■■□□	
	Incorporate energy consumption in the re-evaluation of the rotation of PC equipment	■■■□	
	Make the review of the 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	■■■□	
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 from company work for each volunteer action day put in by employees on personal time, limited to two days per year	■■■□	% employees actively involved in one or more actions of the Foundation ***20% (Group)***
	Development of partnerships with two social rehabilitation through housing associations	■■■□	
	Conclusion of a partnership with "Nos quartiers ont du talents", a non-profit organization promoting the transition to work	■■■□	

□□□□ *Action not initiated.*
■□□□ *Action launched / late.*
■■□□ *Action implemented / in progress.*
■■■□ *Advanced action / in finalization stage.*
■■■■ *Finalized action / exceeding objectives.*

7.1.3.4.2. FOCUS ON THE HEALTHCARE REAL ESTATE SECTOR

The elements of the action plans apply to all of Gecina's business areas, to include office properties, residential real estate, student residences and healthcare real estate.

However, due to the still insufficient level of control over healthcare facilities, the implementation of action plans for that area was modified. In this area, exchanges of good practices that provide essential data for compiling a progress report and implementing action plans is often more complicated with tenants of these facilities, who are often striving hard to comply with regulatory requirements specific to their own businesses.

The healthcare sector is nonetheless progressively assimilating sustainable development issues and in 2014, Gecina obtained new quantitative data on energy use relating to a substantial part of their assets and indicating a more than 30% reduction (see paragraph 7.3.1.2. "Energy efficiency of the real estate portfolio"). These data were obtained by means of sustainable development reports prepared by healthcare facilities under Article 225 of the Grenelle 2 law, for example, that of Medica.

With regard to healthcare facilities, Gecina is expanding its action by:

- assisting with innovative pilot projects;
- acting as a counselor, spreading good practices policies by setting up specific healthcare sector meetings to exchange views through its think-tank Gecina Lab (see section 7.6.2.2. "Gecina Lab, the CSR think-tank for assisting the company's stakeholders");
- making construction financing conditional on environmental standards.

7.1.3.4.3. FOCUS ON THE EXEMPLARY HEAD OFFICE, ILLUSTRATION OF THE SUSTAINABLE BUILDING

Gecina wants to turn its head office, Le Volney, into a benchmark in terms of responsible buildings (cf. 7.1.3.3. "A systemic approach: a responsible building in sustainable locations") by testing out innovative materials and operating procedures in order to use them in its premises where relevant.

To this effect, a dedicated working group, composed of representatives of the various departments, is holding monthly meetings to keep track of the implementation of the action plan and the progress made in the integration of CSR criteria in its operations.

	Issues	Action plans	Status of progress	Results 2014 Upcoming actions
REAL ESTATE PORTFOLIO	Accessibility, adaptability	Improve accessibility to the headquarters building for disabled persons	■■□□	• Perform an accessibility diagnostic; • Refurbish stairways to facilitate access by partially sighted persons in 2015 (signage and installation of contrasted and anti-skid stair nosing, etc.); • Install an amplifier in the building entrance for persons who are hard of hearing.
	Well-being and comfort	Improve employees' quality of life in the workplace by fully rethinking work areas to make them more healthy and comfortable	■■■□	• Remove workstations in the middle of the floor to improve access to fresh air and natural light intake; • Decrease the number of employees in work areas in order to reduce noise levels; • Introduce collaborative work areas on the floors that are equipped with protection and communications tools (video conferencing) to facilitate teamwork, reduce travel and its related risks, and reduce CO_2 emissions; • Set up a break and relaxation area with a coffee machine on each floor to promote exchange of viewpoints and intellectual sharing; • Increase the number of plants in order to render work areas more agreeable; • Set up a dedicated email address to address specific requests and problems of employees during moves.
		Encourage sporting activities	■■■□	• Set up an exercise room with dressing rooms and showers; • Group courses, such as yoga, Pilates and rumba offered by the employees' committee; • Sports challenges such as the Paris marathon, the Foulées de l'Immobiler event (Gecina was winner of the company Challenge), La Parisienne, the Paris – Versailles race, etc., with a total of 111 participants (64 women / 47 men).
		Staff restaurant: setting up of a "Green restaurant"	■■■□	• Seasonal products, high quality and balanced meals offered to employees every day; • Four nutritional conferences attended by some 80 employees.

□□□□ *Action not initiated.*
■□□□ *Action launched / late.*
■■□□ *Action implemented / in progress.*
■■■□ *Advanced action / in finalization stage.*
■■■■ *Finalized action / exceeding objectives.*

Issues	Action plans	Status of progress	Results 2014 Upcoming actions
Connectivity, clean transport	Identify possible actions for reducing the carbon footprint of employee and visitor travel	■■■□	• Survey on professional movements of employees and visitors; • Meeting rooms equipped with videoconference equipment to reduce travel and encourage teleconferencing; • Set up a dedicated ride-sharing platform on the Intranet; • Bicycle parking set up at headquarters parking location for employees; • Make three hybrid vehicles and four electric vehicles available as fleet vehicles; • Install three additional charging stations for electric and hybrid vehicles; • Install charging stations for electric bicycles.
Labeling, certification and environmental performance	Operations certification: • HQE® Exploitation; • BREEAM® IN-USE; • LEED EB OM.	■■□□	• HQE® Operations: achieved the levels of "Good" for the sustainable building area and "Excellent" for management and sustainable use of buildings; • BREEAM® IN-USE: "Very good" for the Asset and Organizational parts, "Excellent" for Building Management; • An occupation guide was distributed to all employees with comments to develop suitable and ecologically responsible practices; • In 2015, Gecina will audit its headquarters to evaluate what certification level can be attained with regard to the LEED EB OM (LEED for Existing Building: Operations & Maintenance) label.
Energy performance and renewable energies	Reduce the energy consumption of property holdings in line with objectives	■■□□	• •Replace traditional lighting with LED and programme shut-off twice daily to overcome forgetfulness; • Identify possible energy savings using the IPMVP tool installed in early 2014; • Installation of the "AVOB IT Energy Saver 5", a centralized monitoring system for computers and screens: savings of 3,610 kg of CO_2, or €4,188 for six months usage; • Implementation in September 2014 of the Hypervision® for measuring and evaluating energy and technical performance of the headquarters building in real time. Malfunctioning and water leaks are now being detected rapidly and progress areas identified; • a reduction of 642,640 kWh in primary energy through improved building management, a 13% improvement with respect to 2013; • A project in place for 2015 for installing an inverter that uses one sixth of current energy levels.
Health / Sanitary quality	Improve indoor air quality in offices	■■■□	• Real time monitoring of inside air quality of offices by Vitair (as part of the INSPIR project, see 7.3.3.4. "Evaluation of air quality") during fitting-out work in 2014; • Workstations on the 1st to 4th floors: use of environmentally-benign products: partitions with recyclable glass, carpeting with the GUT label and paint with the NF Environnement label/existing furniture recycled; Continue the work in 2015 and 2016 for the 5th to 7th floors.
Security	Improve security in the headquarters building	■■■□	• Human Resources set a Fire Security training course for all employees in December 2014 (see 7.5.2.5. "Training").

□□□□ *Action not initiated.*
■□□□ *Action launched / late.*
■■□□ *Action implemented / in progress.*
■■■□ *Advanced action / in finalization stage.*
■■■■ *Finalized action / exceeding objectives.*

07

	Issues	Action plans	Status of progress	Results 2014 Upcoming actions
PLANET	Biodiversity	Redesign green areas and encourage the development of natural wild life and flora		• Work with a landscape architect; • Installation of a beehive on the 6th floor rooftop; • During 2015, a second beehive, nesting boxes and bins with aromatic and nectar producing plants will be installed on the 6th floor rooftop.
	Water	Reduce water use and system leaks in line with objectives		• Install pressure reducers on all taps in sinks and showers; • Dual flush buttons installed on all toilets; • Change flush flows from 6/9 to 3/6 liters in 2014.
	GHG emissions and climate change	Reduce GHG emissions		• Reduce GHG emissions in the headquarters building from 27.31 g of CO_2/sqm in 2013 to 22.09 g of CO_2/sqm, a decrease of 19%; • Use Novea bicycle couriers for a drop of 119 kg of CO_2; • Use of centralized printers: a reduction of nearly 21 tons of CO_2; • Completion of a carbon report on the staff restaurant by Interface who is supporting Gecina in its green restaurant process: In 2014, emissions produced 4.9 kg eq. of CO_2/meal, slightly over the national average of 4 kg eq. CO_2/meal; An objective of reducing this figure by 30% in 2015 by acting on identified progress areas.
	Natural resources and waste	Reduce and recycle waste in line with objectives for assets		• Continue to promote an ecologically responsible procurement attitude regarding office supplies: 46% "green" orders; • Install collection bins for paper, cardboard, plastic bottles, aluminum cans, plastic cups, electric cartridges and electronic equipment waste; • Waste collection by the specialist company Elise: 44 tons of waste were recycled, which represents 20 trees saved, 30,000 liters of water unused and 0.6 ton of CO_2 not emitted; • Collection of coffee capsules and confidential paper waste in 2015; • Collection of staff restaurant bio-waste by Bio Nerval since December 2014 for the production of bio-gas for use in producing green energy in the form of electricity and heat.

Action not initiated.
Action launched / late.
Action implemented / in progress.
Advanced action / in finalization stage.
Finalized action / exceeding objectives.

7.1.4. STEERING AND COORDINATING THE CSR STRATEGY

7.1.4.1. CSR AT THE HEART OF THE ORGANIZATION

The integration of CSR passed into a crucial stage in 2014 with the implementation of a new business line oriented organization in the second half of the year replacing the former system that put the priority on products, which simultaneously placed all CSR themes at the heart of different functions of the company.

Real estate functions are adjusted to the real estate value creation chain with an Asset Management department, an Investments and Transactions department and a Real Estate properties department. These have operationally integrated CSR action plans and objectives in their assignments and organization as follows:

- The Asset Management department, which co-steered the CSR scoring project (see 7.1.4.3 "CSR scoring to assist in mapping of properties"), has harmonized the financial analysis criteria of the performance of properties over their life cycles, expenditures, operations and transactions and associated all CSR dimensions of responsible buildings to this(see 7.1.3.3. "A systematic approach: Sustainable buildings in sustainable locations"). The systematic analysis of assets process involving asset review and business review that is carried out twice yearly is now an overall process, both financial and non-financial.
- The Investments and Transactions department has expanded its presentation files to include acquisitions, diagnostics, action plans and simulations specific to possible greening of projects, that is, stating how a building under review satisfies the criteria of sustainable buildings and what is its contribution to changes in overall Gecina properties.
- The Real Estate Properties department has placed sustainable development at the core of operational management of properties:
  - in the management function where environmental appendices modify the type of customer relationship (see 7.3.2.3. "Green leases and environmental appendices");
  - within the technical function itself, whose various staff members now assume direct responsibilities on CSR dimension of buildings, such as water use, certification, biodiversity, waste, etc., in the diagnostic phases or in carrying out progress plans. A special unit was assigned to management of energy use and CO_2 emissions(see 7.3.1.1. "Reconfiguration of energy management").

The Finance department expanded the scope of the previous functions of communication and reporting to the non-financial domain and is now completing the first integrated annual report of Gecina for 2013 with the help of the CSR department.

The primary task of the secretary general is to provide the company with the human and technical resources for implementing its strategy, and thus implement the Employees pillar action plan (see 7.5. "Employees"), and to steer the development of Gecina's IT system in its CSR axes through the launch of the application for specific reporting and instrumentation of buildings.

The tasks of the CSR department were confirmed as follows:

- make Gecina's CSR commitment a major avenue of demarcation;
- reflect on, drive and structure the Gecina CSR process to inscribe it in the core of its business;
- steer the implementation of the CSR process in Gecina's strategy, offer, process and tools by uniting all the departments to achieve the project;
- nourish a productive dialogue with stakeholders.

7.1.4.2. STEERING AND COORDINATING THE CSR STRATEGY

In this new organization, the CSR department, whose director is part of the Executive Committee, has been attached to general management, a strong indication of the coherence between the company's expressed determination and resources to implement policy, with Comex the prime focus for coordinating CSR strategy.

Apart from internal weekly exchanges, which give the CSR director wide opportunities to exchange viewpoints with colleagues on current projects, a specific CSR meeting occurs monthly to review the progress and proper implementation of CSR action plans toward set objectives. This involves plans originating with each department or more cross-functional in nature, such as the stakeholders' relationship or responsible purchasing, and it involves internal managers and external contributing consultants.

Two new steering committees were instituted in 2014 to monitor progress in action plans:

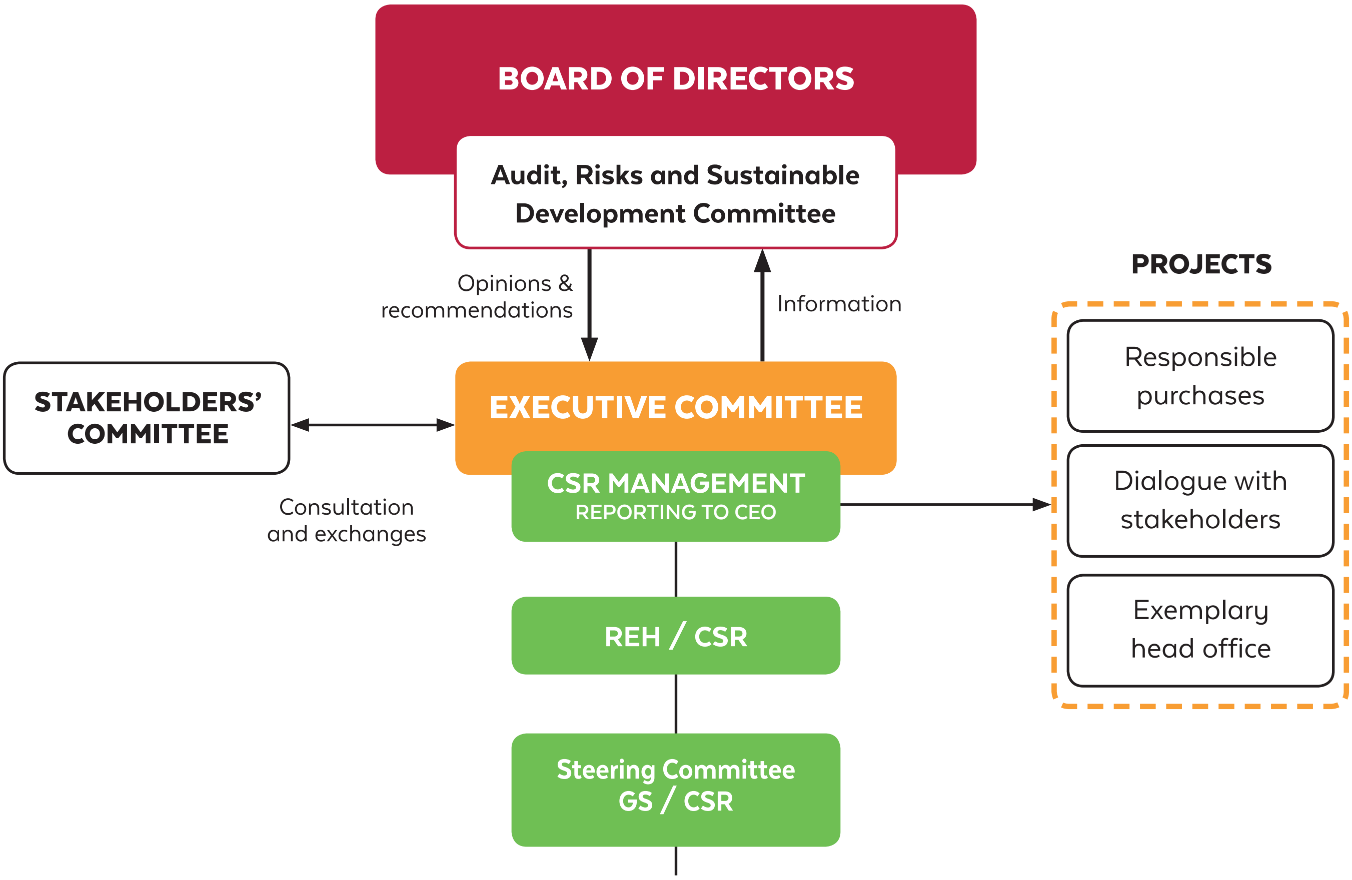
- the Assets and Planet pillars of the CSR policy for the new Real Estate Properties department, a monthly committee in 2014, quarterly in 2015, that includes the CSR team and the principal DPI managers (15 members);
- the Employees pillar for the General Secretariat, a quarterly committee, that includes the CSR team and the principal General Secretariat managers (seven members).

Beyond the structuring and energizing phase of CSR integration into its business lines and processes that this new organization represents, Gecina's general management controls the proper implementation of its strategy. The implementation of individual appraisal criteria specific to CSR objectives and linked to performance-based pay for Comex members since 2013, the Management Committee in 2014 and to all directors as from 2015, provides the necessary consistency to the management structure.

The CSR management apparatus remains the guarantor of its mission before the Audit, Risks and Sustainable Development committee and in 2014 participated in three of its meetings. It presented 2013 income figures, refined the terms of review by the independent third party, detailed Gecina's evaluation results by the primary non-financial rating agencies and prepared the presentation of the CSR policy involving materiality of issues, action plans, objectives, organization, etc., to Gecina's new Board of Directors during its October 22, 2014 meetings. CSR management also participated in the Board of Directors' and the Comex's strategy seminar on October 8 and 9, 2014.

It is also charged with continuing to develop profitable dialogue with all of Gecina's stakeholders (see 7.1.2.3. "The Gecina Stakeholders' Committee").

The diagram below shows the main lines of CSR strategy governance and steering, much simplified with respect to previous years, with the various themes that were formerly conducted as projects now integrated into Gecina's operational organization. Three eminently cross-functional projects are still managed and steered by CSR management, responsible purchasing, dialogue with stakeholders and the exemplary headquarters concept.



The increase in the number of criteria and support parameters for proper monitoring of actions and performance, the requirement for rapidly available results, the implementation of instrumentation in buildings, such as the Hypervision® real time energy use measuring system and the Azimuth sensors for measuring air quality, noise levels, etc., and the search for convergence in the integrated reporting process, have all led Gecina to reassess its reporting and information system to implement an application that will be specific to CSR reporting. Following the market analysis for Q4 2014, the drafting of detailed specifications in Q1 2015 and the review of offers and preparation for data conversion, which is currently a non-unified system based primarily on the Access and Excel applications, the next objective will be to ensure that it is all integrated into the IT system during the second half of 2015.

7.1.4.3. CSR SCORING TO ASSIST IN MAPPING OF PROPERTIES

Gecina initiated a mapping of its assets as a measure to facilitate the determination of actions and to provide effective support to the asset management effort in 2008, focusing solely on the subjects of energy and CO_2 emissions. Changes in the company's perception of the issues led Gecina to carry out a new analysis of its assets incorporating all the themes that define responsible buildings (see section 7.1.3.3. "A systematic approach: responsible buildings in sustainable locations"). While its objective is to analyze its entire asset base within 18 months, taking into account the number of diagnostics to be performed on each of the 12 responsible building themes, Gecina decided to put the priority on assets with commercial leases in view of the growing assimilation of environmental criteria by both investors and tenants.

Analyses of CSR quality of the properties in Gecina's portfolio during the 2014 asset review were carried out on the basis of currently available data, to include use of energy and water, waste processing, certification levels, accessibility for people with disabilities and risk mapping level allotted. Gecina has been convinced of the necessity to round out this approach since 2013 in order to cover all responsible building themes. Following a market analysis of tools existing to accomplish this, Gecina decided to merge the expertise of Bureau Veritas and CSTB at the end of an extensive consultation effort, in order to develop an audit tool that meets its expectations, as follows:

- mapping its assets by:
  - evaluating CSR performance related to their intrinsic qualities, which exclude user impact, and to their extrinsic qualities, *i.e.* levels obtained while occupied and in use,
  - analyzing ability to change and determining resource and cost scenarios to improve the quality of buildings in a perspective of "Responsible Building in 2020" [7] (featuring recommendations integrated into technical action plans for each building);
- rating asset quality using tools consistent with those used by its peers (IPD, the CIBE grid, other processes, etc.) so as to be able to viably compare performance;
- implementing CSR as part of the asset review for investment, negotiations and building plan operations to class assets as leaders, good prospects, quandary projects or dead weight. It should also be an aid to decision making in deciding about acquisition, disposal, renovation, restructuring or conversion.

As the Green Rating™ tool in use only partially met Gecina requirements, additional adaptation and development was carried out to take into account all 12 areas Gecina uses to determine what constitutes responsible buildings.

Each theme is then rated on a scale of 1, the lowest, to 9, the best, and an overall rating is assigned to each building according to the relative weight of each theme.

The system was adapted to types of asset comprising Gecina's property portfolio, such as office properties and the commercial parts of mixed buildings, residential buildings including students residences and health facilities, such EHPAD elderly dependent care facilities, MSO (Medical-Surgical-Obstetric) facilities, follow-up care and rehabilitation units, retirement homes, etc.

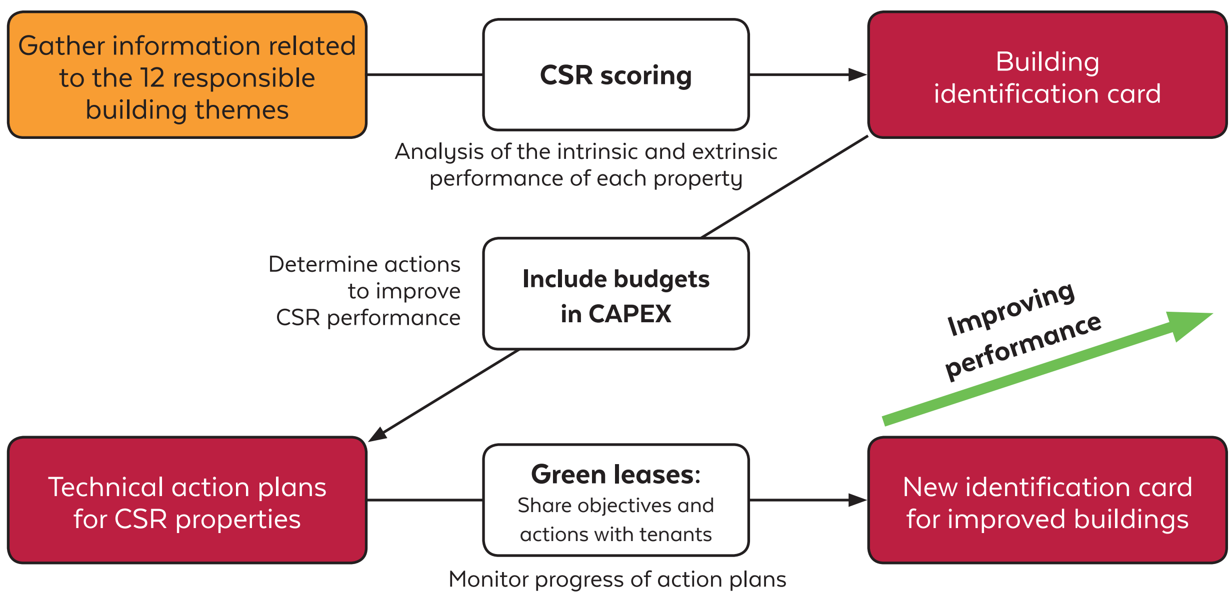
Between February and August of 2014, six pilot campaigns were carried out by CSTB and Bureau Veritas staff to determine what elements to include in the rating program.

During these campaigns, each theme was tested on two representative buildings from the company's portfolio to evaluate the relevance of the method and to compare results with expectations. This improved Green Rating™ system is now shared by all members of the Green Rating Alliance and has become the new benchmark.

The CSR scoring system was applied to 75 properties. A total of 48 commercial buildings with green leases, 10 students residences and 17 health care facilities were thus audited in 2014, wich represent 41.6% of the surface and 48.6% of the value of the portfolio. Analyses were progressively returned by Bureau Veritas and shared with all the professionals who work on these buildings, to include property companies responsible for operational management, asset managers who integrate current results and potential development of asset scenarios as an asset review element and the technical department, which consolidates all actions by means of a performance monitoring and steering tool for each property.

This tool, known as the CSR technical action plan for properties, identifies and breaks down actions to be carried out on each of the buildings in the asset base, expected gains in performance and their development to consolidate Gecina's performance on all of its holdings with regard to objectives the company has set in its four-year plans.

PROGRESS PLANS' FOLLOW UP PROCESS OF BUILDINGS' PERFORMANCE



(7) Reference to the dedicated working group within the responsible building plan. Now boarding for a simple, robust and attractive structure – Progress report of the "Responsible Building 2020-2050" group – Spring 2013.

07

7.2. CSR PERFORMANCE

7.2.1 A REPORTING PROCESS BASED ON THE FRENCH LAW, INTERNATIONAL REFERENCES, AND IN ACCORDANCE WITH SECTORS'RECOMMANDATIONS

In order to measure CSR performance and to guide its actions, Gecina has had a non-financial reporting system in place since 2010, based on the most significant international and domestic reporting standards in its business sector. Gecina's non-financial reporting system is made up of a group of indicators monitored annually that covers the seventeen issues identified in the Materiality Matrix (see section 7.1.2. "Key issues and materiality matrix"). Simultaneously, Gecina also wishes to innovate by working on performance indicators specific to some material issues Among these indicators, Gecina determined some twenty KPIs (key performance indicators) to measure changes in its performance for each of the issues and to steer its CSR process (see section 7.2.1.4. "Positive action initiatives report").

With the intent of adopting an integrated approach to its CSR process, Gecina makes sure to progressively align its non-financial reporting with its financial reporting in terms of scheduling, scope and reliability of published information. In this way, its data collection system is progressively integrated into the operational departments and the coverage rate of indicators is broadened from year to year in a continued quest for improvement (see section 7.2.2. "Summary of reporting scope"); also, the level of verification by the independent auditor will tend to increase over the years (see section 7.2.2.3. "External verification of non-financial information").

All issues identified by Gecina, which are monitored and analyzed through its reporting system, adopt the following reading levels:

- policy and strategy;
- goals and action plans;
- analysis of results;
- identification of progress actions.

7.2.1.1. ARTICLE 225 OF THE GRENELLE 2 LAW

As a listed company, Gecina meets all of the obligations described in Article 225 of the Grenelle 2 law and since 2012 has published information related to its environmental, social and societal processes in the light of the 42 themes of said article. This information was verified by an independent organization (see section 7.7.1.3. "External verification and independent third party report").

In accordance with the "comply or explain" principle, certain themes are not covered by indicators coming out of non-financial reporting processes because they were identified as not relevant (*i.e.* immaterial) with regard to the company's business. This is the case of such subjects as forced labor or child labor, which are normally not relevant since all of the Group's business and a very significant part of its value creation are carried out on French territory and all of its employees are subject to French laws. Nonetheless, Gecina is very aware that its responsibility chain should ideally extend to the entire scope of its responsible purchasing system throughout its sub-contracting chain, such as the conditions under which some metals are extracted that may be present in the electronic cards of various of its IT equipment. Obviously, this deep set change in paradigm with regard to awareness of corporate responsibility cannot occur unilaterally and over a short period. However, Gecina is determined to continually advance in this worthy direction as its first report relating to human rights bears witness to (see Gecina's website).

With respect to 2013, certain subjects that were monitored only by qualitative indicators are now accompanied by quantitative ones, such as "territorial, economic and social impacts of the business on neighboring and local populations".

7.2.1.2. INTERNATIONAL REFERENCE SOURCES: GRI GUIDELINES AND THE UN GLOBAL COMPACT

GRI

The Global Reporting Initiative (GRI) is the most unifying reference for non-financial reporting worldwide. In 2012, in accordance with the self-declaration procedure of version 3.1 of the GRI, Gecina obtained the B+ application level. This level reflected the degree of transparency and comprehensiveness of the Group's non-financial reporting. In 2013, the Global Reporting Initiative put out a new version of its guidelines, G4, which uses the principle of materiality of issues evaluated by the organization as relevant (*i.e.* material) as an application reference. Gecina then reached the "Core" level, which is reinforced and completed this year through more specific and sector oriented issues and indicators thanks to the Construction and Real Estate Sector Complement Guidelines.

The fourth version of GRI is structured on the principle of materiality of CSR issues that allows Gecina to manage its CSR strategy. In 2014, Gecina updated its materiality matrix and redefined a clearer materiality threshold. It appears that the most relevant G4 issues for Gecina's business and stakeholders's expectations are: economic impact, procurement practices, energy, biodiversity, emissions, supplier environmental assessment, training and education, anti-corruption and compliance (see 7.1.2.4. "The new Gecina materiality matrix").

Hence, a new G4 correspondence table is available with general standard disclosures, material issues and their DMA, their indicators, their level of external assurance (see 7.7.2.2. "G4 correspondence table").

In addition, Gecina also published a large amount of information on "non-material" issues in order to adhere to the principle of transparency.

GLOBAL COMPACT

Through its membership with the Global Compact in 2013, Gecina has committed to adhering to the ten United Nations principles, the most widely recognized reference worldwide, and to communicate the actions it carries out and the progress it achieves in the areas of human rights, labor law, respect of the environment and the fight against corruption. This commitment has led Gecina to identify areas of progress, in particular concerning actions in the area of respect of human rights in the value chain. To accomplish this, Gecina referred to the 21 criteria of the "Advanced" level, based on the best practices and benefited from exchanges during its participation in the meetings of the GC Advanced Club set up by Global Compact France.

At the end of this initial year, Gecina published its first COP Progress Report, which can be consulted on the United Nations site since December 20, 2014 (https://www.unglobalcompact.org/COPs/advanced/119721). Following a review by its peers carried out under the aegis of Global Compact France, Gecina was awarded the "Advanced" level (see 7.7.2.3. "Global Compact Communication on progress").

7.2.1.3. SECTOR GUIDELINES: FRANCE GBC, EPRA

FRANCE GBC

Gecina is a founding member and administrator of the France Green Building Council (France GBC) (see section 7.6.2.5. "Active participation in representative bodies and think-tanks").

Through a specific working group of France GBC (France Green Business Council), Gecina contributed to the editing and updating in 2013 of the Article 225 of the CSR Reporting Guidelines for the Construction/Real Estate Sector. These reporting guidelines were adopted by all members of the working group, including Gecina. They specifically clarify the scope and strengthens the comparability of the information collected, within the sector in France.

The 2014 reference document complies with France GBC recommendations. Gecina regularly receives awards at the France GBC Trophies events for its reporting. In 2014, Gecina won the prize in the Biodiversity category that underscored the quality of its overall approach and its determination to monitor performance through an objective indicator, the Biotope Area Factor (BAF).

EPRA

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 related to greenhouse gas emissions, energy, water and waste is consistent with EPRA recommendations and earned the distinction of direct recognition as SBPR Gold for Gecina in 2014 (see section 7.2.5. "A process recognized by non-financial rating agencies").

7.2.1.4. POSITIVE ACTION INITIATIVES

Some of its material issues have proven to be marginally or not at all covered by the various reference sources, so Gecina launches or explores other complementary initiatives.

For example, faced with difficulty in finding a benchmark indicator in the area of biodiversity, Gecina used the biotope area factor developed by the city of Berlin. Gecina also associated itself to the creation process of a specific reference source to urban biodiversity , BiodiverCity©, as a founding member of the CIBI (see section 7.6.2.5. "Active participation in representative bodies and think tanks").

With regard to immaterial value, Gecina is actively working with experts to identify and create suitable performance monitoring indicators. In this way, with the support of the consultant Goodwill Management, Gecina developed a composite indicator measuring the contribution of a building to productive efficiency of its occupants (see section 7.3.3. "Immaterial value, well-being and productivity").

In addition, with regard to the issue of integration within surrounding areas, Gecina consulted with the Utopies firm to identify precisely what its impact was in terms of sustainable jobs and created value, or generated GDP (see www.gecina.fr, Responsability heading).

In continuing to integrate CSR into its economic model movement, Gecina seeks to quantify and render more tangible some of its indicators. In this way, in 2014 several indicators were subjected to a financialization analysis, which is an exercise still in development over the next few years (see section 7.2.4. "Economic impact modeling").

7.2.2. SUMMARY OF THE REPORTING PROCESS AND SCOPE

7.2.2.1. SUMMARY OF REPORTING PROCESS

To ensure the quality and consistency of the non-financial indicators, Gecina publishes and updates its reporting protocol annually. The reporting protocol is available on the Group's website (www.gecina.fr) and represents both a methods guide for the in-house monitoring of the indicators, a tool for a better understanding and transparency of the process, and by extension a quality guarantee for the information it publishes. This is why this document also serves as a standard for the external auditor, an independent third party organization.

For each indicator, the protocol defines:

- the scope;
- the indicators and their definition;
- the calculation rules and procedures for each indicator;
- the interpretation, validation and control procedures.

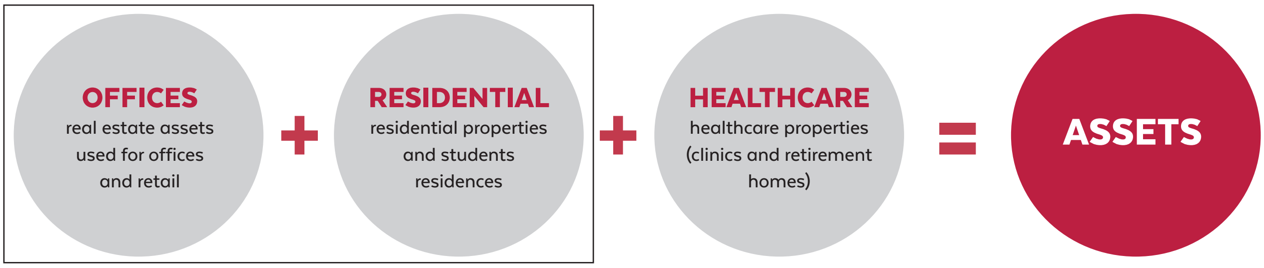
The further details process are explained in 7.7. Appendices (see 7.7.1.1. "Reporting process and data quality").

7.2.2.2. SUMMARY OF SCOPE AND PERIOD OF REPORTING

Activities concerned

The scope covers all businesses operationally controlled by Gecina in France from January 1 to December 31 of the reporting year (year Y).

Gecina's assets and all businesses based on the classification shown below are included in the scope:



CSR reporting scope
(not including the "Security and control of risks" indicator)

Workforce

The following are included in the scope:

- Head office: the Group's administrative employees;
- Group: the Head Office scope and building staff and superintendents.

Rules for taking account of the assets within the scope of reporting

- An asset is considered in operation if it is included with the properties from January 1 of year Y until December 31 of year Y.
- Assets sold in year Y are directly excluded from the scope.
- Acquisitions and deliveries that took place in year Y are effectively taken into account as part of properties from year Y. The reference set of properties applies for all indicators, with the exception of indicators related to the consumption of energy, water and waste, which only cover these acquisitions and deliveries after a full operating year.
- Some specific indicators related to assets under construction or restructuring cover only assets under heavy construction or restructuring during year Y.

Changes in scope

From one year to another, changes in scope may be due to the following causes:

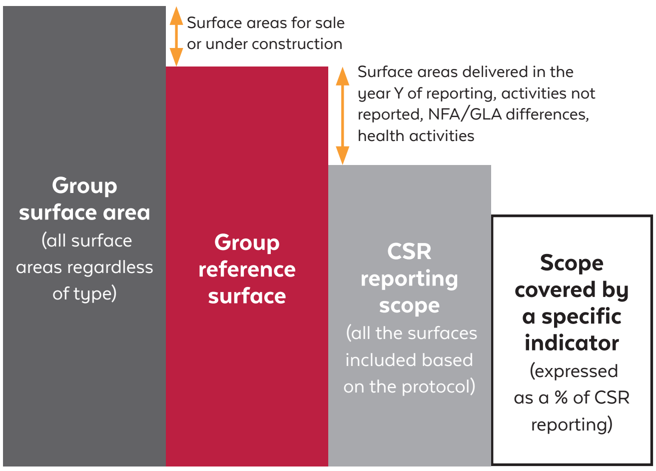
- acquisition, development or sale of assets;
- start-up or wind-up of businesses.

Coverage ratio

Social indicators (the "employee" component) cover 100% of the Group's workforce.

The environmental indicators (the "properties" and "planet" components) are for the most part expressed as a percentage of area. The percentage is constructed as follows:

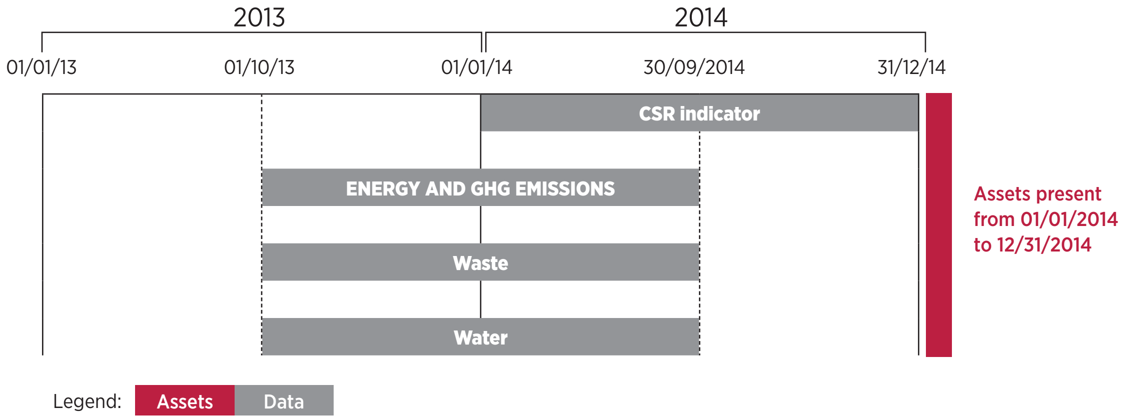
- total surface area providing measured data/surface area in service =% of the indicator;
- commercial and head office surface area: the Gross Leasable Area (GLA) corresponding to the private surface area, including the rented communal areas, is taken into account;
- residential surface areas: the rented Net Floor Area (NFA) is taken into account.



REPORTING OFFICES AND RESIDENTIAL SURFACES

	2008	2012	2013	2014
Offices *(GLA,* sq.m)	903,037	815,758	819,582	913,021
Residential including student residences *(NFA, sq.m)*	893,883	513,566	503,467	509,746
Scope of CSR reporting *(sq.m)*	1,796,920	1,329,324	1,323,049	1,422,767

REPORTING PERIOD



Reporting period and frequency

Gecina's reporting cycle is annual and is aligned to the calendar year, from January 1 to December 31 of the reporting year Y. Data are collected once a year.

Gecina has no control over the completeness of fluid meters and therefore it was decided that the data collection and reporting period will be shifted in order to ensure the most comprehensive monitoring possible of the relevant indicators.

Therefore, for year Y the reporting period will be from 10/01/Y-1 to 09/30/Y for the following indicators:
- energy consumption;
- GHG emissions;
- water consumption;
- waste volume.

7.2.2.3. EXTERNAL VERIFICATION OF NON-FINANCIAL INFORMATION

As early as 2010, Gecina had anticipated the application of the Grenelle 2 Act by mandating a review of its reporting process with the firm Ernst & Young. The mandate included meeting with the contributors and carrying out consistency tests in order to evaluate the quality of the indicators and of the reporting protocol.

Since 2011, an external audit has been conducted annually by the firm Mazars, in accordance with the rules of implementation of Article 225 of the Grenelle 2 Act, which entered into force in April 2012 and to which Gecina is subject as a listed company. All of the audits received an unqualified opinion.

In addition, as part of a continued proactive process and initiative of transparency, and the building of reliability of its reporting, Gecina provides an increasing number of indicators to the highest level of auditing (see 7.7.1.3. "External verification independent third party report").

In 2014, Gecina decided to submit eight new indicators to the highest level of auditing (reasonable).

DISTRIBUTION OF AUDITED INDICATORS FOLLOWING THE LEVEL OF ASSURANCE

	Level of assurance in 2014		
	Reasonable assurance	Detailed testing	Coherence
Number of indicators	18 indicators	30 indicators	23 data
including KPI	4	11	6

07

7.2.3. TABLE OF NON-FINANCIAL INDICATORS

Pillars	Issues	Indicators	KPI	Pages	Scope (1) Business line	Scope (1) % covered	Results 2008	Results 2012	Results 2013
Assets	**Energy efficiency and renewable energy**	**Average consumption of primary energy in kWhep/sq.m/year (constant climate)(2)**	☑	249	**Offices**	**91%**	**473**	**385**	**364**
		% reduction of primary energy consumption per sq.m/year (constant climate) (2)		249	Offices	91%	Base	-19%	-23%
		% reduction of final energy consumption per sq.m/year (constant climate) (2)		249	Offices	91%	Base	-17%	-24%
		% of properties with an EPD label of A, B or C		251	Offices	91%	0,0%	0,0%	0,0%
		Average consumption of primary energy in kWhep/sq.m/year (3)	☑	251	**Residential**	**99%**	**221**	**196**	**192**
		% reduction of primary energy consumption per sq.m/year (3)		251	Residential	99%	Basis	-11%	-13%
		% reduction of final energy consumption per sq.m/year (3)		251	Residential	99%	Basis	-15%	-17%
		% of properties with an EPD label of A, B or C		255	Residential	99%	7%	17%	17%
	Labeling, certification and environmental performance	**% of office space with HQE® Operations certification**	☑	261	**Offices**	**100%**	**0%**	**34%**	**44%**
		% of surface areas delivered certified with a high level of certification	☑	257	**Offices / Residential**	**100%**	**0%**	**84%**	**100%**
		% of surface areas delivered certified during the year*		257	Offices / Residential	100%	87%	94%	100%
		EMS coverage rate		255	Offices / Residential	100%	6%	30%	35%
	Intangible benefits, well-being and productivity	**% of assets with high intangible value (categories A, B and C)**	☑	266	**Offices**	**100%**	**UN**	**UN**	**63%**
		% of assets with public transport access at less than 400 m		271	Offices / Residential	99%	89%	92%	91%
		% of assets with reduced mobility access		272	Offices	93%	36%	44%	58%
		% of communal areas accessible or adaptable for people with reduced mobility		272	Residential	65%	UN	53%	53%
	Safety and control of risks	**% of assets with a "Very Efficient" or "Efficient" rating**	☑	273	**Property portfolio**	**100%**	**UN**	**74%**	**77%**

(1) Coverage rate in relation to the scop stated in the technical appendix.
(2) Given the difficulty to implement actions on assets which Gecina hasn't operational control, the Group has broken the analysis and specified objectives following 3 subcategories: assets fully controled by Gecina, assets partially controled by Gecina and assets fully controled by the tenant. Thus, the target for 2016 now concerns the assets fully controled by Gecina.
(3) Important note: revised objectives see section 7.3.1.2. "Energy efficiency of the property portfolio".
(4) Change in methodology for the headoffice carbone footprint: indicator calculated at constant climate.
(5) Water consumption indicator perimeter changed to be the same as energy and waste one.
(6) In accordance with relevant recommendations in this area, the only data reported are 2014 data verified by the independent third party with reasonable assurance ☑.
Other indicators with no remarks received have been audited with a detailed testing or coherence review level by the independent third party (see 7.7.1.3 "External verification and independent third party report")
UN: unavailable.

2014	Reasonable assurance (6)	Target 2016	Progress status 2016	Additional information
↗ 367		**284**	**56%**	Average energy efficiency of Gecina commercial properties in kWhPE/sq.m/year corrected for climate was 367, largely equivalent to the 2013 level and representing a 22.4% gain compared with 2008 (473). This may be explained by the difficulties encountered during the so-called “mid-season” periods, which were numerous in 2014, where heat requests alternated rapidly with cooling requests , which are by nature difficult to optimize. The use of real time monitoring tools for measuring energy use is becoming a predominant method for continuing along the path toward energy reduction objectives. Another optimization solution for steering buildings, the use of Voltalis sensors begun in 2014 in some properties and to be continued in 2015, has proven its worth, especially through the optimization of fan-coil units operating time. The certification of surface area in properties still remains an important lever for improving energy savings in properties. HQE® Operations certified buildings featured primary energy consumption of 339 kWhep/sq.m/year corrected for climate in 2014, which is 7.6% lower than the average consumption in office properties. Other initiatives have been adopted or deployed within the next years (see 7.3.1.2. Energy efficiency of the offices portfolio)
↗ -22%		-40%	55%	
↗ -23%		-30%	73%	
↗ 0,3%		25%	0%	
↘ 188		**176**	**74%**	Important note on revised objectives: As a result of extended efforts and actions regarding residential properties, especially buildings using individual electric heat, Gecina staff must come around to the idea that anticipating, as was envisaged in 2008 when initial objectives were set, four years of Grenelle 1 law objectives, i.e. reduction of energy use of at least 38% by 2020, is no longer realistic. In consequence, these objectives are re-evaluated for residential properties and set at a 20% reduction by 2016 and a 38% reduction by 2020, in strict compliance with the Grenelle thresholds. The constant improvement in the performance of our residential properties since 2008 continues through an optimized work and management plan for asset operations as reductions of nearly 15% in primary energy use and 18.2% in final energy have been obtained.
↘ -15%		-20%	75%	
↘ -18%		-30%	60%	
↗ 23%		25%	92%	
↗ 63%	☑	**80%**	**79%**	Since 2005, Gecina has used the NF HQE® Commercial Buildings certification for its office buildings under development. This was the only certification in existence at the time and has since become the most widely used in France as illustrated by the 2014 Environmental Certification Survey . Gecina’s initial choice had proven to be relevant with its highly ambitious aspirations, seeking one of the two highest levels of certification known as the HQE® Excellent or Exceptional passport. For its residential properties, Gecina chose the multi-criteria Habitat & Environnement certification developed by Qualitel, the leading certification in the sector for France. The most ambitious profile of the two certifications for renovations, Habitat & Environnement and Patrimoine Habitat & Environnement, is systematically sought. The most widespread initiative in France for office property, the HQE® Operations certification represents the most appropriate reference framework for the type of Gecina’s assets as well as its property management activity. Thus, in 2014, 8 assets representing 158,870 sq.m joined the list of the 17 assets already certified, thereby raising the surface area of certified properties from 43.9% of the portfolio to 62.9% for a total surface area of 518,285 sq.m.
= 100%	☑	**100%**	**100%**	
= 100%		100%	100%	
↗ 42%	☑	65%	65%	
↗ 64%		**-**	-	In 2013, Gecina initiated an assessment of the performance of its assets using the “productive efficiency” concept and published the results of its assessment of 74 properties. The scope of the analysis was updated to include changes to assets with regard to disposals or placing of assets into operation, and in 2014 featured 84 buildings.Of the buildings under study, 65% were evaluated in Class A, B or C and provided gains in productivity of over 7%, generating significant economic gains for office users. In 2013, 63% of the buildings were evaluated in the same classes, i.e. a variation of eight buildings. Regarding accessibility, the progress noted are due to the analysis of diagnostics performed on the portfolio that consolidate detailed knowledge for each asset and the inclusion in the scope of building built after 2007 and subject to regulation.
↗ 93%		> 95%	96%	
↗ 76%		50%	152%	
↗ 78%		60%	130%	
↗ 78%	**Magellan**	**> 70%**	**110%**	The percentage of properties with a “Very Efficient” or “Efficient” rating was 77.7% in 2014. This represented another year-on-year improvement in Gecina’s coverage of property risks (77% in 2013) and exceeded the 70% target set for 2016 for the third year running. The share of buildings that won medals (linked to the methodology implemented) has increased progressively, as has the efficiency of buildings that have received medals: the percentage of “Very Efficient” buildings rose from 45.1% in 2013 to 49.6% in 2014. In 2014, Gecina increased its performance concerning lead-related risks in its buildings and maintained a high level of performance concerning asbestos in buildings despite the tightening of regulations on asbestos risk.

=: no significant evolution
↗ or ↘: negative evolution
↗ or ↘: positive evolution

07

Pillars	Issues	Indicators	KPI	Pages	Scope (1) Business line	Scope (1) % covered	Results 2008	Results 2012	Results 2013
Planet	**GHG emissions and climate change**	**Average greenhouse gas emissions in $kgCO_2$/sq.m/year (constant climate)**	☑	275	**Offices**	***91%***	**28**	**24**	**22**
		% reduction of greenhouse gas emissions per sq.m/year (constant climate)		275	Offices	91%	basis	-12%	-22%
		% of properties with an A, B or C climate or energy label		276	Offices	91%	39%	46%	57%
		Average greenhouse gas emissions in $kgCO_2$/sq.m/year	☑	277	**Residential**	**100%**	**44**	**36**	**35**
		% reduction of greenhouse gas emissions per sq.m/year		277	Residential	100%	basis	-18%	-21%
		% of properties with an A, B or C climate or energy label		278	Residential	100%	12%	22%	22%
		% reduction in the level of greenhouse gas emissions from employees in TCO_2 eq/employee/year (at constant climate) (4)		227	Head office	100%	basis	-26%	-19%
	Natural resources and waste	**% of buildings delivered in 2014 subjected to LCA**	☑	279	**Offices / Residential**	100%	-	**40%**	**67%**
		% of waste sorted for recycling	☑	283	**Offices**	**49%**	**UN**	**62%**	**60%**
		% of properties equipped for selective sorting of waste		282	Offices / Residential	100%	45%	62%	63%
		% of properties with a separate room outfitted for selective sorting of waste		282	Offices / Residential	100%	3%	44%	47%
	Biodiversity	**Biotope area factor by surface area of properties delivered in 2014**		285	**Offices / Residential**	**100%**	**-**	**0.16**	**0.35**
		Average biotope area factor of the asset	☑	285	**Offices / Residential**	**100%**	**-**	**-**	**-**
	Water	**Average consumption of water in m^3/sq.m/year (5)**	☑	288	**Offices / Residential**	**65%**	**1.24**	**0.97**	**0.99**
		% reduction in water consumption in m^3/sq.m/year (5)		288	Offices / Residential	65%	basis	-22%	-20%

(1) Coverage rate in relation to the scop stated in the technical appendix.
(2) Given the difficulty to implement actions on assets which Gecina hasn't operational control, the Group has broken the analysis and specified objectives following 3 subcategories: assets fully controled by Gecina, assets partially controled by Gecina and assets fully controled by the tenant. Thus, the target for 2016 now concerns the assets fully controled by Gecina.
(3) Important note: revised objectives see section 7.3.1.2. "Energy efficiency of the property portfolio".
(4) Change in methodology for the headoffice carbone footprint: indicator calculated at constant climate.
(5) Water consumption indicator perimeter changed to be the same as energy and waste one.
(6) In accordance with relevant recommendations in this area, the only data reported are 2014 data verified by the independent third party with reasonable assurance ☑.
Other indicators with no remarks received have been audited with a detailed testing or coherence review level by the independent third party (see 7.7.1.3 "External verification and independent third party report")
UN: unavailable.

2014	Reasonable assurance (6)	Target 2016	Progress status 2016	Additional information
↗ 18		**17**	**88%**	The greater part of emissions of the office portfolio is from energy consumed outside Gecina's control (Scope 3). Gecina's action can thus be assessed on only 48% of the total emissions generated by its assets. The change in CO_2 emissions adjusted for the climate effect shows a gain of 4.8% between 2013 and 2014, bringing the reduction of emissions to 26.5% since 2008. This result is not only linked to the gains recorded on energy consumptions (see section 7.3.1.2. "Energy efficiency of the property portfolio"), but also to the change in the energy mix of the property portfolio, since Gecina gives priority to low-carbon energy sources, in particular during heavy building reconstructions
↗ -26%		-40%	65%	
↗ 66%		25%	264%	
↘ 34		**26**	**56%**	Gecina's choices of energy sources for its residential buildings have an impact on 70% of the total emissions of these assets (Scopes 1 and 2 combined). The decisions to change the energy mix or carry out energy savings works therefore have a strong impact on all these CO_2 emissions. There are clearly larger gains in CO_2 (a 22.8% reduction) than energy (a 15% reduction) because the consumption scope comprises only heating and domestic hot water, which are mostly produced from fossil fuels, for which the conversion to lower carbon energies is in direct correlation with the level attained. 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
↗ -23%		-40%	58%	
= 22%		25%	88%	
↘ -14%	☑	-20%	70%	In order to improve analysis and alignment methods, from 2014, the head office GHG emissions are calculated at constant climate, such as for offices and residential activities.
↘ **50%**		**100%**	50%	Since 2011, Gecina has set a course for carrying out life cycle analyses on all of its delivered properties to take into account global impacts of buildings (grey energy, hazardous waste production, water and air pollution or eutrophication). As an extension of this concept, in 2014 Gecina participated in the Paris area LCA community project steered by IFPEB (French Institute for Energy Performance in Buildings), ADEME (French Agency for the Environment and Energy) for the Paris region and Ekopolis. It was through this forum for discussing good practices that Gecina optimized LCA integration into two projects selected as its contribution to the community efforts, the Cristallin Building B project and Vélizy Way.
↘ **59%**		**80%**	**74%**	In 2014, Areas equipped with a structure adapted to selective waste collection showed a strong gain of 11% and thus demonstrates Gecina's determination to facilitate sorting in its buildings, the only way to improve waste recycling. Weaknesses, opportunities and areas of improvement were identified as a result of audits and investigations conducted on the offices and residential portfolio.
↗ 65%		80%	81%	
↗ 58%		80%	73%	
0.2		**-**	-	Gecina chose the BAF (biotope area factor) process to provide an overall measurement of the contribution of its properties for an initial analysis. Convinced that this type of indicator is essential for measuring the environmental footprint of a building, Gecina calculates the BAF of projects under development before and after construction. In 2014, the BAF was calculated for all of its residential and commercial properties in operation, an indicator that will be followed from now on. The average value was 0,39. This result is mainly due to buildings located in the suburbs of Paris with a high vegetation of free areas. More urban buildings with less vegetation are specically analyzed such as 55 Amsterdam building wich operations increase the BAF of 300% (see section 7.4.3.3. "Major biodiversity actions carried out during the year).
0.39		-	-	
↘ **0.96**		**0.93**	**90%**	Gecina has improved its reporting methodology concerning water consumption in order to provide data for the same periods as all the other indicators. In 2014 therefore, it published the water consumption averages for 2013 as well as 2014.The average consumption of residential properties was significantly higher than that of commercial assets (1.44 m^3/sq.m/year for 2014 and 0.59 m^3/sq.m./year for 2013). The improvement in the coverage of data on residential properties as a result of the new methodology had a negative impact on average consumption at the overall portfolio level between 2012 and 2013. The reporting scope was substantially equivalent between 2013 and 2014, and the 3% reduction in the average water consumption of the portfolio between 2013 and 2014 (from 0,99 m^3/sq.m/year to 0.96 m^3/sq.m/year), proves the efficiency of the actions carried out on the property assets and the continued improvement of efficiency in terms of water management. (see 7.4.4 Water)
↘ -23%		-25%	92%	

=: no significant evolution
↗ or ↘: negative evolution
↗ or ↘: positive evolution

Pillars	Issues	Indicators	KPI	Pages	Scope (1) Business line	Scope (1) % covered	Results 2008	Results 2012	Results 2013
Employees	**Integrate CSR into Gecina's business lines aux métiers de Gecina**	**% of hours of training dedicated to CSR**		290	**Group**	**100%**	**UN**	**UN**	**18%**
		% of hours of training integrating CSR	☑	290	Group	100%	UN	UN	UN
	Talents and skills	**% of positions filled through in-house mobility**	☑	284	**Group**	**100%**	**UN**	**47%**	**54%**
		% of employees who participated in at least one training course during the year		295	Group	100%	UN	85%	97%
		Average number of training hours per employee trained		295	Group	100%	12	28	22
		Turnover rate of indefinite-term contracts		293	Group	100%	UN	8%	5%
	Working conditions	**% of employees with at least one work stoppage for medical reasons less than or equal to 3 days**	☑	299	**Group**	**100%**	**UN**	**UN**	**32%**
		Absenteeism (sick days)		299	Group	100%	6,429	4,687	5,429
		% of part-time employees		292	Group	100%	UN	UN	8%
	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)**	☑	305	**Group**	**100%**	**UN**	**2/7**	**1/7**
		% women in the Board of Directors		304	Group	100%	6%	23%	23%
		% of employees on work-study contracts		304	Group	100%	UN	UN	5%
		% of employees with a declared disability		303	Group	100%	UN	UN	2%
		Rate of access to training of employees aged over 55		304	Group	100%	UN	UN	18%

(1) Coverage rate in relation to the scop stated in the technical appendix.
(2) Given the difficulty to implement actions on assets which Gecina hasn't operational control, the Group has broken the analysis and specified objectives following 3 subcategories: assets fully controled by Gecina, assets partially controled by Gecina and assets fully controled by the tenant. Thus, the target for 2016 now concerns the assets fully controled by Gecina.
(3) Important note: revised objectives see section 7.3.1.2. "Energy efficiency of the property portfolio".
(4) Change in methodology for the headoffice carbone footprint: indicator calculated at constant climate.
(5) Water consumption indicator perimeter changed to be the same as energy and waste one.
(6) In accordance with relevant recommendations in this area, the only data reported are 2014 data verified by the independent third party with reasonable assurance ☑.
Other indicators with no remarks received have been audited with a detailed testing or coherence review level by the independent third party (see 7.7.1.3 "External verification and independent third party report")
UN: unavailable.

2014	Reasonable assurance (6)	Target 2016	Progress status 2016	Additional information
↘ **3%**		**5%**	**52%**	This 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. Consistent with the new organization, the training system has progressively integrated CSR in all recommended themes, in addition to specific CSR training focusing on energy, environmental certifications, risks, responsible purchasing, Disabilities policies, etc. This major system restructuring was intended to facilitate integration of CSR into professional practices and led to including CSR in 22.6% of the training hours provided to 63% of Group employees. Simultaneously, the requirements for specific CSR training naturally decreased, with such training occupying 2.6% of programs in 2014, compared with 18% in 2013. Reflection of its efforts to fully integrate CSR in its strategy, Gecina decided to change its KPI for this issue and choosed the% of training hours integrating CSR.
23%		30%	77%	
↗ **75%**		**> 25%**	**300%**	Gecina has put internal mobility at the core of its career management strategy. Every time a job comes up, Human Resources systematically explores how to identify the most appropriate in-house profiles by getting the word out about job offers to all employees. Some jobs may give rise to directly approaching an employee by the HR department, such as when the employee concerned is being monitored specifically under a career management action. Still, every internal mobility possibility depends on a minute review of the application file and a preliminary interview by the concerned manager and by HR. The 2014 reorganization gave company employees numerous opportunities for mobility in terms of extending mission scope, or changing portfolios, function or department. 76 employees were involved in a concerted transfer, following a direct approach by their management or an internal mobility offer to which they responded. Over the year, 75% of the Group's recruiting requirements were satisfied by internal mobility.
↗ 102%		95%	107%	
= 22		25	88%	
↗ 8%		-	-	
↗ **34%**	☑	**29%**	85%	In the area of health at work, a decrease in absences due to illness was registered in 2014; with relation to 2013, the number of days of absence decreased by 18.1% and the absenteeism rate fell by 15.8%. 11.2% of absence are due to illness of one to three days. They pertain to 162 employees or 34% of average 2014 staff, slightly more than in 2013 (6%) and represent 499.5 days. This short-term absenteeism primarily pertains to administrative staff and represents 91.35% of absent employees. Work overload caused by new functions of the reorganization that occurred in early 2014 and the potentially destabilizing related offices reorganization, could provide an explanation for the increase in the number of people who had at least one work stoppage under 3 days. At the same time, this indicator followed since 2013, the comparison of these two years reveals no particular recurrence in the affected populations. The variation of this indicator should therefore be analyzed over a longer period to identify the causes. This short-term absenteeism primarily pertains to administrative staff and represents 91.35% of absent employees. Work overload caused by new functions of the reorganization that occurred in early 2014 and the potentially destabilizing related offices reorganization, could provide an explanation for the increase in the number of people who had at least one work stoppage under 3 days. At the same time, this indicator followed since 2013, the comparison of these two years reveals no particular recurrence in the affected populations. The variation of this indicator should therefore be analyzed over a longer period to identify the causes.
↘ 4,447	☑	-	-	
= 8%		-	-	
↗ **2/7**		**0/7**	**71%**	The areas of variability include changes occurring related to demographic renewal, i.e. resignations and hires and to promotions, , especially in the context of the reorganization that took place in 2014. Differences with respect to the objective of above 3% are recorded : - In favor of women in the Codir, the difference is –4% here, the panel is relatively restricted, including nine men and four women, and a single change in personnel, resignation or hire, changes the balance in the category. - In favor of men in the C2 category, the difference is +4% here, related essentially to promotions from one classification to another.
↗ 33%		40%	83%	
4%		-	-	
↗ 3%		-	-	
↗ 26%		-	-	

=: no significant evolution
↗ or ↘: negative evolution
↗ or ↘: positive evolution

Pillars	Issues	Indicators	KPI	Pages	Scope [(1)] Business line	Scope [(1)] % covered	Results 2008	Results 2012	Results 2013
Society	**Integration within surrounding areas**	under development		306					
	Relations with stakeholders	**Satisfaction rate of outgoing customers (residential excluding student residences)**	☑	310	**Residential**	**100%**	**93%**	**91%**	**85%**
		Rate of renewal of collective bargaining agreements before term		313	Group	UN	UN	UN	100%
		Number of SRI investors met		313	Group	UN	UN	3	20
	Business ethics	**Number of convictions for non-compliance with laws and regulations (excluding fines)**	☑	317	**Group**	**100%**	**0**	**0**	**0**
		% of employees trained in or made aware of the Ethics Code over the past five years		157	Head office	100%	UN	75%	80%
	Responsible purchasing	**% of regular suppliers who have signed the Responsible Purchasing Charter**	☑	321	**Group**	**100%**	**UN**	**UN**	**UN**
		% of suppliers assessed on their CSR performance		322	Group	100%	UN	UN	UN
		% specifications revisited in light of responsible purchasing (risk categories)		323	Group	100%	UN	UN	25%
	Sponsoring and partnerships	**% employees actively involved in one or more actions of the Foundation**	☑	326	**Group**	**100%**	**UN**	**12%**	**16%**

(1) Coverage rate in relation to the scop stated in the technical appendix.
(2) Given the difficulty to implement actions on assets which Gecina hasn't operational control, the Group has broken the analysis and specified objectives following 3 subcategories: assets fully controled by Gecina, assets partially controled by Gecina and assets fully controled by the tenant. Thus, the target for 2016 now concerns the assets fully controled by Gecina.
(3) Important note: revised objectives see section 7.3.1.2. "Energy efficiency of the property portfolio".
(4) Change in methodology for the headoffice carbone footprint: indicator calculated at constant climate.
(5) Water consumption indicator perimeter changed to be the same as energy and waste one.
(6) In accordance with relevant recommendations in this area, the only data reported are 2014 data verified by the independent third party with reasonable assurance ☑.
Other indicators with no remarks received have been audited with a detailed testing or coherence review level by the independent third party (see 7.7.1.3 "External verification and independent third party report")
UN: unavailable.

2014	Reasonable assurance(6)	Target 2016	Progress status 2016	Additional information
				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. In this context, since 2012, Gecina evaluates the distribution of the value created through the financial flows it injects into the area. In 2014, Gecina decided to assess its socio-economic contribution to the activity of the French territory and requested Utopies consulting firm to estimate sustained jobs and the value generated by its business via the LocalFootprint methodology (see 7.6.1.2 Distribution of the value created by Gecina). A dedicated report is also published on the website of Gecina.
↗ **92%**		**> 90%**	**102%**	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%. After a slight decrease in 2013, actions were carried out to understand the reasons and in 2014, the overall satisfaction rate returned to the level before 2013 for incoming and outgoing tenants: more than 9 out of 10 customers said they were satisfied or very satisfied with Gecina's services.
100%		-	-	
↗ 28		> 20	140%	
= 0		**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. All awareness, prevention and control mechanisms implemented by Gecina guarantee compliance with good ethical practices by Group employees in carrying out their functions and with regard to the various stakeholders, as Gecina has maintained a status of no criminal convictions for breaking the law since 2008 and again in 2014, excluding traffic fines. Any complaints brought to its attention in the area of the environment and impact on the society will shortly be analyzed by the Group for 2014. Gecina's objective is to maintain this indicator at the same value.
↗ 82%		100%	82%	
91%	☑	**100%**	**91%**	Getting suppliers to sign this charter was a key action in 2014, supported by the dialogue and persuasion efforts of numerous Gecina employees involved in supplier relations. Of the 332 suppliers identified as contractors at the end of 2013, 288 proved to be recurring contractors and 93% of these signed the charter. Another 327 suppliers who were not identified in 2013 as recurring suppliers or who only recently began working with Gecina met the requirements for signing the charter in 2014. Of these suppliers, 87% signed the charter. In all, 558 suppliers out of the 616 targeted, or 91% of suppliers, signed the Responsible Purchasing Charter. A new indicator has been integrated in order to control the progress of the responsabile purchasing action plan: the% of suppliers assessed on their CSR performance. Launched in 2014 on a first pilot population, this action is a continuation of the signature of the Responsible Purchasing Charter and is an essential tool to build together with suppliers mutually beneficial progress plans. That is why Gecina has set a target of 50% of suppliers assessed in 2016.
9%		50%	18%	
↗ 60%		40%	150%	
↗ **23%**		**> 20%**	**113%**	Since its establishment in 2008, the Foundation has supported 60 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 107 employees committed to general interest actions in 2014, representing a strong mobilization of 22.6% of the total work force (compared with 16% in 2013). 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.

=: no significant evolution
↗ or ↘: negative evolution
↗ or ↘: positive evolution

7.2.4. ECONOMIC IMPACT MODELLING

In an effort to transform its CSR indicators into a steering tool that can be used in its business lines, Gecina has been seeking to gradually “financialize” its indicators. In fact, while the KPIs are used to measure CSR performance, they can also be used to highlight the resulting economic performance, particularly in terms of economic weight or avoided or saved costs.

To do so, the modeling of the financial impact generated by the CSR performance can be used to create an interesting economic dimension that can be useful to the latter. This exercise, which was started in 2013 with pilot indicators, will be gradually generalized.

		2013		2014					
Indicators	Page	Perfor-mance	Total value	Perfor-mance	Total value	Estimated amount saved for 2013/2014 (€)	2013/2014 economic perfor-mance	Source	Comments
Absenteeism cost	300	* Result of various indicators	€383,995	* Result of various indicators	332,254	-€51,741	-13%	Absenteeism cost = 0.40% of the payroll for 1% of absenteeism (National Study published by Alma Consulting, Oct. 2014)	This indicator is the result of a multiple of various indicators hence it is difficult to calculate a direct kink between their performances and the final cost. Furthermore, a thourought analysis is still difficult at this stage since the information is reported for the first year.
Energy consumption per kWh in final energy, use including (Offices business line)	-	744,643 which is 266/sq.m	€10,505,232 which is €14,11/sq.m	813,161 which is 242/sq.m	€10,582,706 which is €13,01/ sq.m	-€1.1/sq.m	-7.2%	Average Paris region bill	In 2014, the total amount of energy expenses is €10.6M with the uses and 6.4M€ without the uses (58% of the final cost).
CO_2 EMISSIONS	294	UN	UN	31t	€252,221	UN	UN	Carbon tax	The principle of the carbon tax is intended to encourage by a « price signal a change of behaviorfrom families and companies towards lower energy and carbon consumption and purchases. In 2012 and 2013 we simulated the calculation of a hypothetical tax based on the proposals of the July 28, 2010 “Rocard” report which estimated it at a level of €32 per ton of CO_2. In 2014, the circular of March 12th, 2014 presenting « the legal measures adopted within the framework of the finance laws for 2014 and of the rectified finances for 2013 concerning the energy and environmental tax system « established officially this tax and fixes its amount for 2014 (€7/t CO_2), on 2015 (€14,5/t CO_2) and on 2016, €(22/t CO_2). According to these valuations and for identical emissions with those of 2014, the amount will reach €522,458 in 2015 and €792,695 in 2016. This tax is integrated in the energy consumption invoice and recovered from tenants.
Water	-	1m^3/sq.m/yr	€3,339,878 which is €3.4/m^3/sq.m	0.97 m^3/sq.m/yr	€3,621,416 including taxes which is 3.5/m^3/sq.m	€0.1/sq.m	2%	Average Paris region bill	The residential properties’ buildings present a clearly superior average consumption to that of the commercial portfolio (respectively 1.49 m^3 /sq.m/yr and 0.61m^3/sq.m /yr for 2013). So, the improvement of the residential properties’ data cover due to the new reporting methodology, has a negative impact on the average consumption and thus over the average cost on global real estate port folio.

UN: unavailable.

7.2.5. A PROCESS RECOGNIZED BY NON-FINANCIAL RATING AGENCIES

Since 2008, Gecina has been responding actively to requests from major non-financial rating agencies, both generalists and those specialized in the real estate sector.

This exercise is part of a process of dialogue, continued progress and co-construction with expert analysts, and indirectly with investors.

For Gecina the interest of this process is multi-faceted as it can help it to:

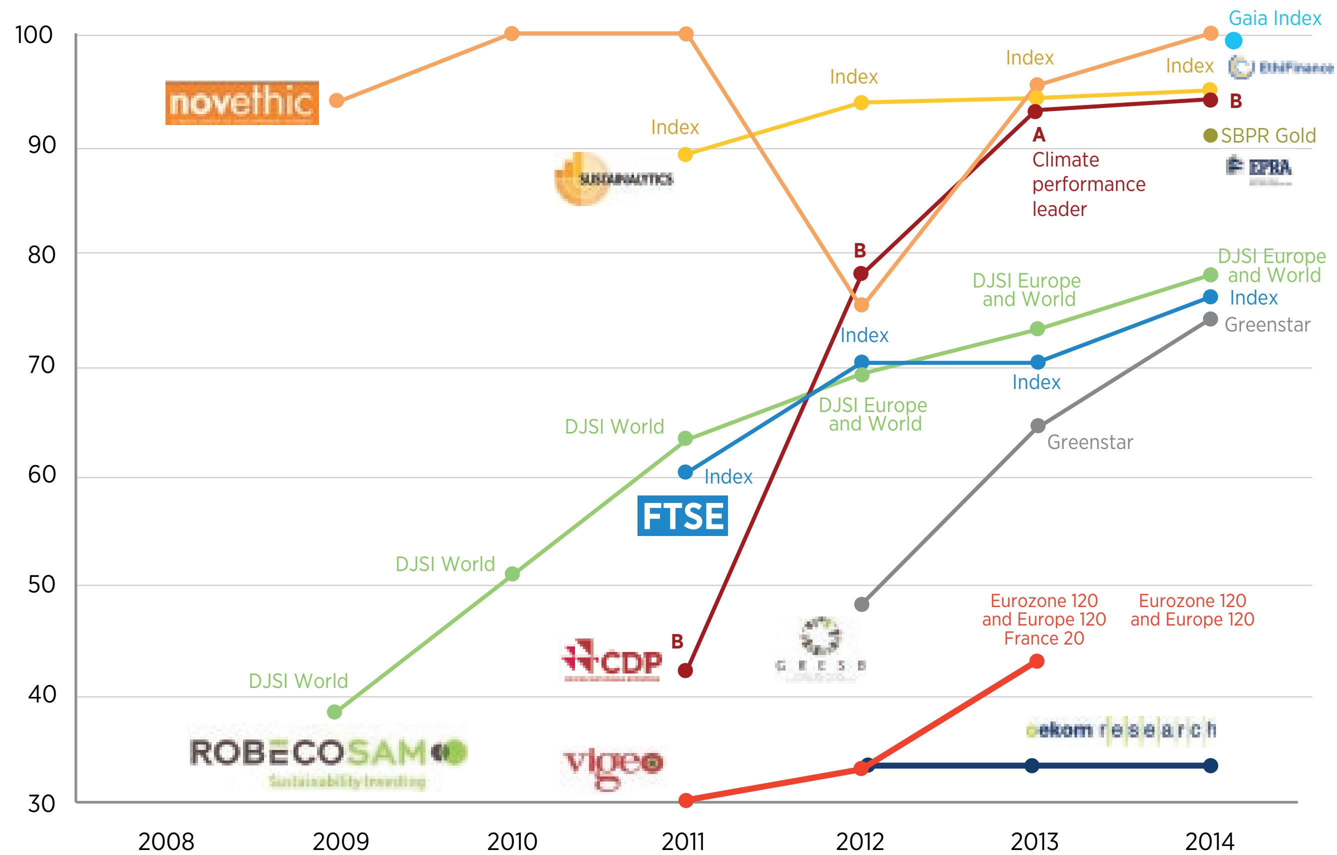
- become more attractive to CSR and mainstream investors and improve its credibility with experts and other stakeholders of our Group;
- structure its CSR strategy with the help of well-known references (analysis grids proposed by analysts, sector-specific best practices benchmarks, etc.);
- fuel its CSR policy by identifying emerging issues and innovative approaches (such as qualifying the ROI and the added value of environmental actions, etc.).

The responses and exchanges with these agencies respect the principle of independence and impartiality; no commercial relationship is maintained with them.

Furthermore, Gecina's CSR process and reporting are also recognized by other important players in the real estate and CSR sector.

7.2.5.1. SUMMARY OF GECINA CSR ASSESSMENTS

GECINA'S NON-FINANCIAL RATINGS RESULTS SINCE 2009



When the result of a rating is not illustrated by a score, one of the following methods was taken into account:

- *Novethic, EPRA: Gecina's ranking among the total number of companies ranked, limited to 100 (for Novethic methodology changed in 2012);*
- *Oekom: on a rating scale from D- to A-, our C- score corresponds to 4/12 = 33.33;*
- *EPRA: 16 (gold)/86 (total): not knowing our exact ranking among the golds, we will consider that we are ranked at least 8th, which corresponds to 78/86*100 = 91;*
- *Sustainalytics: Average of the E, S, G scores and ESG.*

07

7.2.5.2. RESULTS AND ANALYSIS OF NON-FINANCIAL RANKINGS FOR 2014

In 2014, Gecina responded to and/or has been in contact with ten agencies with results that are very positive in terms of the scores obtained.

Gecina has become member of a new index credited by **EthiFinance**, the **Gaia Index**, thus positioning itself first in the Services sector.

At the same time, Gecina maintains its presence in the list of five indexes **Dow Jones Sustainability Index World and Europe, FTSE4GOOD, Euronext Vigeo Europe 120 and Euronext Vigeo Eurozone 120**. Unlike the previous year, Gecina is no longer part of the Vigeo France 20 index because it became part of the list of larger-size companies.

In terms of specialized ratings in the real estate sector, Gecina was distinguished for the first year by several organizations.

Therefore, in addition to the **Gold BPR** (see 2.7 "EPRA reporting December 31, 2014") Gecina received for the first time the **Gold SBPR Award** by **EPRA**. In addition to praising Gecina's quality of reporting, it also noted the areas of progress that the Group was able to integrate quickly in its reporting process, such as improving the scope and the period of coverage for certain indicators (water and waste consumption) or, likewise, the creation of more-refined indicators such as energy intensity per occupant (see 7.3.1.2. "Energy efficiency of the real estate portfolio").

In addition, in 2014 Gecina also became a sector leader in the **GRESB** ranking with a score of 74% and recognized **Green Star** performance.

Since 2009, the score obtained by Gecina in the **Robeco SAM** questionnaire has been constantly increasing, reaching 73% in 2013 and 78% in 2014. This is a good performance compared to the continuously evolving standard rating and the growing number of themes addressed by the (tax strategy, for example).

In 2014, Gecina obtained a score of 94 for Disclosure at the Carbon Disclosure Project (CDP) questionnaire which is a progress compared to 2013 and is higher then the average score of the financial sector (71%) and the real eastate industry (84%). This attests the reporting quality of Gecina and ranks the company within the Climate Disclosure Leadership Index (CDLI) among 27 other French firms considered as leaders CSR disclosure and reporting in 2014 such as AXA, Vinci, Schneider Electric In terms of performance, despite a small drop from A to B, Gecina is still in the industry's average. **Oekom** did not update its rating in 2014 and our company's level was not revised. There will be a new questionnaire in 2015.

Finally, **Novethic's** 7th annual barometer analyzing the environmental strategy of real estate companies ranked Gecina in first position for its clear commitment around the 17 issues through ambitious targets, the comprehensiveness of its reporting, and the implementation of innovative indicators such as productive efficiency (see 7.3.3.1. "Productive efficiency of office buildings").

7.2.5.3. A REPORTING PROCESS RECOGNIZED BY OTHER REAL ESTATE AND CSR ACTORS

In 2014, Gecina's CSR process was praised by well-known players in the real estate sector or by players in the sustainable development sector in the broad sense.

Therefore Gecina was one of the winners in the biodiversity category at the France GBC Trophies of Environmental Reporting, and received the SIIC trophy for its CSR policy.

Furthermore, Gecina also received the "GC Advanced" distinction by the Global Compact France network for its first Communication on Progress to this UN body (see 7.7.2.3. "Global Pact Communication on Progress").

7.3. ASSETS

7.3.1. ENERGY PERFORMANCE AND RENEWABLE ENERGIES

Energy performance and renewable energies
KPI: Average consumptions and % reduction of primary energy en (offices and residential)
2016-2020 objective: 284 kWhPE/sq.m/year / -40% for offices and 177 / -20% for residential, depending on operational control of assets

7.3.1.1. RECONFIGURATION OF ENERGY MANAGEMENT

As part of the reorganization carried out in April 2014 (see section 7.1.4. " CSR at the heart of organization"), Gecina created an Energy Management unit inside the Real Estate Assets technical department to centralize the coordination of actions on this theme and speed up the achievement of the goals set for 2016 for all the asset types in its portfolio. The four-person team, strengthened mid-year by the addition of an engineer appointed Energy Manager, was assigned the following tasks:

- overseeing energy and water consumption, especially by monitoring data collection and processing of the collected data;
- defining and implementing efficiency improvement action plans (work or changes in operations management), as well as support for tenant relations especially for tenants with whom a green lease has been signed;
- optimizing utility purchases and supply contracts in anticipation of the NOME law in 2015;
- coordinating two projects dedicated to optimizing actions on the entire property portfolio:
  - rolling out energy supervision for the property portfolio,
  - implementing the ISO 50001 certification process, scheduled for June 2015,
- gathering intelligence on technological developments in an area undergoing constant, rapid change.

At the end of 2013, Gecina rolled out an energy and water consumption monitoring system (or remote meter reading) in its commercial assets (specifically assets in service with no renovation plans). This system called Hypervision® will allow Gecina to track consumption in real time and optimize use profiles through a multi-period analysis (15 minutes, daily, weekly, monthly up to the full year). The efficiency of each building is then optimized and "normal" consumption thresholds are defined to identify irregular situations through a warning system and implement the appropriate corrective actions to contain the risk of excessive consumption. In 2014, this initiative was applied to three pilot buildings (head office, Cristalys and the building located 27 rue de La Ville-l'Évêque). The goal of this project is to cover 53 office buildings in 2015.

The ISO 50001 certification is the second portfolio-level project launched by Energy Management in 2014. The Group's energy policy validated by the Executive Committee was translated into an action plan impacting all departments (Asset Management, Acquisitions and Sales, Real Estate Assets, Finance, Marketing and Communication, Company Secretary and Human Resources, CSR). Gecina seeks to compare its Energy Management System (with the framework defined by the standard to optimize its energy management process and obtain third-party certification. The ISO 50001 certification concerns assets for which Gecina pays energy bills. Healthcare assets are therefore not included.

The Group tracks all energy consumption of its commercial and residential buildings and for 2014 decided to adopt the recommendations of the Article 225 of the CSR Reporting Guidelines for the Construction/Real Estate Sector published by France GBC, which it helped to draft. Data is broken down by source:

- Corporate data, from Head Office;
- Business data, comprising all energy consumption of buildings managed by Gecina (in which Gecina has control over operations, therefore excluding energy consumption of tenants);
- Stakeholders' data, comprising all energy consumption of buildings not managed by Gecina (those in which Gecina does not control operations, including all the energy consumption of tenants).

For healthcare assets, despite some progress in data collection, the data on actual consumption from EPCs or invoices, are not sufficiently reliable to be used and consolidated in the 2014 results. Asset mapping is gradually strengthening the reliability of the data for this asset class. In 2015, we will continue pursuing the same objective and working within partnership committees, which offer the opportunity to meet tenants of healthcare assets.

7.3.1.2. ENERGY EFFICIENCY OF THE PROPERTY PORTFOLIO

The Group monitors all energy consumption of its commercial and residential buildings and for 2014 has decided to renew the recommendations of Article 225 of the France GBC-published CSR Reporting Guidelines for the Construction/Real Estate Sector, which it helped to draft. Data is broken down by source:

- Corporate data, corresponding to performance at the head office building located at 16 rue des Capucines;
- Businesses data, comprising all energy consumption of buildings controlled by Gecina (*i.e.* those in which Gecina controls operations), and consequently excluding energy consumption of tenants;
- Stakeholders' data, comprising all energy consumption of buildings not controlled by Gecina (*i.e.* those in which Gecina does not control operations), including energy consumption of tenants.

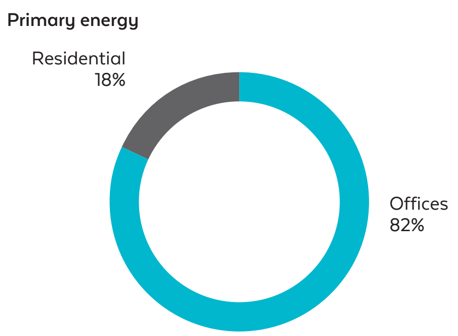
For healthcare assets, despite new progress in collecting data in 2014, the collected data (actual consumption figures derived from energy performance certificates (EPC) or invoices) are not yet sufficiently reliable to be used and presented in the results. The mapping program of properties is progressively making own data on this asset class reliable. The work carried out in partnership committees, which offer the opportunity to meet healthcare tenants (such as Générale de Santé, Medica, etc.), will continue in 2015, with the perspective this year of achieving the first comprehensive collection of energy performance data in health care establishments, with the support of the new special energy management organization now in place.

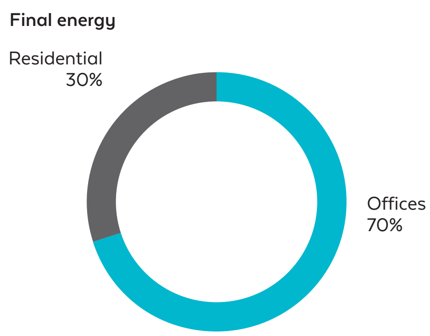
ENERGY CONSUMPTION OF PORTFOLIO AS REQUIRED BY CSR REPORTING GUIDE PREPARED BY FRANCE GBC

Indicators	Corporate	Businesses	Stakeholders	Total
kWhPE	4,300,508	224,167,639	298,801,019	527,269,166
kWhPE DDU adjusted*	4,461,627	233,645,085	295,306,413	533,413,124
kWhPE	2,280,492	133,735,292	135,358,250	271,374,033
kWhPE DDU adjusted*	2,349,277	143,805,907	135,027,096	281,182,279

** Heating/cooling DDU adjusted for offices and residential (see. 7.7.1.2. "Details on climate variation hypotheses").*

BREAKDOWN OF TOTAL ENERGY CONSUMPTION BY ACTIVITY (AT CONSTANT CLIMAT)





ENERGY INTENSITY IN THE PROPERTY PORTFOLIO

2014	Offices*	Residential
Number of properties	78	65
Reference surface area by sq.m	813,170	516,443
Number of occupants	46,416	25,822
kWhFE	143,212,738	74,619,015
kWhFE per occupant	**3 085.4**	**2 889.7**
kWhFE heating/cooling DDU adjusted	143,728,608	82,991,464
kWhFE heating/cooling/occupant DDU adjusted	**3,096.5**	**3,214.0**
kWhPE	301,006,007	88,484,886
kWhPE per occupant	**6,485.0**	**3,426.7**
kWhPE heating/cooling DDU adjusted	298,777,516	96,857,335
kWhPE heating/cooling/occupant DDU adjusted	**6,437.0**	**3,750.9**

** without usage for offices.*

This year, Gecina is publishing energy use of its properties taking into account building occupation. Calculations are performed on the same bases as those used in the breakdown of Gecina cash flow per stakeholder for 2014 (see section 7.6.1.1. "Breakdown of the value created by Gecina").

7.3.1.2.1. ENERGY EFFICIENCY OF THE OFFICE PORTFOLIO

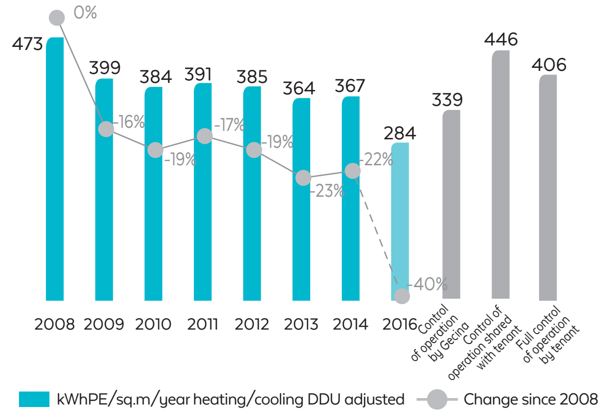
The energy efficiency of office properties reached a new level in 2014 after those of 2011 and 2012 for an asset base that has not much changed, with two new properties entering the scope of consolidation and two buildings leaving it, one for reconstruction and the other for disposal.

CHANGES IN AVERAGE ENERGY CONSUMPTION OF OFFICES DEPENDING ON THE LEVEL OF CONTROL (AT CONSTANT CLIMATE)

Excluding use	2008	2013	2014	Control of operations by Gecina	Control of operations shared with tenant	Full control of operations by tenant
Number of assets	83	78	78	51	16	11
Reference surface area by sq.m	683,952	744,643	813,170	531,749	110,255	171,158
kWhPE	323,783,329	313,109,390	301,006,007	178,784,353	48,546,126	73,675,528
kWhPE/sq.m/year	**473**	**420**	**370**	**336**	**440**	**430**
YoY change	0%	4.4%	-12.0%	-10.8%	-11.4%	-13.7%
Change since 2008	0%	-11.2%	-21.8%	-24.4%	-14.5%	-20.3%
kWhPE heating/cooling DDU adjusted	323,783,329	271,076,941	298,777,516	180,050,468	49,182,285	69,544,763
kWhPE/sq.m/year heating/cooling DDU adjusted	**473**	**364**	**367**	**339**	**446**	**406**
YoY change	0%	-5.4%	0.9%	1.7%	8.0%	-4.2%
Change since 2008	0%	-23.1%	-22.4%	-23.9%	-13.4%	-24.8%
kWhFE	156,635,473	149,417,887	143,212,738	86,331,988	24,072,650	32,808,100
kWhFE/sq.m/year	**229**	**201**	**176**	**162**	**218**	**192**
YoY change	0%	3.8%	-12.2%	-11.8%	-11.6%	-13.7%
Change since 2008	0%	-12.4%	-23.1%	-26.2%	-12.3%	-22.1%
kWhFE heating/cooling DDU adjusted	156,635,473	129,760,951	143,728,608	88,098,939	24,499,027	31,130,642
kWhFE/sq.m/year heating/cooling DDU adjusted	**229**	**174**	**177**	**166**	**222**	**182**
YoY change	0%	-8.7%	1.4%	2.3%	7.3%	-4.8%
Change since 2008	0%	-23.9%	-22.8%	-24.7%	-10.8%	-26.1%

The overall consumption (excluding climate correction) recorded among properties shows a significant gain of around 11% compared with 2013, both in final and primary energy, which follows the national trend of a 6% fall in gross electricity consumption in 2014, primarily due to climate conditions [8].

AVERAGE PRIMARY ENERGY CONSUMPTION (AT 2008 CONSTANT CLIMATE) – OFFICES



The "at constant climate" calculation, with climate correction applied for a relatively clement year featuring the warmest year since 1900 [9], nonetheless impacts this result unfavorably as the gain becomes a 2.7% loss compared with the prior year.

Average energy efficiency of Gecina commercial properties in kWhPE/sq.m/year corrected for climate was 367, largely equivalent to the 2013 level and representing a 22.4% gain compared with 2008 (473).

This may be explained by the difficulties encountered during the so-called "mid-season" periods, which were numerous in 2014, where heat requests (heating up a building before employees arrive) alternated rapidly with cooling requests (cooling beginning only one or two hours after the beginning of activities, spurred by internal requirements, primarily IT), which are by nature difficult to optimize. The use of real time monitoring tools for measuring energy use is becoming a predominant method for continuing along the path toward energy reduction objectives.

Another optimization solution for steering buildings, the use of Voltalis [10] sensors begun in 2014 in some properties and to be continued in 2015, has proven its worth, especially through the optimization of fan-coil units operating time.

The certification of surface area in properties still remains an important lever for improving energy savings in properties. HQE® Operations certified buildings featured primary energy consumption of 339 kWhep/sq.m/year corrected for climate in 2014, which is 7.6% lower than the average consumption in office properties.

For several years already, the replacement of energy equipment has been subject to a technical/economic analysis in overall cost with a preference for the most energy-efficient in the area of energy use, while taking into account controlling expenses for users.

Notably, when work is carried out in existing buildings prior to lease renewals or new tenant occupancies, Gecina carries out detailed energy diagnostics in order to evaluate the most "profitable" work packages including actions that, depending on their cost and the duration of the lease, generate savings on tenants' energy bills.

The review of energy requirements for building heating and cooling needs is also an influential vector, not only on performance of a property but also on its primary energy and carbon footprint. Where district heating systems are located nearby, the technical/economic analysis integrates this solution and involves it in the selection of the energy strategy to implement in the building.

Action plans use energy from CSR mapping of properties and participate in long term planning of processes to be implemented in each building (see section 7.1.4.3. "CSR scoring to assist in mapping of properties").

ISO 50001 certification involving all of Gecina departments will also provide a regulatory framework for these comprehensive approaches in 2015 *via* the implementation of structured cross-functional processes.

As part of these new developments (see section 7.3.2.1. "Construction and renovation"), Gecina has imposed the highest energy efficiency levels on itself by selecting the Effinergie+ label as an objective for new buildings and BBC Renovation for reconstruction and major renovation projects. Where these projects are part new/partly restructured combinations, targeted energy efficiency is set with relation to RT2012, as with the Grande Halle project in Lyon, which has achieved a level of RT 2012 – 25% through the high-performance exterior insulated facade and an energy mix largely supplied by renewable energy in the form of a shallow groundwater geothermic system and solar heat for domestic hot water.

Another working path in the development underway is the Energy Performance Guarantee (EPG) program. This was implemented in the 55 Amsterdam project, where Gecina carried out a dynamic energy simulation to determine future energy use, the contractual basis of the EPG. The energy consumption objective of all items combined for this building (including heating, DHW, air conditioning and electricity, excluding usage) should not exceed a pre-determined figure, with a reduction objective in subsequent years in order to account for the progressive implementation of building operations.

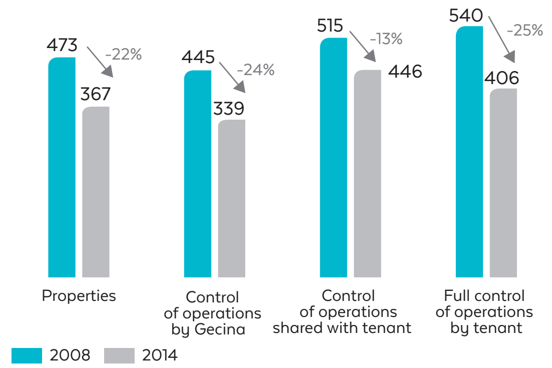
(9) Météo France's Final climate report for 2014 established on January 2, 2015 – http://www.meteofrance.fr/climat-passe-et-futur/bilans climatiques/bilan-2014/bilan-climatique-provisoire-de-l-annee-2014#

(10) The Voltalis sensor system is installed in electrical panels and measures electric consumption in real time via *Internet for modulation purposes. Large-scale modulation of electrical use constitutes what is called distributed load shedding and participates in balancing electrical use of the country.*

The lessons learned from this initial monitoring period between 2008-2012 and the work carried out collectively with France GBC in 2012 have drawn attention to the need to segment the property portfolio according to the following categories:

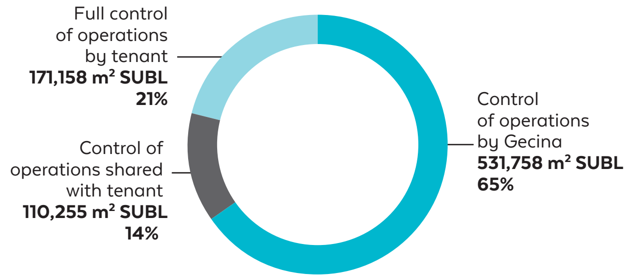
- where operations are fully controlled by Gecina (65% of surface area and 339 of corrected kWhPE/sq.m/year including the head office building), achieving objectives is better managed. For this reason, Gecina has maintained its goal for 2016 of achieving a 40% gain in energy efficiency. Between 2008 and 2014 the gain was 23.9% for this asset base;
- where Gecina controls partially controls operations (14% of its surface area representing 446 corrected kWhPE/sq.m/year), actions are limited to common areas and collective heating and cooling systems. Deferring the 2016 objective to 2020 is required for this asset base, which gained only 13.4% between 2008 and 2014. Dialogue with tenants should be a priority here for establishing shared practices, especially through the use of environmental appendices (see section 7.3.2.3. "Green leases and environmental appendices"). The Hypervision tool will also be an important element in monitoring tenants' usage. It will provide addiitional information to each of the stakeholders and will be at the basis of Gecina / tenant discussions on the optimization of energy use. Over-consumption alerts available through this device will help detect peak consumption periods in real time so as to limit their duration;
- where tenants manage the operations of their sites (21% of surface area representing 406 corrected kWhPE/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. Between 2008 and 2012, realized gains were 24.8%. Major users, for the most part subject to compliance with the DDADUE [11] law, thus continued to develop their virtuous management of energy. Here again, the Hypervision tool will be an important element in daily monitoring of tenant usage.

2008-2014 PRIMARY ENERGY/SQ.M/YEAR CONSUMPTION BREAKDOWN OF ASSETS FOLLOWING GECINA'S OPERATIONAL CONTROL (AT CONSTANT CLIMATE)

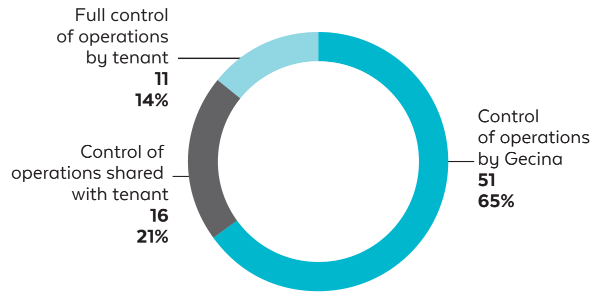


BREAKDOWN OF PROPERTIES ACCORDING TO GECINA'S OPERATIONAL CONTROL

By surface area and % of surface area – sq.m



By number of assets and % of assets



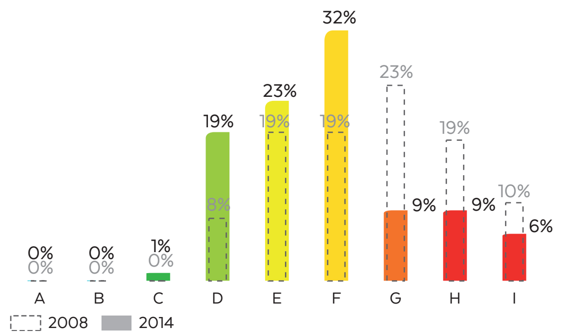
(11) Law no. 2013-619 of July 16, 2013 including various adaptation provisions to European Union law in the area of sustainable development obligating companies that meet one of the following three conditions for the two fiscal years preceding the audit obligation date, i.e. maintain a workforce of over 250 persons, earn revenue in excess of €50 million or have total assets exceeding €43 million, to perform an energy audit that must include "a detailed review of the energy use profile of buildings or groups of buildings" and which must be prepared "independently by qualified and independent experts".

Shown below is the change in 2014 of energy labels in office properties (in number of properties), compared with the benchmark year of 2008.

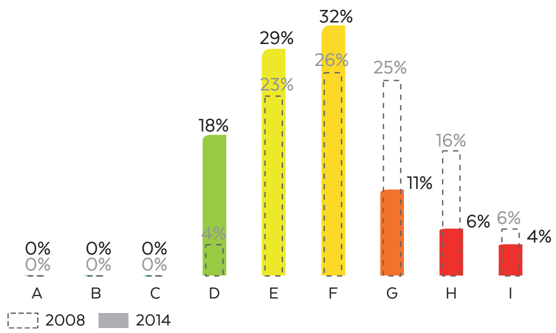
Between 2008 and 2014, the proportion of buildings with G, H and I labels went from 34% to 24%. Classes C, D and E represented 43% of assets in 2014. These ratios are based on abnormal consumption following the validated reporting protocol for publication of annual results. This methodology is different from the one recommended by the work of the "Commercial assets renovation" group steered by Maurice Gauchot, who in 2012 proposed using all energy consumption of a property. As it is committed to ISO 50001 certification of the Energy Management System (EMS) as part of a strategy for controlling and reducing consumption in its assets, Gecina will have all necessary elements at its disposal if the practice of integrating all energy use were to become universal.

2008/2014 BREAKDOWN OF OFFICE PROPERTIES BY ENRGY LABEL

By number of assets



By surface area



7.3.1.2.2. ENERGY EFFICIENCY OF RESIDENTIAL PROPERTY AND STUDENTS RESIDENCES

Important note on revised objectives: as a result of extended efforts and actions regarding residential properties, especially buildings using individual electric heat, Gecina staff must come around to the idea that anticipating, as was envisaged in 2008 when initial objectives were set, four years of Grenelle 1 law objectives, *i.e.* reduction of energy use of at least 38% by 2020, is no longer realistic. In consequence, these objectives are re-evaluated for residential properties and set at a 20% reduction by 2016 and a 38% reduction by 2020, in strict compliance with the Grenelle thresholds.

CHANGES IN AVERAGE ENERGY CONSUMPTION OF RESIDENTIAL PROPERTIES DEPENDING ON THE LEVEL OF CONTROL (AT CONSTANT CLIMATE)

Real perimeter	2008	2013	2014	Businesses Real consumption for assets controlled by Gecina	Stakeholders Assessed consumption by 3CL method for assets not controlled by Gecina
Number of assets	128	67	65	31	34
Reference surface area (sq.m NFA)	885,892	503,467	516,443	334,105	182,338
kWhPE	195,391,780	102,064,502	88,484,886	49,683,795	38,801,091
kWhPE/sq.m/year	**221**	**203**	**171**	**149**	**213**
YoY change	0.0%	3.5%	-15.5%		
Change since 2008	0.0%	-8.1%	-22.3%	-29.9%	-17.5%
kWhPE heating DDU adjusted	195,391,780	96,429,889	96,857,335	58,056,244	38,801,091
kWhPE/sq.m/year heating DDU adjusted	**221**	**192**	**188**	**174**	**213**
YoY change	0.0%	-2.2%	-2.1%		
Change since 2008	0.0%	-13.2%	-15.0%	-18.0%	-17.5%
kWhFE	174,508,921	88,198,631	74,619,015	49,683,795	24,935,220
kWhFE/sq.m/year	**197**	**175**	**144**	**149**	**137**
YoY change	0	4.2%	-17.5%		
Change since 2008	0	-11.1%	-26.7%		
KWhFE heating DDU adjusted	174,508,921	82,594,486	82,991,464	58,056,244	24,935,220
kWhFE/sq.m/year heating DDU adjusted	**197**	**164**	**161**	**174**	**137**
YoY change	0	-2.4%	-2.0%		
Change since 2008	0	-16.7%	-18.4%		

The constant improvement in the performance of our residential properties since 2008 continues through an optimized work and management plan for asset operations as reductions of nearly 15% in primary energy use and 18.4% in final energy have been obtained.

This improvement is the result of actions undertaken not only in building but in the operation of heating and domestic hot water systems, as follows:

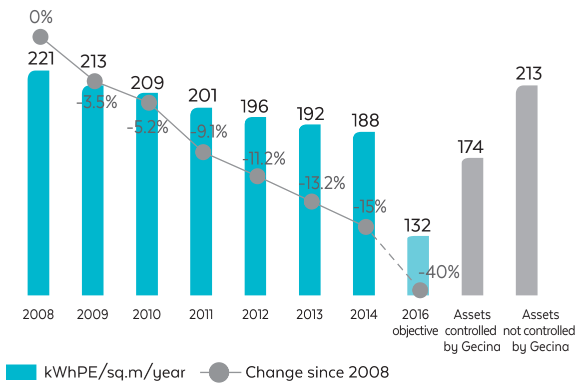
- collective heating plant run on fuel oil was renovated and connected to a heating system or converted to gas, with installation of condensing boilers;
- insulation of hot domestic water piping located in common areas of buildings was replaced with a Class 2 insulation meeting thermal regulations;
- since 2008, boiler rooms or collective heating and domestic hot water sub-stations were renovated by replacing equipment with higher performing units to service 146,000 sq.m of usable floor area;
- an incentive clause was added to heating contracts to encourage operators to monitor energy use and to avoid penalties occasioned by exceeding limits;
- waterproofing of non-accessible flat roofs was replaced with better performing underlying insulation in 17 buildings;
- Gecina continues to replace exterior windows and doors with double-glazed units in residence buildings;
- the acquisition and construction of new high energy efficiency student residences also improves the energy quality of Gecina residential properties.

The choice made in 2008 to communicate about results derived from Energy Performance Certificates using the 3CL methodology 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 proactive effort that Gecina undertook on over half of its asset base to significantly improve overall performance.

Thus since results between 2008 and 2012 do not reflect all work carried out on real estate assets, it was decided beginning in 2012 to use a different monitoring method for these two categories by adopting the same methodology for buildings with collective heating that Gecina operates as for commercial buildings, which will be based on actual climate-adjusted consumption.

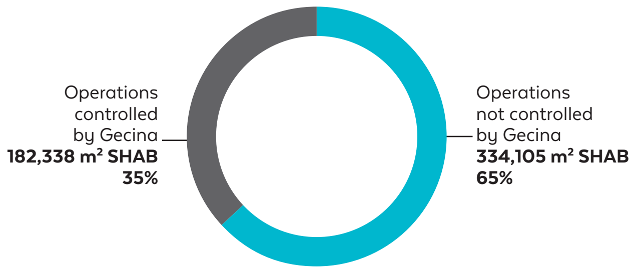
For assets with individual heating over which the Group exerts no operational control, it is currently not conceivable for the Group to collect all tenants' invoices to identify actual consumption in properties. For this reason, we will continue to analyze this portion of our properties using the EPC methodology.

AVERAGE PRIMARY ENERGY CONSUMPTION (AT CONSTANT CLIMATE) – RESIDENTIAL

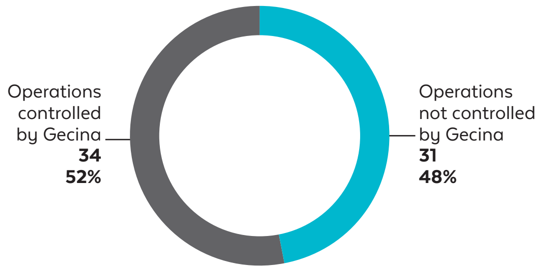


BREAKDOWN OF PROPERTIES ACCORDING TO GECINA'S OPERATIONAL CONTROL

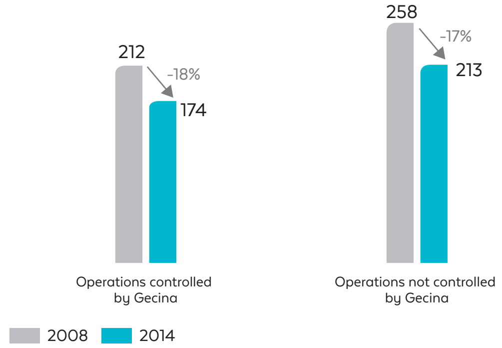
By surface area and% of surface areas



By number of assets and in% of assets



2008-2014 CHANGES IN ENERGY CONSUMPTIONS (AT CONSTANT CLIMATE) BY OPERATIONAL CONTROL (kWhPE/sq.m/year)

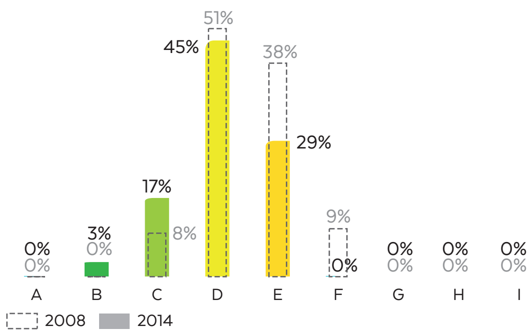


As with commercial property, the number of low energy efficiency assets has decreased considerably, with a gain of +10% in categories C and above, reaching the lower limit of the 2020 national objective, which is set at 150 kWhep/sq.m/year.

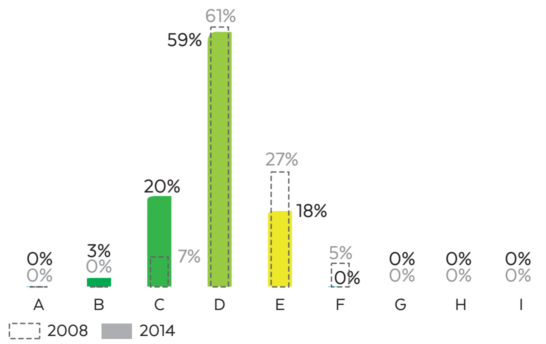
Furthermore, virtually all properties are in energy categories D or E, which is measurably close to the targeted average. Monitoring actual results for collectively heated assets will confirm the importance of managing asset operations for continuing this net improvement in the performance of our assets.

2008/2014 BREAKDOWN BY ENERGY LABEL OF RESIDENTIAL PROPERTIES

By number of assets



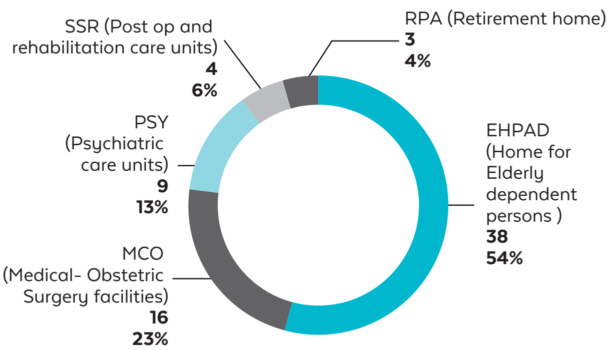
By surface area



7.3.1.2.3. HEALTHCARE PROPERTY'S ENERGY EFFICIENCY

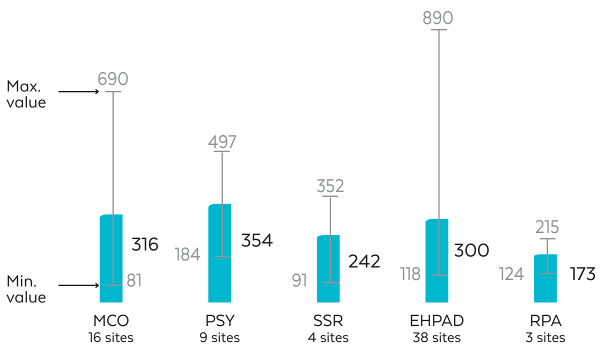
For the first time in 2012, Gecina published details of its healthcare property portfolio (covering 86% of this portfolio); the graph below shows the breakdown between the various asset categories.

TYPE OF HEALTHCARE PROPERTIES



An analysis of actual energy consumption was conducted in 2013 on 35% of assets in the portfolio, primarily dependent elderly facilities (EHPAD), which revealed differences with respect to EPC data available in 2012. The difficulties encountered in this phase of data comparison requires having enough time to evaluate the differences recorded and render the data reliable.

AVERAGE CONSUMPTION SPREAD BY TYPE OF HEALTHCARE INSTITUTION (kWhPE/sq.m/year)



These EPCs were carried out on 91% of the Healthcare properties

In 2014, Gecina continued to collect data from its healthcare properties tenants *via* audits carried out to establish a CSR scoring system for its properties (see section 7.1.4.4. "CSR scoring to assist in mapping of properties").

However, it is not possible to come up with an analysis as detailed as that of office or residential properties solely through collected data. Major disparities have been observed in energy use on healthcare asset types that curiously were identical. For example, in comparing two psychiatric institutions supplied with electricity and gas, significant differences were noted between 2012 and 2013. While electricity use in one of the buildings declined by 9.8%, in the other it increased by 1.7%. Over the same period, use of gas grew by 2.6% in the first building, while that in the second building fell by 3.4%.

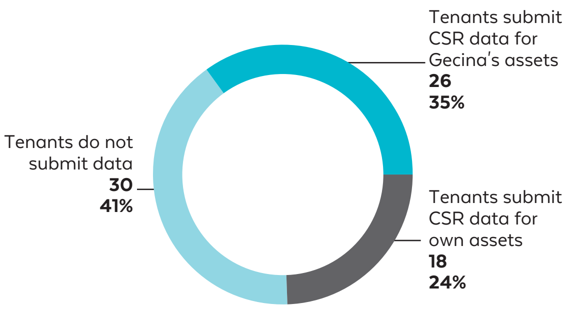
This example underscores the fact that setting up detailed action plans shared with tenants, an objective that Gecina set in 2012, is an absolute priority.

It is therefore difficult to set objectives by category of asset or by healthcare property at this stage.

The CSR scoring system is a leverage not only for obtaining visibility on the level of energy use in healthcare properties but also for preparing action plans aiming to improve their performance.

Healthcare properties are 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. An analysis of CSR reports published by some operators completed in 2013 on 24% of the healthcare portfolio demonstrates awareness and growing control over the healthcare sector.

BREAKDOWN OF HEALTHCARE PROPERTIES BY LEVEL OF DATA PROVIDED BY TENANTS OF HEALTHCARE FACILITIES (NUMBER AND% OF ASSETS)



7.3.1.3. DEVELOPMENT OF RENEWABLE ENERGIES

Gecina is continuing to pull out of carbon-intensive energy from fuel oil and coal while simultaneously stepping up the proportion of energy generated from renewable sources.

The Group supports its action plan through two avenues:

- directly, by making the appropriate choice of energy sources for heating and cooling systems of buildings when they are built or renovated;
- indirectly, by encouraging energy providers to orient themselves toward the production of renewable energy by signing green electricity contracts, using district heating and cooling systems, etc.

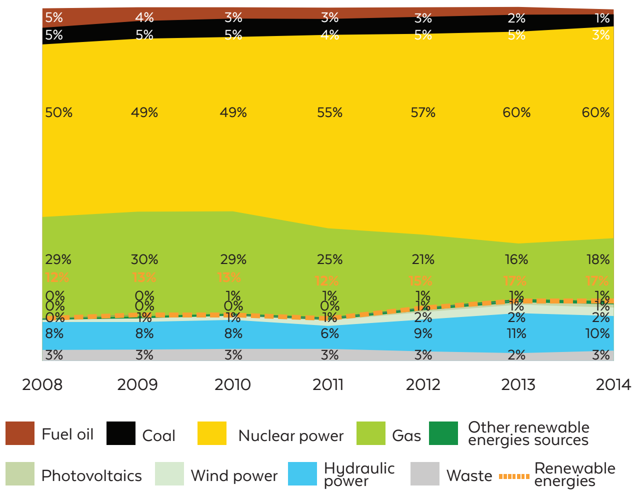
Direct performance is nonetheless for the moment almost exclusively linked to connections to energy distribution networks, for which changes to the mix are lagging significantly (for example, supplying the CPCU network with wood-fired heat is still not operational and the development of photovoltaic and windmill produced power remains restricted). The development of on-site renewable energies is making progress, in particular in residential properties, through the adoption of solar energy as the basis for domestic hot water for all new construction projects. As with the Cité Cinéma residence in Saint Denis that was delivered in 2014, students residences developed by Gecina integrate these systems and a roof-level solar panel project for a future office building in Montigny-le-Bretonneux (Garden West) is being analyzed.

The preponderance of electricity in our properties is largely due to the relative increase of offices surface area compared to that of residential properties. This has a positive effect on CO_2 emissions performance results, given the French energy production mix.

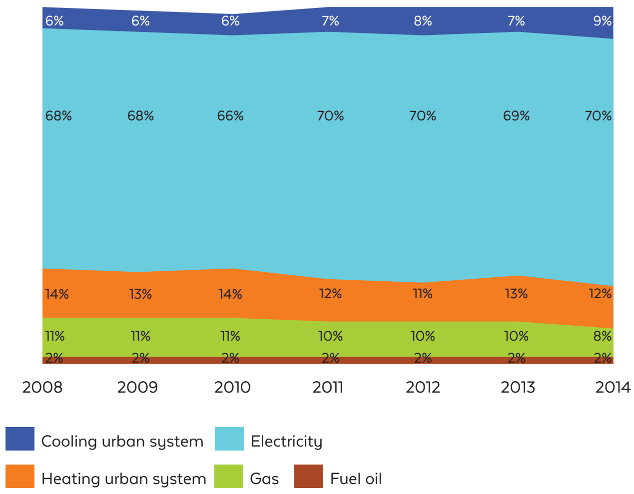
With regard to indirect performance, the Group's energy mix is evaluated on the basis of the breakdown of primary energy consumption in Gecina properties and by resorting to the French energy production mix published each year by RTE and that transmitted by distributors of heating and cooling networks.

The share of renewable energies in Gecina's energy mix is stable at 17%, the french context didn't change from 2013.

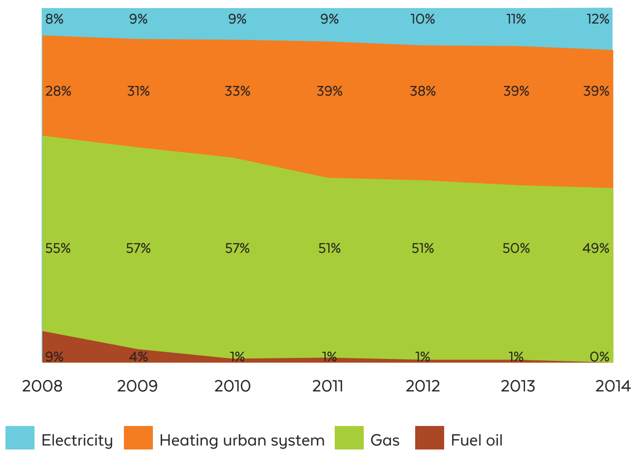
CHANGE IN ENERGY PRODUCTION METHOD FOR GECINA'S ASSETS



CHANGE IN FINAL ENERGY MIX FOR OFFICES



CHANGE IN FINAL ENERGY MIX FOR RESIDENTIAL

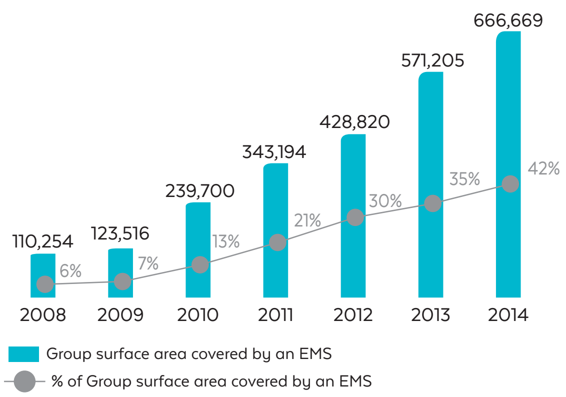


7.3.2. LABELING, CERTIFICATION AND ENVIRONMENTAL PERFORMANCE

Labeling, certification and environmental performance
KPI:% of surfaces delivered with a high level of certification /% of offices surface certified HQE® operations
2016 objective: 100% / 80%

Gecina pursues its certification process through third parties. It now maintains real estate assets under certified operation in the amount of 522,749 sq.m. To this may be added buildings under development with certification pending, bringing the surface area covered by an environmental management system (EMS) to 666,669 sq.m., or 42% of assets. This indicator spread out through the entire asset base of Gecina is structurally unfavorable in view of the absence at present of any reference source for residential properties.

EMS COVERAGE – OFFICE AND RESIDENTIAL PROPERTIES



To accelerate the transformation of its property portfolio, in 2010 Gecina developed an Operations Management System for its office properties. In 2012, a Construction Management System was implemented to increase quality of new construction and reconstruction projects to achieve higher standards and to prepare projects in the development pipeline for responsible operations.

The two management systems fuse to guarantee like coordination of the various parties and monitoring of performance.

DESCRIPTION OF GECINA'S EMS

<table>
<tr><th></th><th>Construction Management System</th><th>Operations Management System</th></tr>
<tr><td>Processes broken down into operational phases that describe the operating method to use for each transaction</td><td>1. Programming
2. Selection
3. Design
4. Completion
5. Commissioning</td><td>1. Launch
2. Acceptance
3. Monitoring
4. Renewal</td></tr>
<tr><td rowspan="2">Procedures that each describe a specific operating method for carrying out recurrent tasks</td><td colspan="2">• Evaluation of the BEQ and evaluation of skills, shared by both systems
• Manage differences and capitalize on a database shared by the two systems, partly adapted to each scope</td></tr>
<tr><td>• Project audit
• Market compliance</td><td>• Evaluation of services
• Work
• Crisis management
• Functioning of an operations follow-up meeting
• Procedure for processing user complaints about the SAMFM system
• Action sheets
• Budget management operation notes
• Review of the Operations Management System</td></tr>
<tr><td rowspan="2">Template documents to be reused and tailored to the specific characteristics of each operation</td><td colspan="2">• Buyer specifications, Environmental Occupancy Guides for operators and shared Environmental Operations Guide by the two systems</td></tr>
<tr><td>• Performance program summarizing Gecina's requirements in terms of quality, usage and technical and environmental performances.
- Commercial office buildings
- Student residences (this document was entirely revamped to include requirements of the Habitat & Environnement certification, systematically sought for this type of asset)
- For healthcare facilities, the standards are currently being determined in conjunction with a representative body of tenants.
• Standard commitment for certification
• Standard listing for environmental analysis
• AMO HQE® specifications
• Worksite Environmental Organization Charter</td><td>• Set of expectations of interested parties
• A set of specifications for services
• Tool for managing operations waste</td></tr>
<tr><td>Steering tools added to as project develops for monitoring targeted performance data</td><td>• Dashboard emphasizing the eleven technical themes of "Sustainable Buildings" and monitoring the levels achieved by performance indicators and associated labels for each theme and each phase of the technical solutions selected
• Capitalization table
• Evaluation grid for design and implementation suppliers
• Operation sheet
• Document tracking</td><td>• Dashboard for monitoring operations performance
• Variance monitoring table
• Capitalization table
• Certifications monitoring table</td></tr>
</table>

7.3.2.1. CONSTRUCTION AND RENOVATION

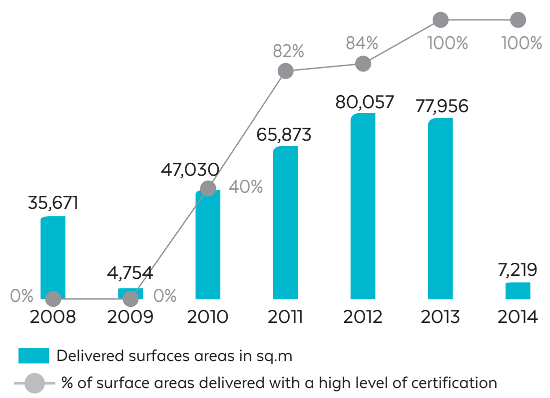
Since 2005, Gecina has used the NF HQE® Commercial Buildings certification for its office buildings under development. This was the only certification in existence at the time and has since become the most widely used in France as illustrated by the 2014 Environmental Certification Survey [(12)]. Gecina's initial choice had proven to be relevant with its highly ambitious aspirations, seeking one of the two highest levels of certification known as the HQE® Excellent or Exceptional passport.

For its residential properties, Gecina chose the multi-criteria Habitat & Environnement certification developed by Qualitel, the leading certification in the sector for France. The most ambitious profile of the two certifications for renovations, Habitat & Environnement and Patrimoine Habitat & Environnement, is systematically sought.

Gecina seeks to complement its HQE® certification, which was selected as the basis of all its certifications, with other certifications (LEED, BREEAM®, etc.) and labes (Effinergie+, BiodiverCity©, Well Building Standard, etc.), with a view to adapting its operations as closely as possible to expectations of stakeholders, current and future tenants, investors and local authorities.

As shown by the tables and graph below, 100% of its delivered properties are certified with a high level of certification.

OFFICES AND RESIDENTIAL PROPERTIES SURFACE AREAS DELIVERED WITH A HIGH LEVEL OF CERTIFICATION



OFFICES AND RESIDENTIAL DEVELOPMENT CERTIFICATION

	2008	2009	2010	2011	2012	2013	2014
Surface areas delivered with a high level of certification	0	0	18,622	53,827	67,525	32,269	7,219
Surface areas delivered certified	31,023	0	23,675	53,827	75,350	77,956	7,219
Surface areas delivered	35,671	4,754	47,030	65,873	80,057	77,956	7,219
% of surface areas delivered with a high level of certification	**0.0%**	**0.0%**	**39.6%**	**81.7%**	**84.3%**	**100.0%**	**100.0%**
% of surface areas delivered certified	*87.0%*	*0.0%*	*50.3%*	*81.7%*	*94.1%*	*100.0%*	*100.0%*
% of surface areas delivered with a high level of certification (except Beaugrenelle)	*0.0%*	*0.0%*	*39.6%*	*81.7%*	*84.3%*	*100.0%*	*100.0%*

** Offices: 12/14 targets HQE Efficient or Very Efficient; Residential: Profil A H&E.*

(12) Amongthe 771 commercial buildings certified in 2014, 691 (90%) were granted the HQE® certification, 10 the LEED certification and 119 the BREEAM® certification.

07

In 2014 two student residences were delivered certified: the Cité Cinéma residence in Saint-Denis obtained an H&E profile A and the Lecourbe residence in the 15th arrondissement of Paris was awarded the BBC renovation label and Patrimoine H&E with acoustical comfort and performance options.

DELIVERIES IN 2014

Student residence in Saint-Denis

The Cité Cinéma residence delivered in 2014, is located in Saint-Denis near the Pleyel intersection, in a neighborhood with a wide functional mix comprising office buildings, public health organizations, retail stores 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. Exterior insulation, solar thermal panels for the production of domestic hot water and dual flow ventilation were decisive features in the award of the Habitat & Environnement profile A certification and the BBC label for this residence.

The Lecourbe student residence

The conversion of an office building located in the 15th arrondissement of Paris into a 133-bed students residence was delivered in September 2014. This major reconstruction project was designed by the Béchu architecture firm and was awarded the Patrimoine H&E certification with the acoustic and performance options and the BBC renovation label. The residence provides numerous services and community areas and also features the best environmental standards, such as solar based hot water production and vegetated rooftops. Regarding eco-design, an LCA modeling was carried out on the project to optimize materials used in construction to participate in phase 2 of the HQE® Performance test.

Since 2005, Gecina has developed 659,118 sq.m of projects certified or undergoing certification. The table below shows certification levels achieved for these projects.

RESIDENTIAL AND COMMERCIAL BUILDINGS DELIVERED SINCE 2005

Project name	Date	Net floor area	HPE (high energy performance) label obtained	*Green Building Certification/Latest Level of Passport delivered*	Stars by Theme			
					Energy	*Environ-ment*	*Health*	*Comfort*
Le Cristallin	2005	9,000		***HQE® EXCELLENT***	*0*	*4*	*3*	*3*
B3A	2007	4,452		H&E Profile A				
Khapa	2008	19,639		***HQE® VERY GOOD***	*0*	*3*	*3*	*2*
L'Angle	2008	11,384		***HQE® VERY GOOD***	*0*	*2*	*3*	*2*
Anthos	2010	9,487	THPE 2005	***HQE® OUTSTANDING***	*2*	*3*	*3*	*4*
Origami	2010	5,053	THPE 2005	***HQE® VERY GOOD***	*2*	*3*	*1*	*2*
Tour Mercure	2011	12,888	THPE 2005	***HQE® EXCELLENT***	*2*	*3*	*2*	*3*
Horizons	2011	36,487	THPE 2005	***HQE® EXCELLENT***	*2*	*3*	*3*	*2*
96/104 Neuilly	2011	10,665	THPE 2005	***HQE® EXCELLENT***	*3*	*3*	*2*	*2*
Magistère	2012	7,825	THPE 2005	***HQE® VERY GOOD***	*2*	*3*	*2*	*1*
Newside	2012	17,860	BBC-Effinergie 2005	***HQE® OUTSTANDING LEED Platinum BREEAM Outstanding***	*3*	*4*	*3*	*3*
Park Azur	2012	24,000		***HQE® EXCELLENT***	*3*	*3*	*1*	*2*
Pointe Métro 2	2012	15,000	BBC-Effinergie 2005	***HQE® OUTSTANDING***	*3*	*4*	*3*	*2*
Rue de Chambéry	2012	889		***H&E Profile E***				
Beaugrenelle	2013	45,687		***HQE® VERY GOOD BREEAM® VERY GOOD***				
Velum	2013	15,225	BBC-Effinergie 2005	***HQE® EXCELLENT***	*3*	*3*	*1*	*2*
Docks en Seine	2013	16,155	BBC-Effinergie 2005	***HQE® OUTSTANDING***	*3*	*4*	*3*	*2*
Cite cinema	2014	4,554		***H&E Profile A***				
Lecourbe	2014	2,665		***PH&E***				
TOTAL SURFACE AREA (SQ.M)		**268,915**						

* *Four classification levels are possible for a passport, mentioned after HQE "Bon, Très bon, Excellent, Exceptionnel". In each theme (energy, environment, comfort, health), the level reached is expressed in number of stars (1 - the lowest level / 4 - the highest level) corresponding to the levels of certification.*

BUILDINGS UNDER DEVELOPMENT – OFFICES

						Stars by Theme			
Project name	**Sche-duled delivery date**	**Net floor area**	**HPE (high energy performance) label obtained**	***Green Building Certification/ Latest Level of Passport delivered***	***Program details***	***Energy***	***Environ-ment***	***Health***	***Comfort***
Cristallin Building B	2015	14,156	BBC renovation	***HQE® Outstanding LEED Platinum***	*Restoration of office building (Boulogne-Billancourt)* *Target factor 4 on GHG emissions before/after work* *Boulogne urban heating network* *Help with choice of construction finishes using LCA modelling* *Green roofs with different substrate thicknesses*	3	4	3	3
55 Amsterdam	2017	12,341	BBC renovation	***HQE® Outstanding LEED Platinum BREEAM Outstanding***	*Rehabilitation of a Haussmann-type building (Paris 8th)* *45% reduction in consumption (thermal regulation items) after renovation* *Implementation of energy efficiency guarantee* *Rainwater harvesting and reuse of gray water (sink wastewater) for lavatories and plant watering* *Use of bio-based and locally produced materials and 6,000 sq.m of wood wool for interior insulation* *Maximum site revegetation with a 300% improvement in BAF, award of BiodiverCity label* *Assessment of the opportunity of the WELL label*	3	3	3	3
Grande Halle	2017	20,212	RT2012-40% on the new build	***HQE® Excellent BREEAM Excellent***	*Office complex: refurbishment of an existing covered market area and construction of two new buildings* *Installation of a groundwater geothermal system coupled with 3 thermoelectric cooling pumps* *100% LED lighting* *No discharge of rainwater into the public network thanks to the creation of an infiltration basin and reuse of rainwater for lavatories and plant watering* *Wood frame for the covered market area and wood applied to the façade for the new buildings, leading to NFA of 87 dm³/sq.m of net area* *Creation of 3 gardens planted with a variety of major species (135) and accessible to tenants, "secret garden" as a sanctuary for biodiversity with insect shelters and nest boxes*	3	4	3	1
Vélizy Way		15,064	Effinergie+	***HQE® Outstanding LEED Platinum***	*Construction of new office building (Velizy)* *Overall consumption of 53.8 kWhEP/sq.m/year – RT 2012 -47%* *Installation of 65sq.m of solar panels for hot water production* *Life Cycle Analysis of the building to optimize the choice of construction finishings* *Rainwater harvesting for plant watering* *Major revegetation of the building: 200% improvement in the BAF (43.5%) by transforming an open-air car park into a 440-sq.m ecological pond and 6000-sq.m of landscaping, including a 43-tree orchard*	3	3	3	4
Garden Ouest		39,904	Effinergie+	***HQE® Excellent***	*Construction of new office building (Montigny-le-Bretonneux)* *Highly effective exterior thermal insulation – sun optimized shields – installation of solar panels for DHW production and photovoltaic panels* *Implementation of low-emission materials accredited with the most stringent labels: GreenGuard, Ange Bleu, Cygne Blanc* *Optimal comfort through effective building management: real-time consumption monitoring using the Hypervision® tool and Fireflies® comfort monitoring system (to measure temperature, indoor air quality and noise)* *Protection and transplant of existing trees – creation of grassland and hedges – establishment of snags – more than 50 plant species – 34% BAF*	3	3	3	2
Garden Ouest 2		13,848	Effinergie+	***HQE® Excellent***		3	3	3	2
Bayonne	2015	30,000	BBC	***HQE® Excellent***	*Construction of new clinic (Bayonne)* *Calculation of energy consumption (all categories)* *Wood façade* *Treatment of rainwater and runoff by phytoremediation (rain gardens)*	3	3	3	1
Javel	2015	640		***HQE® Excellent***	*Childcare center delivered as shell only* *Implementation of insulation on high-performance wood frame (RT2012 -30%)* *Airtightness target of 1 m³/sq.m.hr* *"Biosourced Building" label and Ecojardin accreditation sought*				
TOTAL SURFACE AREA (SQ.M)		**146,920**							

* *Four classification levels are possible for a passport, mentioned after HQE "Bon, Très bon, Excellent, Exceptionnel". In each theme (energy, environment, comfort, health), the level reached is expressed in number of stars (1 - the lowest level / 4 - the highest level) corresponding to the levels of certification.*

BUILDINGS UNDER DEVELOPMENT – RESIDENTIAL

Project name	Sche-duled delivery date	Net floor area	HPE (high energy performance) label obtained	*Green Building Certification/ Latest Level of Passport delivered*	*Program details*
Avray Neuf		12,345	Effinergie+	***H&E Profile A***	*Construction of new H&E residential buildings and HQE® retail stores* *Priority given to soft transport linked to natural areas (Forêt de Fausses Reposes)* *Creation of a link between the new and existing* ***buildings*** *via elevators* *RT 2012 average primary energy coefficient of 109.40 kWh/sq.m/year* *Fully planted roofs and terracing*
Avray EPHAD		52,000		***H&E Profile A***	***Program undergoing feasibility study***
Palaiseau	2015	3,000	Effinergie+	***H&E Profile A***	*Construction of new student residence* *High-efficiency dual-flow ventilation system* *Heating and DHW on the urban heat network* *Rainwater management via rain gardens*
Lock system	2015	3,560		***H&E Profile A***	*Construction of new student residence* *Heating and DHW on the urban heat network* *Class B EPC < 65 kWh/sq.m/year*
Brillat Savarin	2015	1,747	BBC renovation	***PH&E***	*Conversion of an office building into student residences (Paris 13)* *Heating and DHW on the urban heat network* *RT 2005 -30%*
Bagnolet Carnot	2015	3,745	BBC	***H&E Profile A***	*Construction of a new student residence in Bagnolet* *Heating and DHW on the urban heat network* *Class B EPC < 65 kWh/sq.m/year* *Highly airtight (<1 m^3/hr*sq.m)*
Castle Light	2016	4,500	Effinergie+	***H&E Profile A***	*Construction of a new student residence* *Heating and DHW on the urban heat network* *Class B EPC < 65 kWh/sq.m/year* *Highly airtight (<1 m^3/hr*sq.m)*
Rose de Cherbourg	2016	10,000	Effinergie+	***H&E Profile A***	*Construction of a new student residence* *LEED New Construction 2009 and BREEAM Bespoke accreditation* *Curtain wall providing good thermal insulation and airtightness* *Double-flow ventilation system with 75% recovery for a flow of 55 m^3/hr/housing unit* *Gray water heat recovery system* *240sq.m of green roofing + 48sq.m planted terracing*
Marseille Mazenod	2016	3,742	Effinergie+	***H&E Profile A***	*Construction of new student residence* *Class B EPC < 65 kWh/sq.m/year*
Charbonnel	2017	2,479	Effinergie+	***H&E Profile A***	*Construction of new student residence (Paris 13)* *Wood frame* *Gray water heat recovery system* *"Biosourced Building" label sought*
TOTAL SURFACE AREA (SQ.M)		**243,283**			

HQE® Construction is not applicable to residential properties, so no star level can be targeted.

The BiodiverCity© label is a streamlined process in support of operators committed to sustainable construction, which promotes projects that integrate biodiversity. Comprising four areas (commitment, project, ecological potential and amenities), the label attests to the compliance of the real estate project with an ecologic level of quality. It provides assurance of a project's compliance with requirements specified in a reference source. The label associated to the reference source displays the performance level achieved. BiodiverCity© is a registered trademark, owned by the International Biodiversity & Real Estate Council© (CIBI), who awards it following a project audit carried out by an independent auditor (Deloitte) of candidate companies and the evaluator.

The Well label is based on health and well-being of occupants and recognizes buildings that integrate these themes at the beginning of the design phase through to commissioning and operations. This certification complements the LEED and Living Building Challenge certifications and is awarded by the GBCI (Green Building Certification Institute). The Well label contains seven themes, Air, Water, Nutrition, Light, Fitness, Comfort and Spirit and promotes a holistic approach based on the twelve health and well-being domains including concentration, energy, physiology, rest and regeneration, stress and mood management and others. It breaks down into 85 criteria classified in the three categories of pre-requisites, optimization areas and optional optimization areas. Three levels of certification can be attained including Silver, which meets 100% of pre-requisites, Gold, which includes the Silver level + 40% of the optimization features and Platinum, including Silver + 80% of the optimization features.

7.3.2.2. OPERATION

The labeling/certification of Gecina's properties is a critically-important guidance tool for managing the Group's asset base and a key issue in materiality tests in terms of importance for Gecina's business and stakeholders expectations. The goal (defined in 2012) of having 80% of the office portfolio certified by 2016 is therefore an ambitious legitimate quest. Specific initiatives have been undertaken on residential and healthcare property portfolios which are still not covered by standards tailored to the assets held by Gecina.

Gecina chose the HQE® Operations certification to underscore its commitment and capitalize on the best operating practices developed for its property portfolio. This certification highlights the green quality of existing assets which could not, given their construction date, be initially certified. It certifies an operation focused on environmental concerns for already certified assets under construction.

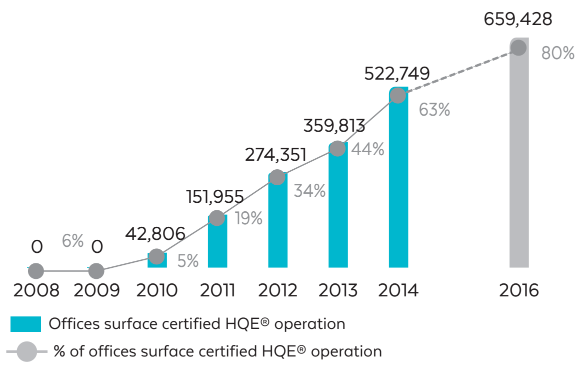
The most widespread initiative in France [13] for office property, the HQE® Operations certification represents the most appropriate reference framework for the type of Gecina's assets as well as its property management activity. The HQE® Operations certificate guarantees the quality level of the building for tenants and investors by establishing mandatory responsible management methods and improvement of environmental performance (analyzed using objective metrics) through a progress action plan. In addition, it ensures continuity in operating methods since 2010, when Gecina introduced a HQE® Operations Management System, audited and recognized for the properties assessed by Certivéa. By regularly intervening either through in-situ audit, or through documentary analysis, Certivéa assesses the system in place and checks the achievement of the established efficiency goals on a range of buildings submitted for certification. The certification of each asset is re-assessed every five years.

While version 1 (V1) of the certification standard lumps together in one profile the quality of the building and the quality of its operation, updates to the certification standards since 2013 (V2) introduces a different recognition of the buildings by now separating their intrinsic quality (Area 1) from their specific operation quality (Area 2). Gecina's asset strategy is then conveyed through three manners of actions:

1. Buildings that have an intrinsic quality that meets the standards and are operated by Gecina are submitted for certification under Area 1 and Area 2;
2. Buildings that have an intrinsic quality that meets the standards and are operated by tenants are submitted for Area 1 certification, while Area 2 certification is discussed with tenants, especially when the time comes for implementing green leases;
3. Buildings whose intrinsic quality does not meet standard requirements and cannot therefore be recognized under Area 1 are recognized at least under Area 2 if Gecina is managing their operations; for these buildings, a work plan for renovation is developed at the same time to achieve the certification, a plan which is implemented either during occupancy if possible, with the objective of avoiding any impact on tenants' businesses, or once the premises have been vacated.

Thus, in 2014, eight assets representing 160,672 sq.m joined the list of the 17 assets already certified, thereby raising the surface area of certified properties from 43.9% of the portfolio to 63% for a total surface area of 522,749 sq.m.

OFFICE PROPERTIES SURFACE AREAS HQE® OPERATIONS CERTIFIED



(13) *In France, 176 assets are certified HQE® Operations, 100 Breeam In Use and 2 Leed EBOM and 85% of them are office buildings (source: Certification in use – Five years after – OID – November 2014).*

	2010	2011	2012	2013	2014
Surface area – HQE® Operations certified	42,806	151,955	274,351	359,813	522,749
Surface area – Offices	824,466	799,673	815,758	819,582	830,091
% indicator of certified surface areas	5.2%	19.0%	33.6%	43.9%	63.0%
HQE®Operations	42,806	109,149	122,396	0	0
V2 Area 1 only	0	0	0	76,177	133,259
V2 Areas 1 and 2	0	0	0	31,929	27,412
CERTIFIED BUILDINGS	**42,806**	**109,149**	**122,396**	**108,106**	**160,672**
% of property portfolio certified in the year	5.2%	13.6%	15.0%	13%	19.4%
% of certified property portfolio	5.2%	19.0%	33.6%	43.9%	63.0%

The percentage of the certified property portfolio in the year corresponds to the percentage of surface area certified in the year. In 2014, 19% of the surface area of the property portfolio was involved in a certification initiative.

Among the eight assets certified this year, five are recognized for their intrinsic quality:

- Arcueil Village (94 Arcueil), three buildings with total floor space of 44,722 sq.m. built in 2006;
- Docks en Seine (93 Saint-Ouen), a 15,999 sq.m. building, delivered in 2013;
- Le France (13th), a 20,220 sq.m. building completed in 2003 and acquired by Gecina in 2014;
- Octant/Sextant (92 Levallois), a 38,340 sq.m. building delivered in 1996;
- Le Velum (Lyon), an 13,978 sq.m. building delivered in 2013.

In addition, three assets were recognized both for their intrinsic quality and the quality of their operation by Gecina:

- 122, rue de Réaumur (75002 Paris), a 4,858 sq.m. building renovated in 2008;
- 37, rue du Louvre (75002 Paris), an 8,027 sq.m. building renovated in 2009;
- Le Mazagran (94 Gentilly), an 14,527 sq.m. building delivered in 2003;

In 2015, le Banville (Paris 75017) a 21,822 sq.m. building, the building located at 12-14-16 boulevard du Général-Leclerc (92 Neuilly, 16,785 sq.m) and le Cristalin (92 Boulogne, 24,644 sq.m) will be submitted for operations certification.

In addition, Gecina uses standards developed with Interface that recognize quality of contributions and services in the company restaurants of its property portfolio. Among the 23 staff restaurants, 13 of which are operated by external contractors and 10 by tenants (where the building has a single tenant), seven restaurants are already involved in a green restaurant initiative and at least three others will be in 2015.

THE SPECIAL CASE OF HEALTHCARE FACILITIES OPERATIONS

No HQE® Operations certification standard exists for healthcare properties to date. As Gecina has been able to confirm the growing interest of this initiative for the purpose of significantly improving the efficiency of its assets, the Group wanted this type of standard to be developed in upcoming years. Gecina seized the opportunity of an operation under development at Orange to propose a joint collaboration to Capio, its future operator/tenant, alongside Certivéa to develop a sector-specific standard.

A first technical audit, conducted in 2014, concluded on the feasibility of such an initiative. The goal now is to seek approval from healthcare authorities to prepare certification standards that will also be implemented on the new medical clinic developed by Gecina in Bayonne for Capio. This certification will also be used by other healthcare real estate professionals, some of whom operate assets owned by Gecina and have already shown their interest.

THE SPECIAL CASE OF RESIDENTIAL BUILDINGS OPERATIONS

Only Qualitel proposes operations certification for residential buildings in France. Currently, this certification only applies to assets already recognized during construction by one of the organization's certifications. Only a portion of Gecina's student residences (recently delivered assets) can stake a claim to recognition of their operations. The feasibility of this initiative will be assessed in 2015.

7.3.2.3. GREEN LEASES AND 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 all leases since July 14, 2013 (*via* the July 13, 2010 Grenelle 2 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 avenue 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. "Gecina Lab, the CSR think-tank for assisting the company's stakeholders") – 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® Operations certification process where Gecina sets high objectives, like the 80% of assets certified by 2016 (see section 7.3.2.2. "Operations").

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 of the Mercy Argenteau building, 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 objectives.

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:

1. 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 efficiency work on equipment for which the lessor is contractually responsible;
   - review these environmental and sustainable development commitments with the participants concerned with managing the building or occupying the leased premises, especially with the building manager, maintenance companies, etc.
2. Obligations assumed by tenants (in adopting an eco-responsible attitude in the use of premises rented):
   - 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;
   - cooperate in obtaining a certification or accreditation for the building;
   - accept the constraints required for obtaining or maintaining certifications and/or accreditations.

These four 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 relate to their business,
  - the fear of having to assume major costs and constraints in return for accounting for the energy efficiency of the building and environmental objectives, especially the completion of major work on the lessor's initiative,
  - or very simply the fear of having to achieve results.

At this stage the absence of sanctions and the current market oversupply of buildings incites many of these types 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:

CHANGES IN NUMBERS OF GREEN LEASES SIGNED

Green leases signed	Nbr. of leases	Surface area (sq.m)	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
2014	77	190,634	84,929,521
TOTAL	**131**	**505,558**	**213,654,732**

For 2010-2012, the figures for rent and surface area have not been updated. These are data extracted from the years concerned.

GREEN LEASES SIGNED FOLLOWING SURFACE AREAS

At December 31, 2014	Nbr. of leases		Surface area (sq.m and %)		Rent (€ and %)	
Green leases > 2,000 sq.m	48	62.3%	398,649	63.7%	170,790,889	64.9%
Green leases < 2,000 sq.m	78	17.1%	38,121	22.0%	17,257,567	20.0%
TOTAL GREEN LEASES - SIGNED	**126**		**436,770**		**188,048,456**	

At December 31, 2014, 126 green leases were signed (compared with 51 in 2013) including 48 (31 in 2013) for surface areas exceeding 2,000 sq.m (*i.e.*, 62,3% of leases, 63.7% of surface area and 64.9% of rents corresponding to surface areas over 2,000 sq.m), excluding those green leases signed for buildings that were sold and buildings under reconstruction or being marketed.

A total of 78 leases (20 in 2013) were signed for surface areas under 2,000 sq.m (*i.e.*, 17,1% of leases, 22% of surface area and 20% of rents), including 32 (out of 122) leases in multi-tenant buildings where at least one green lease was signed for an area over 2,000 sq.m.

In conclusion, **while 17% of tenants** in surface area lower than 2,000 sq.m, **meaning for whom green contracts are not obligatory,** committed to them, **over one third of those tenants who legally must do so** did not subscribe to this type of lease, 18 months after the date they were obliged to.

In 2015, Gecina will continue its efforts to convince its tenants as the achievement of its objectives for reducing energy use and emissions must inevitably be through a shared process involving occupants, in the same way as seeking operations certification.

7.3.3. IMMATERIAL VALUE, WELL-BEING AND PRODUCTIVITY

Immaterial value, well-being and productivity
KPIs: percentage of offices with high productive efficiency (categories A, B and C)
2016 objective: 75%

It has been long established [14] [15] that various characteristics of an office building, including comfort, interior air quality, acoustic performance, the quality of fit out and workstation distribution and location influence the productivity of occupants.

Likewise, in the residential sphere, most of these factors have an impact on initially choosing a residence but also on the well-being of occupants.

Gecina decided to perform detailed monitoring on these subjects throughout its properties *via* the following themes and indicators:

- the productive effectiveness of office buildings, an indicator developed with Goodwill Management whose calculation method is detailed in section 7.3.3.1. Thermal and visual comfort (see section 7.3.3.2.), interior air quality (see section 7.3.3.3.) and noise pollution (see section 7.3.3.4.), while integrated with other themes in this indicator, have specific monitoring arrangements;

(14) Brill, Michael et al. "Using Office Design to Increase Productivity, Workplace Design and Productivity", Buffalo Organization for Social and Technological Innovation (BOSTI), 1984.
(15) Wyon, David "Predicting the Effects of Individual Control on Productivity", White Paper 960130, 1996.

- since location has an extremely important weight in productivity gains, often in the order of 50%, Gecina evaluates the portion of its commercial and residential properties located near to public transportation infrastructure (see section 7.3.3.5.);
- Gecina wishes to address the widest audience possible and evaluates areas accessible to people with reduced mobility through specific methods (see section 7.3.3.6.).

7.3.3.1. PRODUCTIVE EFFICIENCY OF OFFICE BUILDINGS

In 2013, Gecina initiated an assessment of the performance of its assets using the "productive efficiency" concept and published the results of its assessment of 74 properties. The scope of the analysis was updated to include changes to assets with regard to disposals or placing of assets into operation, and in 2014 featured 84 buildings.

The three principal managers working on office properties, the asset manager, the technical manager and their common director derived the source data for establishing this indicator and the evaluation of characteristics of each of these buildings. In 2013, the response rate was 63% as some buildings had not been evaluated by the three persons because of a rather tight implementation schedule. In 2014, the previous year's experience coupled with a better grasp of the objectives being pursued, resulted in a response rate of 100%, providing a more accurate base for the modeling stage that ensued.

This strong reaction can also be explained by the fact that these results are also considered in determining how to improve performance of assets. These data are then integrated into CSR property technical action plans (see section 7.1.4.4. "CSR scoring to assist in mapping of properties").

METHOD

Goodwill Management completed this study using the Thésaurus-Ecopolis© method. This model, which is built on a body of academic publications, was adapted for the requirements of the study. The first phase of the evaluation described above related to factors influencing productivity of occupants in buildings dealt with by the study, attributing six ratings ranging from excellent to very inadequate. The factors exerting influence were put into five categories:

1. **Physical well-being**: office area per person, thermal comfort, lighting quality, solar glare control, air and ventilation quality.
2. **Occupant tranquillity**: external view quality, proximity to natural areas, internal and external acoustic performance, quality of break areas (especially smoking areas).
3. **Motivation**: impact of the neighborhood, neighborhood safety, identity and maintenance of the building and modular nature of offices.
4. **Time wasted in the building**: rapidity of movement (vertical and horizontal flows, elevators and stairs), flexibility and speed of refits, easy access to meeting rooms, services in the buildings (restaurant, parking, concierge services, showers, etc.).
5. **Ease of access**: location, distance to and density of public transportation, proximity to shops and services.

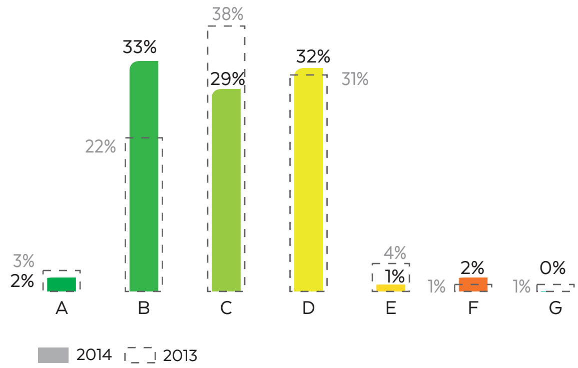
Each building evaluated boasted more or less good performance in each of the categories, which translated in the model as a variation of productivity. Productivity is defined in this study as the relationship between speed of work and cost of work. A gain of productivity of say 3% means that people can produce 3% more at constant wage costs or that their production may be invariable with a like reduction in cost of labor. Thus a gain in productivity means an increase in operating profit for the company occupying the building. In this model, the gain in productivity of a given building is calculated in relation to the features of a benchmark building with no special priority allocated to the above-mentioned criteria.

RESULTS OF THE STUDY

Results were expressed in the form of a "productivity label", similar to the 7-class environmental labeling from A to G.

Class A corresponds to a gain in productivity between 11.1% and 13% and Class G from 0 to 1.8%.

BREAKDOWN OF GECINA PROPERTIES BY PRODUCTIVE EFFICIENCY CLASS



Of the buildings under study, 65% were evaluated in Class A, B or C and provided gains in productivity of over 7%, generating significant economic gains for office users. In 2013, 63 of the buildings had been evaluated in these same classes but the increase in scope (ten additional buildings) and the far greater reliability of the initial analysis that now takes in 100% of respondents rendered any attempts at comparison irrelevant between 2013 and 2014, although this comparison can be made for 2014 to 2015 mainly due to more precise analyse and the increasing number of employees rating each asset.

BREAKDOWN OF GECINA BUILDINGS BY PRODUCTIVITY

Location has an extremely important weight in productivity gains, often in the order of 50%. Thus, some buildings show high internal gains but are penalized by their distance from the center of Paris. 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.

In 2015, Gecina seeks to share the results obtained with its peers and tenants so that initially it can improve the robustness and reliability of this indicator and subsequently recommend the principle of establishing a monitoring system for immaterial value. This concept received several expressions of interest in the initial exchanges at the end of 2014, especially at a conference set up by Gecina during the World Green Building Week 2014.

Of the buildings under study, 65% were evaluated in Class A, B or C and provided gains in productivity of over 7%, generating significant economic gains for office users. In 2013, 63% of buildings were evaluated in the same classes. This represents a variation of eight buildings.

7.3.3.2. THERMAL AND VISUAL COMFORT

Although difficult to grasp, comfort is an element that illustrates how asset quality makes itself felt in both office and residential properties and this is not communicated simply by measuring ambient temperature [16].

This theme is therefore reviewed with special focus with respect to assets developed by Gecina.

With regard to office properties, the performance program [17] states that the "Efficient" level is the minimum standard to achieve for targets 8 (hygrothermal comfort) and 10 (visual comfort) in NF HQE™ Commercial Buildings certification. With the exception of the Grande Halle project in Lyon (as regards both targets), subsequent to fitting out requirements of the premises stipulated by the future tenant, and of the 55 Amsterdam project (as regards target 10), this level is attained in all developments.

Profile A of Habitat & Environnement certification is used for students residences. This profile includes the health and comfort aspects contained in theme 6 of its contents. Where the reference guidelines are those of renovation, the certification covers comfort in three areas: the sanitary quality of residences, equipment and comfort levels of common areas, and the technical plant of residences.

In the case of existing properties, while working on the energy efficiency of a building, for example, by installing double glazed replacement windows or insulating exterior facades, 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 commercial properties, the majority of HQE® Operations buildings (15 out of 25) achieved the Very Efficient level in target 8, hygrothermal comfort. In target 10, visual comfort, nine buildings achieved the Very Efficient level and 11 the Efficient level.

Gecina identified those assets among its offices properties that will require work to improve comfort levels *via* an assessment of productive efficiency. The following table presents the results of the listing of 84 office buildings in operation [18].

Impact of the building on physical well-being	Rank awarded (1)								
	0	4	8	12	16	20	Highest rank	Lowest rank	Average rank
Comfort (heating and cooling)	Identified comfort issue	Adjustment of overall comfort level for the building	Adjustment of comfort level by floor	Adjustment of comfort level by office	Adjustment of comfort level by office, manual adjustment	Automated adjustment of optimized comfort, with possible manual adjustment provided	20 A total of 30 properties achieved this rank 48 buildings were rated with a rank of 16 or higher	0 A specific comfort problem identified in 3 buildings	14.3 50 buildings were rated with a rank higher than this average
Solar glare control	No protection, clear glass	Interior shades	Interior shades & double glazing with glare control	Double glazing with glare control & fixed sun screens	Fixed sun screens & reflective double glazing	Automatic sun screens & reflective double glazing	18 A total of 1 building in the property base was given this rank 4 buildings were rated with a rank of 16 or higher	0 21 buildings have no solar protection system, primarily Haussmannien era designs	5.1 32 buildings have a rank above this average (highly affected by the number of buildings w/o solar protection or only interior shades)
Lighting	Artificial lighting is too weak in the daytime	Artificial lighting is too weak at night	Artificial lighting is required by day in many offices	Artificial lighting is required by day in some offices	Some rare non-office areas where artificial lighting is too weak	Optimal lighting everywhere and at all times	20 A total of 9 properties achieved this rank 37 buildings were rated with a rank of 16 or higher	5.3 For one office building	13.3 42 buildings were rated with a rank higher than this average

(1) Each of the three managers consulted gives a rank of 0, 4, 8, 12, 16 or 20. An average of these three ranks is then calculated: if the ranks for an item are 8, 8 and 12, the average of these is 9.3, for example.

Comfort in the buildings of Gecina's properties also constitutes an element of dialogue with occupants.

(16) The concept of thermal comfort is closely related to personal perceptions. For example, thermal regulations set at 19°C the average temperature for occupied residential, school, office and public premises, which 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). From a different perspective, occupational medicine recommends a working environment between 22°C and 24°C with a humidity level of 40 to 60%, which is far above the limits imposed by regulations (ACMS explanatory brochure on workstation ergonomics).

(17) See section 7.3.2. "Labeling, certification and environmental performance".

(18) For listing methods, see section 7.3.3.1. "Productive efficiency of office buildings".

In commercial properties, tenant meetings are opportunities for privileged communication on the subject, especially when drawing up a green lease. The direct link with energy use leads to setting out shared action plans, such as reducing set point temperatures, which simultaneously guarantees occupant comfort and energy savings. In order to detect all malfunctions that can bear on the comfort of occupants and take action as quickly as possible in 18 sites, Gecina has implemented an IT application to handle tenant requests and to monitor related actions.

In the residential arena, comfort issues are discussed during Collaborative Rental Councils. Overall solutions on the level of all properties, concerning the relationship between comfort and operators' interest in heating operations, or specific to certain buildings, focusing on the difference temperatures in units depending on climatic exposure of facades, are reviewed during these councils. In addition, building caretakers and site staff in students residences take in tenant complaints to rapidly resolve any malfunctions.

The implementation of an extranet portal is intended to further optimize monitoring of this relation.

7.3.3.3. EVALUATION OF AIR QUALITY

Because of its importance for public health and the difficulty of identifying all the factors affecting the quality of indoor air, Gecina is continuing its action as an extension of previous years' work by:

- implementing the resources and solutions for which certain positive impact has been identified;
- adopting suitable measures in areas much less well documented to enhance available data and improve correlations;
- participating in dedicated working groups to improve knowledge on the subject.

All technical specifications have been revisited in order to give priority to the most efficient ventilation systems, the materials having the labels and certifications with the highest performances (class A+, European Ecolabel, GUT, Blue Angel, White Swan, etc.) and propagating the use of best practices (protection of materials against humidity during site work).

In new construction, these requirements have been described in commercial and students residence performance programs. Those specifications are transmitted to design teams at the beginning of a program. For work being done in operational buildings the interior finishes descriptions for private and shared areas of both company and residential buildings also integrate these requirements..

With regard to office properties, the performance program [20] states that the "Efficient" level is the minimum standard to achieve for target 11 (olfactory comfort) and 13 (health quality of air) for NF HQE™ commercial buildings certification. This level was attained for all properties under development and the majority are seeking the Very Efficient levels on these two targets.

Profile A of Habitat & Environnement certification is used for students residences. This profile includes the health quality of air contained in theme 6 of its contents. Where the reference source developed is that of renovation, certification covers comfort in three areas: the sanitary quality of residences, equipment of common areas and the technical plant of residences.

For example, the Cité Cinéma students residence in Saint Denis delivered in 2014 and certified under Profile A has a dual flow ventilation system equipped with fine particle filtration and all paint, PVC floor covering, glues and wall rendering are products with low emission labels of A+ or A, pursuant to decree no. 2011-321 dated March 23, 2011 relating to labeling of construction, wall or floor covering products and paints and varnishes, for their volatile pollutant emissions.

For the major office restructuring project located at 55 rue d'Amsterdam in the heart of the Paris business quarter, along a high traffic road, particular attention was paid to ventilation both in locating outside air intakes away from pollution sources and in the installation of filtering mechanisms. The 30 cubic meters per hour air renewal standard exceeds regulatory requirements of 25 cubic meters per hour. Gecina is reviewing the implementation of activated carbon filters as required by new labels such as the Well Building Standard to act against nitrogen dioxide and fine particles, pollutants that are common in dense urban areas. The materials prescribed meet the most restrictive labels' requirements (GreenGuard, Ange Bleu and Cygne blanc) and once a building begins operation, a process of active monitoring using Azimut™ monitoring sensors is begun to evaluate how much emissions reduction from products has been achieved and impacts on the ventilation system. These measures are valued through the certification profile by aiming for the very high performance levels for targets 11 and 13.

In commercial properties, the majority of HQE® Operations buildings achieve the Very Efficient level in target 11, olfactory comfort and target 13, health quality of air, with fourteen out of twenty-five buildings for the two targets. In target 13, three buildings achieved the Very Efficient level and two in target 11.

Gecina identified those assets in its office properties that will require work to improve comfort levels *via* an evaluation questionnaire of productive efficiency. The following table presents the results of the listing of 84 office buildings in operation [21].

(20) See chapter 7.3.2. "Labeling, certification and environmental performance".
(21) The impairment method is described in chapter 7.3.3.1. "Productive efficiency of office buildings".

Impact of construction on the tranquillity of occupants	Rank awarded[1] 0	4	8	12	16	20	Highest rank	Lowest rank	Average rank
Ventilation	No mechanical ventilation	Old ventilation system or one with defects	Old ventilation system functioning properly	Recent ventilation system	Recent high quality ventilation system	Latest generation innovative ventilation system	20 A total of 4 properties achieved this rank 23 buildings were rated with a rank of 16 or higher	0 For 10 buildings in the real estate portfolio, ventilation of building areas is based on natural ventilation systems	10.2 41 buildings were rated with a rank higher than this average
Air quality	Interior air quality problem noted by occupant complaints, headaches, odors, etc.	Mediocre fresh air renewal	Constant air renewal without fresh air filtering	Constant air renewal with fresh air filtering	Flows adapted depending on occupation and treatment of fresh air (pollen and bacteria filters, no VOC capture)	Flows adapted depending on occupation and treatment of fresh air (pollen and bacteria filters, with VOC capture)	20 A total of 3 properties achieved this rank 9 buildings were rated with a rank of 16 or higher	0 1 air quality problem identified in a building	11.0 59 buildings were rated with a rank higher than this average

(1) Each of the three persons in charge were attributed a rating equal to 0, 4, 8, 12, 16 or 20. An average was then calculated based on those 3 ratings (if the rating for one item was 8, 8 and 12 for example, the average would be 9.3…).

Since 2011, in anticipation of future regulations, Gecina carried out interior air quality measures at handover of buildings based on HQE® Performance "Evaluation of interior air quality of a new or renovated building" using a standardized methodology involving a pump system and passive measures with a Radiello tube. Gecina concluded a partnership with *Laboratoire d'Hygiène de la Ville de Paris* (LHVP) in 2013 to standardize this process.

Delivered in July 2014 and September 2014 respectively, the student residences Ciné Cinéma and Lecourbe had their air quality analyzed. The Cité Cinéma residence presented total VOC emission (average at 454 µg/cubic meter) slightly higher than guideline values of 300 µg/cubic meter, due to the use of certain paint labeled A instead of A+ and cleaning products at the end of construction. In the same manner, the use of a single flow ventilation system for the Lecourbe residence had a high impact on fine particle emissions, with PM 2.5 particles at 25 µg/cubic meter and PM 10 at 33 µg/cubic meter, higher than guidelines at delivery.

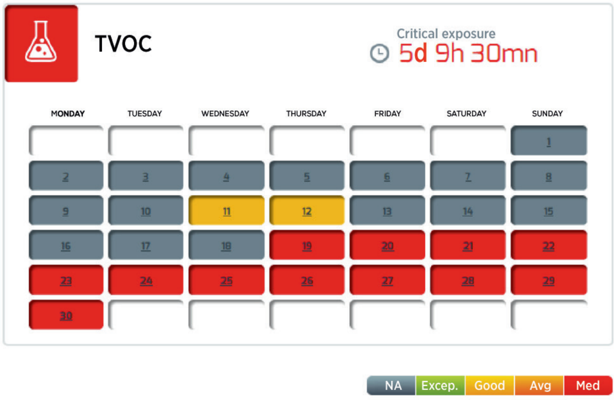
In order to evaluate the impact of materials and the role of ventilation on internal air quality, Gecina took advantage of refurbishment work in its headquarters to analyze air quality before and after construction work through the Vit'Air design office.

Samples were taken using two different methods, the regulatory method and through installation of Azimut™ monitoring sensors for a dynamic follow-up process.

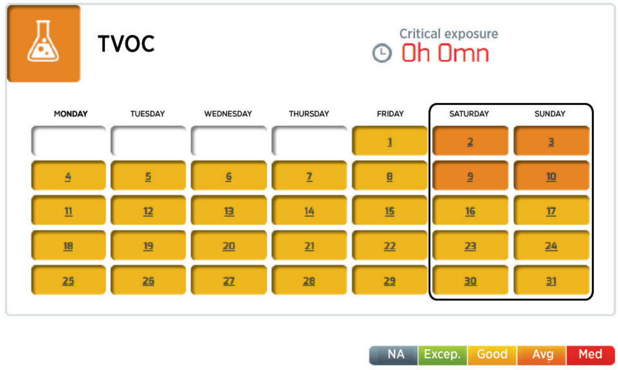
These complimentary methods provided interesting results and work trails:

- The importance of the choice of materials Products with low emissions bearing the Ange Bleu, European Ecolabel and Emicode labels were used to renovate office floors. The real-time analysis of interior air quality validated satisfactory levels one month after installation, as shown in the graph below.
- The significant role played by the ventilation system on the treatment of new air taken in and the dispersion of pollutants: The Gecina headquarters building is located in the central business district of Paris in the 2nd arrondissement and is subject to heavy exterior pollution that has a major impact on results of the analysis. The analysis showed good level of fine particles fines but an average 53.7 µg/cubic meter of NO_2, which validates the relevance of the dual flow all new air filtering fine particles, with an activated carbon filter system to deal with NO_2.
- Impact of human activities: cleaning products, perfumes, drinks consumed and the activity of occupants are behind the rather high level of formaldehyde emissions registered at 36.9 µg/cubic meter before the work. The need for optimized air flows to limit internal pollution levels is thus illustrated as important as the choice of products used to fit out the interior of the building.

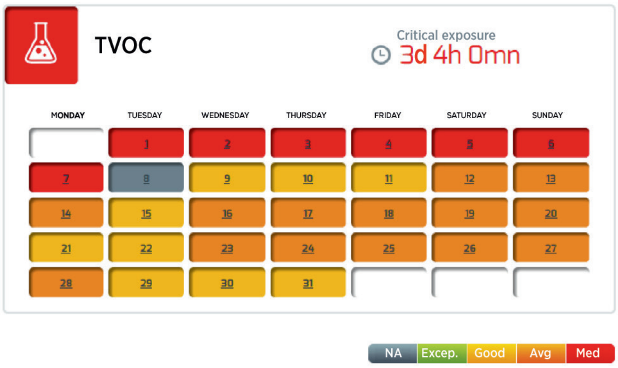
INDICATOR OF TOTAL VOLATILE ORGANIC COMPOUNDS
JUNE 2014



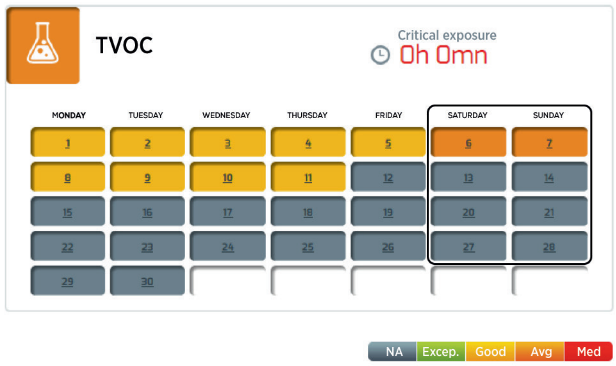
INDICATOR OF TOTAL VOLATILE ORGANIC COMPOUNDS
AUGUST 2014



INDICATOR OF TOTAL VOLATILE ORGANIC COMPOUNDS
JULY 2014



INDICATOR OF TOTAL VOLATILE ORGANIC COMPOUNDS
SEPTEMBER 2014



INTEGRATION AT THE CORE OF PROJECTS: INSPIR FOR CONTROLLING INTERIOR AIR QUALITY IAQ

Supported by a group of inter-related companies including the primary operators involved in trying to improve IAQ (Bouygues Immobilier, Green Affair, Ciat, Saint-Gobain, Médieco, Azimut, Ademe and Gecina), the project seeks to initiate a quality process that details good practices applicable to each phase of an operation to control the quality of air inside of buildings.

This work, with an initial phase involving the drafting of reference sources and a second test phase on development projects and assets in operation, will take place over 36 months and contribute to the research project "responsible buildings for 2020" launched by the Paris region ADEME.

The analyses carried out in the Gecina headquarters presented above participate in the work carried out as part of this project.

7.3.3.4. NOISE POLLUTION

The impact of the indoor acoustic environment on quality of life and comfort is important in both office and residential properties.

This theme is therefore reviewed with special focus on assets developed by Gecina.

With regard to office properties, the performance program defines the "efficient" level as the minimum standard to be achieved for "Target 9 – Acoustic comfort" of the NF HQE™ Commercial Buildings certification. This level guarantees a high degree of sound attenuation inside for tenants regardless of future fit-outs. With the exception of the Grande Halle project in Lyon, subsequent to the fitting out requirements of the premises stipulated by the future tenant, this level is attained in all property development projects.

"Profile A" of Habitat & Environnement certification is used for student residences. This level requires an acoustic treatment higher than that determined in the regulatory framework. When the renovation guidelines have been followed, certification is extended to the acoustic, as with the student residence located on the rue Lecourbe, delivered in 2014.

Regarding existing properties, while it is easy to reduce noise pollution coming from the outside by replacing windows in residences, improving indoor acoustics levels in office space requires solutions that may only be implemented in unoccupied spaces.

In the absence of exact knowledge of performance in the commercial sector, all HQE® Operations buildings are rated at the "basic" level.

Several properties developed internally by Gecina such as Newside and Magistère, whose construction characteristics were specially tooled, have obtained the "efficient" and "very efficient" levels respectively for their intrinsic operations quality.

In order to bolster knowledge of acoustic qualities in its properties that are operation-certified and to identify areas of improvement, ten assets were measured for indoor and outdoor acoustic quality.

For the other assets in its office property portfolio, Gecina identified those that will require work to improve both indoor and outdoor acoustic performance *via* an assessment of productive efficiency. The following table presents the results of the listing of 84 office buildings in operation from the property portfolio.

Impact of construction on the tranquillity of occupants	Rank awarded (1)						Highest rank	Lowest rank	Average rank
	0	4	8	12	16	20			
Indoor noise	Poor indoor acoustic insulation causing major disturbances for work	Some office areas have dismal indoor acoustic quality	Some office areas have so-so indoor acoustic insulation	Office areas are insulated, but common areas, such as entries, cafeteria, etc. have dismal indoor acoustic quality	Office areas are insulated, but common areas, such as entries, cafeteria, etc. have so-so indoor acoustic quality	No areas, be they office space, meeting rooms or common areas, are near noisy areas, such as machine rooms, heating plant, etc.	20 A total of 13 buildings in the property base achieved this rank 42 buildings were rated with a rank of 16 or higher	1.3 A total of 1 building in the property base was given this rank	13.4 45 buildings were rated with a rank higher than this average
Outdoor noise	A very noisy neighborhood and no reinforced insulation on glass surfaces	Poor attenuation of outdoor noise	Outdoor noise is attenuated but can still bother some	Area undergoing urbanization, disturbances only during work hours	Outdoor noise is very strongly reduced (no disturbance)	No outdoor noise	20 2 buildings in the property base achieved this rank 42 buildings were rated with a rank of 16 or higher	0 Only one of the company's properties is located in a very noisy quarter and has no *temporary insulation*	12.5 46 buildings were rated with a rank higher than this average

(1) Each of the three managers consulted gives a rank of 0, 4, 8, 12, 16 or 20. An average of these three ranks is then calculated: if the ranks for an item are 8, 8 and 12, the average of these is 9.3, for example.

Gecina is implementing the following additional actions in an effort to reduce disturbance to neighbors:

- "Extreme" measures are implemented each time building equipment is replaced in office buildings, to ensure that they do not impact ambient noise levels;
- controlling worksite noise *via* a Worksite Environmental Organization Charter, a standard format document of the Construction Management System and the Operations Management System adapted to each context type so as to limit noise related disturbances for both adjacent occupants and for tenants during work on occupied premises [24].

7.3.3.5. TRANSPORTATION AND CONNECTIVITY

Gecina has made it a priority to develop real estate assets close to public transportation, to include buses, metros, RER trains, tramways, trains and public bicycle rental stations.

To achieve this, it was decided that the distance between transportation infrastructure entries and building entries should not exceed 400 meters, or less than ten minute walking distance, to ensure a reasonable time period for returning home or going to work using public transportation.

(24) See section 7.3.2. "Labeling, certification and environmental performance".

In 2014, the methodology used to identify addresses became more reliable with the use of each property's GPS coordinates as an indicator.

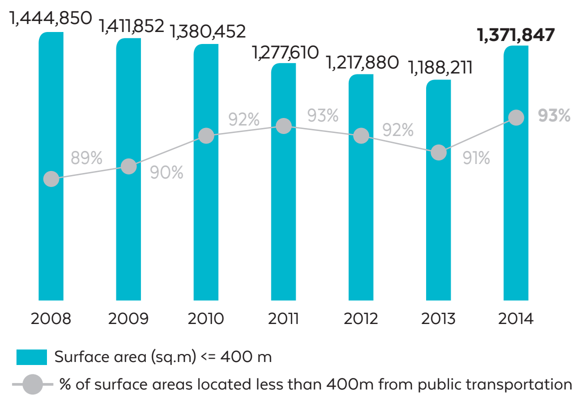
Overall, this year the Group achieved the objective of 90% of its properties sited less than 400 meters from public transportation, with 93.1% meeting this criteria, 98% of which are offices and 85% residential.

Properties newly included in the portfolio, such as the Vélum office building in Lyon, the France building in the 13th arrondissement of Paris and the two students residences, Lecourbe Paris in the 15th arrondissement and Cité Cinéma in St Denis meet this criteria.

Healthcare properties are not included within the scope of this indicator as the geographic location of these assets is intrinsically chosen for reasons other than proximity to public transportation. The preferred location of hospitals, medical clinics and other healthcare entities is near major highways and junctions, in order to facilitate logistics and access to emergency assistance.

The national network of dependent elderly facilities (EHPAD) must be built in rural areas where population density is too weak for standalone public transportation development. Gecina's properties are in line with this trend and are consequently impacted in the same manner.

ASSET CONNECTIVITY – OFFICES AND RESIDENTIAL



Furthermore, by identifying the percentage of surface area of its office properties accessible to an alternative transportation mode, *i.e.* buildings with bicycle storage, electric vehicle recharging stations and/or ridesharing parking places, Gecina is demonstrating its efforts to enhance the offer to users of virtuous transportation methods, which is an additional alternative to public transportation in the stead of CO_2 emitting transportation.

In this first exercise, 64% of offices offer the possibility to tenants to reach their places of work by one on three alternative transportation mode: 63% of offices area are accessible by bicycles, 28% by electric vehicles and 2% by carpooling.

An action plan is already committed to increase this indicator in the coming years. Moreover, in the context of the Grenelle 2 law, Gecina, as owner of office buildings, must settle infrastructure for charging parking electric and hybrid vehicles in its single-tenant buildings. Gecina is currently deploying 236 outlets – type E and allowing normal load (between 8 and 12 h) – in the nine mono-tenant assets. Thus 10% of seats parking will be dedicated to electric vehicle charging pursuant to Decree No. 2011-873 of 25 July 2011.

7.3.3.6. ACCESSIBILITY OF DISABLED PERSONS

Gecina's accessibility approach was initiated in 2010 and was extensively deployed in 2014 through:

- audits of accessibility of disabled persons in buildings, which make it possible to identify and quantify the services needed to improve accessibility;
- the definition and implementation of action plans that incorporate recommendations derived from the audits and clear objectives for meeting the company's CSR commitment.

In 2014, the Group audited 88% of the office properties, residential properties and students residencies (as at December 31, 2014).

Gecina had initially focused on wheelchair accessibility, but in 2014 it published three other types of accessibility hardships – motion impairment, visual impairment and hearing impairment – and has gradually included in its monitoring process a fifth type of disability, cognitive disability, which includes psychic and psychological disorders, primarily concerning the ease of finding one's bearings in buildings. As much as 30% of the audited property portfolio have already taken this concern into consideration. Furthermore, taking these disorders into account has led Gécina to think about a Signage Charter for its portfolio properties.

The accessibility data presented in this report were established on the basis of the provisions of the Law of February 11, 2005 and do not include the amendments made by the Law of September 22, 2014. The Scheduled Accessibility Agenda (Ad'AP) – and in particular, the simplification Decree of December 8, 2014, which reduced the technical obligations for buildings dating before 2007, should significantly improve the accessibility percentage of our properties as from 2015.

This is because the exacting acceptable dimensions have been reduced – for example, concerning door widths (80 cm instead of 90 cm) or circulation space (120 cm instead of 140 cm).

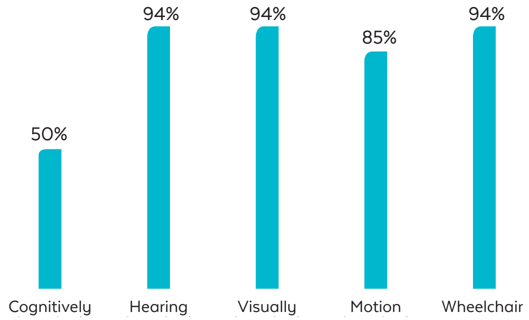
There are also new tolerances for facilities that have modified the adaptation capacity of existing buildings, such as the possibility of having a single mixed accessible toilet.

If we review our audits in the light of these new elements and assess about 30 additional buildings according to these latest rules, we should be able to significantly improve the accessibility rate of our properties, even before carrying out any appropriate work to improve accessibility.

OFFICE PROPERTIES

In 2014, 76 office properties out of 89 buildings were assessed or audited.

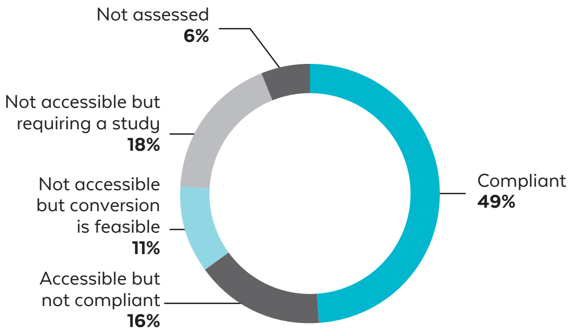
PERCENTAGE OF OFFICE PROPERTIES ASSESSED BY TYPE OF DISABILITY



The most technically restrictive disability, wheelchair accessibility showed the following results for the 76 office buildings studied:

- 28 compliant buildings;
- 18 accessible and/or convertible buildings;
- 30 buildings with at least one obstacle (elevator, main entrance, etc.) or not audited.

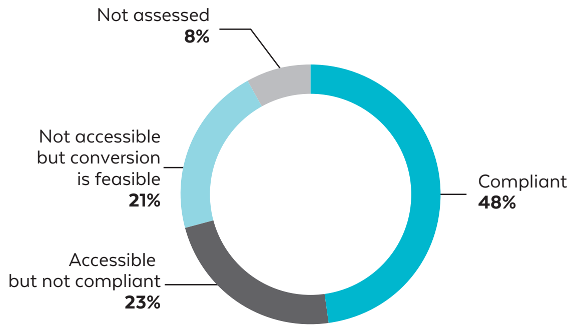
PERCENTAGE OF OFFICE PROPERTIES ASSESSED BY TYPE OF DISABILITY



This means that 654,045 sq.m or 76.3% of the office properties are compliant or convertible for wheelchair users.

RESIDENTIAL PROPERTIES

PERCENTAGE OF RESIDENTIAL PROPERTIES ASSESSED BY TYPE OF DISABILITY



In 2014, 54 out of 68 residences were audited and none of them was fully compliant or accessible.

Nevertheless, these 54 residences represent 158 stairwells, 96 of which are compliant or at least accessible for moving wheelchair users (78.5% of the stairwells examined).

For the other residences, the main obstacles, according to the 2005 standards, are elevator cabs and access to lobbies.

Visual impairment is taken into account in all the elevator cabs of the 54 buildings that are accessible or convertible in this respect.

With respect to hearing impairment, 21 elevator cabs spread over 11 buildings already comply with applicable standards. The others are all accessible and/or convertible. The problem is mainly to do with intercom and videophone systems and display in elevator cabs.

Cognitive impairment were not addressed by these audits.

HEALTHCARE PROPERTIES

The management of healthcare buildings is entirely delegated to tenants.

These facilities are considered public access buildings. They are therefore directly concerned by the Law of February 2005, having to be made compliant in terms of accessibility by December 31, 2014, and by the Law of September 22, 2014, if compliance was not been met by then (registering of an Ad'AP – Scheduled Accessibility Agenda and a work schedule over 3 to 6 years).

Of the 71 buildings, seven were built in accordance with the rules of February 2005 and are therefore compliant, while 27 of our tenants have sent us their audits for information purposes.

These audits show that the healthcare assets are currently 48% accessible. After improvement work amounting to €3 million, these 27 buildings will be 96% accessible.

7.3.4. SECURITY AND CONTROL OF RISKS

Security and control of risks
KPI: % of properties ar a "Very Efficient" or "Efficient level"
2016 objective: over 70%

The methodology for the management and control of property risks that could have an impact on security such as risks related to asbestos, lead, fire, water quality, wet cooling towers, floods, soil contamination as well as Gecina's performance in this respect are set out in section 1.7.4.1.1. "Property risk mapping".

The percentage of properties with a "Very Efficient" or "Efficient" rating was 77.7% in 2014. This represented another year-on-year improvement in Gecina's coverage of property risks (77% in 2013) and exceeded the 70% target set for 2016 for the third year running.

The share of buildings that won medals (linked to the methodology implemented) has increased progressively, as has the efficiency of buildings that have received medals: the percentage of "Very Efficient" buildings rose from 45.1% in 2013 to 49.6% in 2014. In 2014, Gecina increased its performance concerning lead-related risks in its buildings and maintained a high level of performance concerning asbestos in buildings despite the tightening of regulations on asbestos risks.

7.4. PLANET

7.4.1. CLIMATE CHANGE AND GHG EMISSIONS

Climate change and GHG emissions
KPI: GHG emissions average and % of reduction (offices and residential)
2016-2020 objective: -17 kgCO_2/sq.m/year / i.e. -40% depending on operational control of assets

7.4.1.1. CLIMATE CHANGE: RISKS AND REDUCTION STRATEGY

Gecina identifies the risks and opportunities linked to climate change that are inherent to its activity and analyzes each risk in terms of its impacts and the possible actions it can take. This approach is used again in the data reported to the Carbon Disclosure Project.

The increase in energy costs, linked to an increase in unit prices or the introduction of taxes such as the carbon tax, is a significant and direct risk which has an impact not only on the fees paid by Gecina but also on those paid by tenants. To control this aspect, Gecina has identified several solutions including, of course, the reduction of consumption (improvement in the intrinsic efficiency of buildings, better use of facilities, etc.), increased monitoring of energy purchases or the search for renewable energy sources for its buildings.

The establishment in 2016 of a bonus/malus system for residential buildings could have a direct impact on housing units and therefore on related energy costs. There again, the solutions identified continue to be linked to the energy efficiency of buildings (intrinsic and actual use) in the search for alternative power supply solutions (renewable energy).

Regulatory obligations may be perceived as a constraint as well as an opportunity for differentiation.

For example, the Grenelle 2 law requires that all new buildings built after 2020 be be positive energy buildings. There is therefore a real risk of increased construction costs since technologies and other construction methods could prove to be more complex. To prepare for this, Gecina has integrated the search for better standards into the development of its property portfolio (see section 7.3.2.1. "Construction and renovation"), to propose buildings that are efficient with respect to the control of carbon emissions. An example is the heavy reconstruction of the Cristallin building in Boulogne-Billancourt, which has attained Factor 4.

With climatic disruptions (in particular, increasingly hot summers) coupled with the ever-increasing energy needs of users, Gecina is constantly improving the management of its buildings (see section 7.3.1. "Energy efficiency and renewable energy"). It is now implementing solutions such as the flexible operation of its facilities, for example the free-cooling system installed on the VELUM building in Lyon. Consumption is thus spread over longer time slots, resulting in a reduction of final total consumption.

Gecina compiles all the actions initiated on its real estate assets and the related gains in emissions:

INITIATIVES TO REDUCE GHG EMISSIONS DETAILED FOR CDP 2014 REPORTING (ITEM CC3.3B – EXTRACTS)

Type of activity	Description of activity	Estimated annual CO_2 gains (tons eqCO_2)	Annual financial gains (in euros)	Investment required (in euros)	Time required for return on investment	Lifespan of action (years)
Low-carbon emission facilities	Renovation of the lighting of 12 sites (communal areas, car parks, elevators)	44.7	36,362	2,021,000	4-10 years	10 years
Energy efficiency: Process	4 BMS renovations	32.2	26,157	328,000	11-15 years	10 years
Awareness raising	Participation in tenants' conversion projects	6.7	5,007	500,000	25 years	10 years

7.4.1.1.1. GREENHOUSE GAS (GHG) EMISSIONS OF THE PROPERTY PORTFOLIO

Limiting global warming means combining energy efficiency and the carbon reduction of the production mix. Gecina has decided to adopt this dual approach.

Since 2008, it has implemented a greenhouse gas reduction policy, not only through the control and reduction of energy consumption, but also by integrating these criteria into the choice of energy sources for its buildings.

This "Carbon strategy" has been rolled out on office as well as residential assets.

Through its various action plans, Gecina is trying to minimize the adverse effects of its activities on the planet by reducing its CO_2 emissions. This last criterion is important when taking decisions to replace facilities, in particular. Gecina thus studies the best solution during each replacement opportunity, taking into account the emissions of the current facility and the emission projections of the future facility. For example, for energy efficiency and carbon footprint reasons, it is gradually replacing fuel oil heating systems with other systems (gas heating or collection to district heating systems). The power supply modes of Gecina's real estate assets are therefore changing with renovations as well as new building projects.

The approach and the reflection are therefore implemented at the portfolio level as a whole and no longer simply at the building level, resulting in a change in the relationship with energy providers.

Gecina is also studying green energy supply sources and is seeking the best compromise between consumption costs (for tenants) and the impact on the environment (for the planet).

The GHG Protocol breaks down the operational scope of greenhouse gas emissions of the organization into three scopes:

- **Scope 1**: direct emissions linked to the combustion of fossil fuels of resources owned or controlled by the company;
- **Scope 2**: indirect emissions linked to the purchase or production of electricity;
- **Scope 3**: all other indirect emissions, primarily emissions related to energy consumed but not controlled by the company.

EMISSIONS OF ALL PROPERTY ASSETS (OFFICES AND RESIDENTIAL) IN 2014 ACCORDING TO THE GHG PROTOCOL

Emissions (without usage)	Scope 1	Scope 2	Scope 3	Total
ton of CO_2	7,742	9,859	13,031	30,631
ton of CO_2 DDU adjusted*	9,045	11,132	13,898	34,075

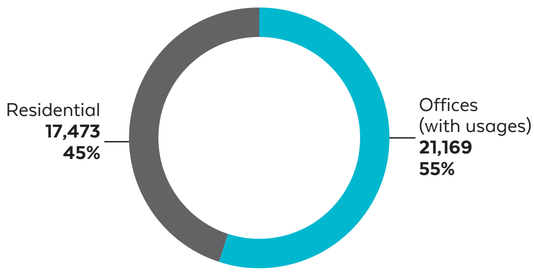
** Heating/cooling DDU adjusted for property assets.*

EMISSIONS OF ALL PROPERTY ASSETS (OFFICES AND RESIDENTIAL) ACCORDING TO FRANCE GBC RECOMMENDATIONS

Emissions (with usage)	Corporate	Businesses	Stakeholders	Total
ton of CO_2	211	19,641	15,345	35,196
ton of CO_2 DDU adjusted*	233	22,379	16,030	38,642

** Heating/cooling DDU adjusted for property assets.*

BREAKDOWN OF GHG EMISSIONS ACCORDING TO THE TYPE OF ACTIVITY (ton of CO_2 DDU adjusted)



CO_2 INTENSITY OF PROPERTY ASSETS

2014	Offices	Residential
Numbre of properties	78	65
Reference surface area by sq.m	813,170	516,443
Number of occupants	46,416	25,822
kg of CO_2	14,992	15,639
kg of CO_2 per occupant	0.3	0.6
kg of CO_2 DDU adjusted	**16,603**	**17,473**
kg of CO_2 DDU adjusted per occupant	**0.4**	**0.7**

This year, Gecina has published the CO_2 emissions of its assets by taking into account the occupancy of its buildings. The number of occupants is calculated on the same bases as those used for the breakdown of Gecina's cash flows per stakeholder for 2014 (see section 7.6.1.1. "Breakdown of the value created by Gecina").

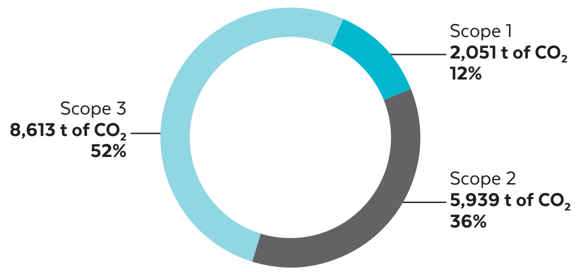
7.4.1.1.2. GREENHOUSE GAS (GHG) EMISSIONS OF THE OFFICE PORTFOLIO

EMISSIONS OF OFFICE PROPERTIES IN 2014 ACCORDING TO THE GHG PROTOCOL

Emissions (without usage)	Scope 1	Scope 2	Scope 3	Total
ton of CO_2	1,757	5,415	7,820	14,992
ton of CO_2 DDU adjusted*	2,051	5,939	8,613	16,603

** Heating/cooling DDU adjusted.*

BREAKDOWN OF OFFICE PROPERTIES' GHG EMISSIONS PER SCOPE (AT CONSTANT CLIMATE)



The greater part of emissions of the commercial portfolio is from energy consumed outside Gecina's control (Scope 3). Gecina's action can thus be assessed on only 48% of the total emissions generated by its assets.

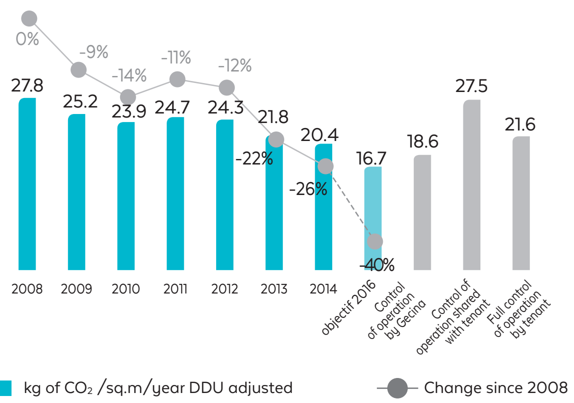
The change in CO_2 emissions adjusted for the climate effect shows a gain of 4.8% between 2013 and 2014, bringing the reduction of emissions to 26.5% since 2008.

This result is not only linked to the gains recorded on energy consumptions (see section 7.3.1.2. "Energy efficiency of the property portfolio"), but also to the change in the energy mix of the property portfolio, since Gecina gives priority to low-carbon energy sources, in particular during heavy building reconstructions (*e.g.*, connection to the CPCU and ClimEspace network of the Magistère buildings delivered in 2012 and 55 Amsterdam undergoing construction).

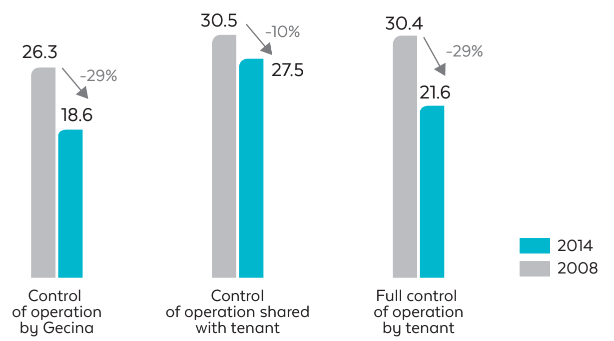
CHANGE IN GHG EMISSIONS OF OFFICE PROPERTIES

Without usage	2008	2009	2010	2011	2012	2013	2014	Control of operation by Gecina	Control of operation shared with tenant	Full control of operation by tenant
Number of assets	83	78	78	78	74	78	78	51	16	11
Reference surface area by sq.m	683,952	650,412	650,412	650,412	621,749	744,641	813,170	531,758	110,255	171,158
ton of CO_2	18,998	16,839	17,855	15,084	14,548	17,763	14,992	12,037	3,557	3,964
kg of CO_2 /sq.m/year	**27.8**	**25.9**	**27.5**	**23.2**	**23.4**	**23.9**	**18.4**	**22.6**	**32.3**	**23.2**
YoY change	0.0%	-6.8%	6.0%	-15.5%	0.9%	1.9%	-22.7%	-,	-,	-,
Change since 2008	0.0%	-6.8%	-1.2%	-16.5%	-15.8%	-14.1%	-33.6%	-14.3%	5.8%	-23.8%
ton of CO_2 DDU adjusted	18,998	16,412	15,528	16,089	15,126	16,199	16,603	9,866	3,034	3,704
kg of CO_2 /sq.m/year DDU adjusted	**27.8**	**25.2**	**23.9**	**24.7**	**24.3**	**21.8**	**20.4**	**18.6**	**27.5**	**21.6**
YoY change	0.0%	-9.2%	-5.4%	3.6%	-1.7%	-10.6%	-6.1%	-,	-,	-,
Change since 2008	0.0%	-9.2%	-14.1%	-10.9%	-12.4%	-21.7%	-26.5%	-29.7%	-9.8%	-28.8%

AVERAGE OF GHG EMISSIONS (2008 DDU ADJUSTED) – OFFICE PROPERTIES



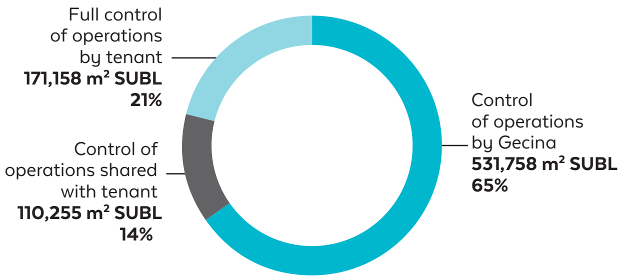
2008/2014 CHANGE IN GHG EMISSIONS (AT CONSTANT CLIMATE) BY OPERATIONNAL CONTROL (kg CO_2/sq.m/year)



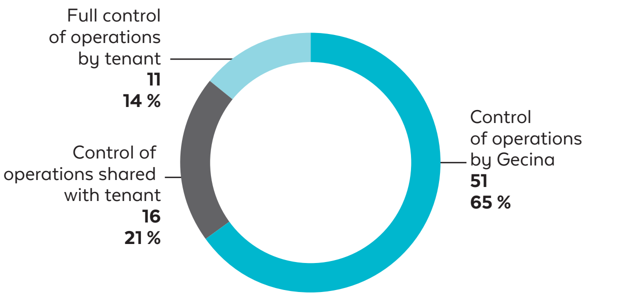
The sharpest drop is in buildings where Gecina has full control of operations, with a drop (at constant climate) of 29.7% since 2008.

BREAKDOWN OF ASSETS BY GECINA'S OPERATIONAL CONTROL

By surface area and % of surface areas



By number of assets and % of assets

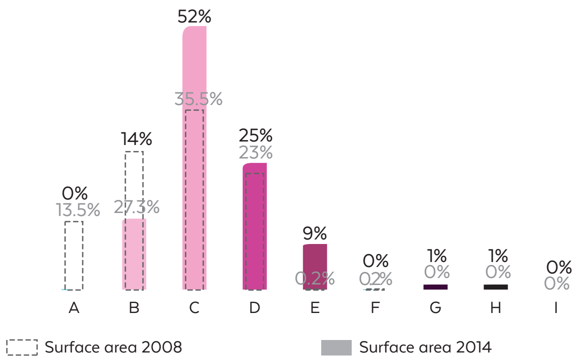


Between 2008 and 2014, the percentage of buildings with E to H labels dropped from 34% to 5% showing Gecina's efforts to improve the efficiency of its assets, especially in the increase of buildings rated class A to D (95% of its assets in 2014 compared with 67% in 2008).

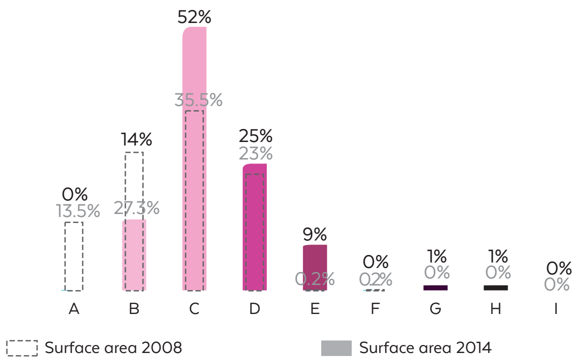
Climate labels for commercial assets benefit from a predominantly electrical energy mix, with low carbon emissions.

BREAKDOWN OF OFFICE PROPERTIES BY CLIMATE LABEL

By number of assets



By surface area



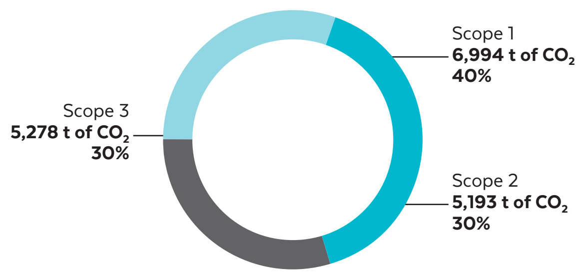
7.4.1.1.3. GREENHOUSE GAS (GHG) EMISSIONS OF RESIDENTIAL ASSETS AND STUDENT RESIDENCES

EMISSIONS OF RESIDENTIAL PROPERTIES IN 2014 ACCORDING TO THE GHG PROTOCOL

	Scope 1	Scope 2	Scope 3	Total
t of CO_2	5 985	4 444	5 211	15 639
t of CO_2 DDU adjusted*	6 994	5 193	5 285	17 473

** Heating/cooling DDU adjusted*

BREAKDOWN OF RESIDENTIAL PROPERTIES' GHG EMISSIONS PER SCOPE (AT CONSTANT CLIMATE)



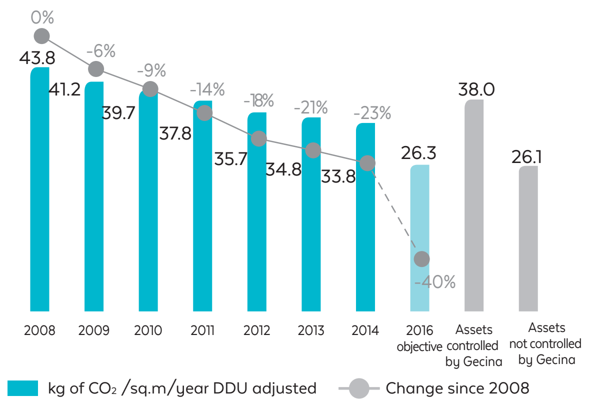
Gecina's choices of energy sources for its residential buildings have an impact on 70% of the total emissions of these assets (Scopes 1 and 2 combined). The decisions to change the energy mix or carry out energy savings works therefore have a strong impact on all these CO_2 emissions.

There are clearly larger gains in CO_2 (a 22.8% reduction) than energy (a 15% reduction) because the consumption scope comprises only heating and domestic hot water, which are mostly produced from fossil fuels, for which the conversion to lower carbon energies is in direct correlation with the level attained. 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.

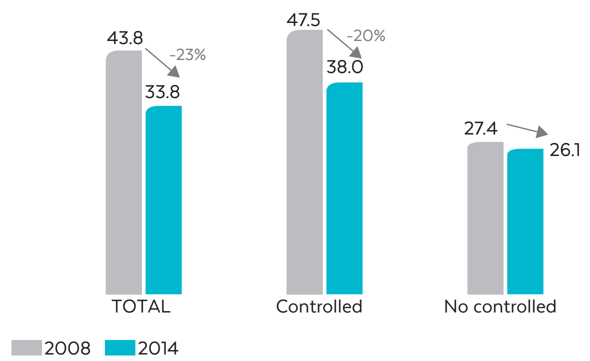
CHANGE IN CHG EMISSIONS OF RESIDENTIAL PROPERTIES

	2008	2013	2014	2014 Businesses	2014 Stakeholders
Number of assets	128	67	65	31	34
Reference surface area by sq.m NFA	885,892	503,467	516,443	334,105	182,338
ton of CO_2	38,818	17,541	15,639	10,873	4,766
kg of CO_2/sq.m/year	**43.8**	**34.8**	**30.3**	**32.5**	**26.1**
YoY change	0.0%	-2.5%	-13.1%		
Change since 2008	0.0%	-20.5%	-30.9%	-30.8%	-3.2%
ton of CO_2 DDU adjusted	38,818	17,541	17,473	12,707	4,766
kg of CO_2/sq.m/year DDU adjusted	**43.8**	**34.8**	**33.8**	**38.0**	**26.1**
YoY change	0.0%	-2.5%	-2.9%		
Change since 2008	0.0%	-20.5%	-22.8%	-19.1%	-3.2%

AVERAGE OF CHG EMISSIONS (AT 2008 CONSTANT CLIMATE) – RESIDENTIAL PROPERTIES



2008/2014 CHANGE IN CHG EMISSIONS/SQ.M/YEAR DEPENDING ON GECINA'S OPERATIONAL CONTROL (AT CONSTANT CLIMATE)

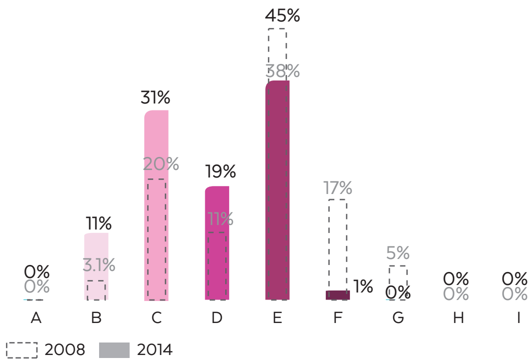


Between 2008 and 2014, the percentage of buildings with E to H labels dropped from 66.5% to 36.9% showing the improvements made by Gecina on its assets, especially in the increase of buildings rated class A to D (33.5% of its assets in 2014 against 63.1% in 2008).

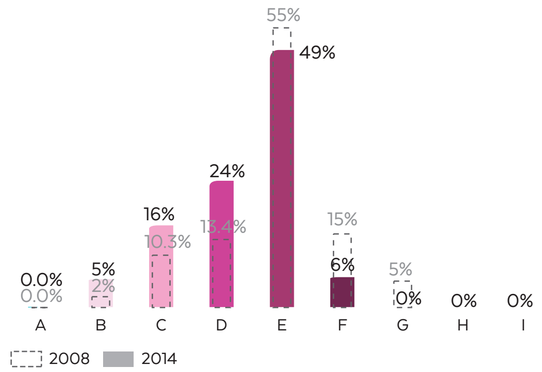
Climate labels for commercial assets benefit from a predominantly electrical energy mix, with low carbon emissions.

BREAKDOWN OF RESIDENTIAL PROPERTIES BY CLIMATE LABEL

By number of assets



By surface area



7.4.1.2. CLIMATE CHANGE: ADAPTATION STRATEGY

The real estate sector is directly impacted by global warming. The increase in the number of extreme events related to this phenomenon has a definite effect on buildings [25]:

- existing buildings: Severe storms, floods and forest fires lead to more repairs and even reconstruction, and impact insurance costs. The growing number of heat-wave [26] days also affects air-conditioning requirements and increases energy loads while unit costs are rising;
- buildings under development: The risk of increased rainfall encourages local authorities to require harvesting or even infiltration of rainwater, which requires land space and limits areas for construction. New ways to design and build must be devised to adapt buildings to deteriorating climate conditions while preserving occupant comfort and limiting energy requirements. The increase in the number of bad weather days also poses a risk of construction delays.

The location of the assets therefore becomes crucial when assessing their potential vulnerability. Gecina's property holdings are primarily located in high-density city centers (Paris, Lyon, Bordeaux, Marseille, Lille) and therefore are severely impacted by all these issues.

By analyzing its risk map (see 1.7. "Risks"), Gecina has introduced stricter specifications based on the extent of the constraints at each location and is implementing anticipatory measures to guard against risks such as flooding (application of the model of the 1910 Great Flood of Paris) or natural disasters. In addition to ensuring that the properties themselves are more resilient to major disasters, scenarios are prepared, under the authority of a duly constituted disaster unit, detailing what needs to be done to mitigate the consequences and costs of such disasters and facilitate the restart of operations.

With regard to new construction, Gecina has already implemented a number of measures to limit the effect of global warming and urban heat islands, such as green roofs (see chapter 7.4.3.2. "The added value of a building that integrates biodiversity") and building envelopes with priority given to reflective colors.

Looking ahead, and in light of the pessimistic forecasts of the consequences of an expected average increase in global temperature of more than 2°C (see the IPCC Fifth Assessment Report), Gecina will be launching a more in-depth study to analyze what needs to be done (technically and managerially) to adapt its property assets to these future events. For example, it seems unrealistic to Gecina to imagine a future where a building would not be cooled to counteract the heat spikes expected to result from an average global temperature increase of over 4°C. This would mean temperature spikes in the Paris region significantly above 40°C, equivalent to the climate of Granada or Rabat.

The challenge will therefore be to anticipate what future investment will be required to optimize performance and keep control of expenses, not just those related to energy but also to building servicing and maintenance, and ensure that Gecina's buildings are comfortable for tenants.

(25) According to Climate change: implications for buildings – University of Cambridge, BPIE, GBPN, WBSCD.

(26) Green Paper: Assessment of climate issues, Île-de-France region, July 2010: On average, the Île-de-France region currently experiences one heat-wave alert day (over 35°C) per year, with 10 one-day spikes in 2003. During the second half of the 21st century, there will be an average of between two and eight days per year depending on the scenarios, with spikes of up to 40 days. The increased frequency of heat waves is one of the main climate risks facing our property portfolio in the Île-de-France region.

7.4.2. NATURAL RESOURCES AND WASTE

Natural resources and waste
KPI :% of delivered buildings having undergone an LCA during the year
2016 objective: 100%

7.4.2.1. ECO-DESIGN

The design and construction of low energy buildings (BBC – *bâtiments basse consommation*) has brought to light the increase in requirements of construction materials needed to reduce energy use during operation, to include thickness of insulation, more complex outside windows and doors, awnings, etc. This change implies taking into account the overall impact of buildings throughout their lifecycles, both in terms of gray energy [(27)] and of the generation of dangerous waste products, air and water pollution or eutrophication (an excess of nitrogen, phosphorous, etc.) of environments, with indicators determined by Life Cycle Analyses (LCA).

Gecina is aware of the need to assimilate these new preoccupations and is developing increasingly virtuous buildings. It has been carrying out LCA since 2011 on its entire stock of properties in development, in addition to other processes such as actual energy use of a building with dynamic energy simulations.

PARTICIPATE IN DEDICATED WORKING GROUPS TO BETTER ASSIMILATE THE SUBJECT AND TO IDENTIFY SOURCES OF PROGRESS

Gecina started off doing LCA by participating in the two HQE Performance (2011-2013) test phases, with the 2013 edition concentrating on the Vélizy Way and Garden West buildings (two new structures in Vélizy and Montigny, respectively), the Cristallin Bâtiment B (restructuring of a building in Boulogne Billancourt) and the Lecourbe students residence (which was a Paris office building converted into students residences).

This CSTB-guided project sought to achieve multiple objectives including raising awareness among participants to the process, methodology, development of tools, modeling and building data standardization. It produced very encouraging initial results (see graph below), which fortified Gecina's determination to integrate LCA into all of its development projects as a design tool.

2010-2011/2012-2013 SAMPLES' SUMMARY OF HQE® PERFORMANCE EXPERIMENTATION RESULTS (DURATION OF ANALYSIS / REFERENCE PERIOD OF STUDY / ESTIMATED USEFUL LIFE: 50 YEARS)

		Use of energy and water			Pollutant emissions	Production of waste		
Contributor	Correspondence with EN 15978 standard	PE (kWh/sq.m /yr)	NRE (kWh/ sq.m/yr)	Water (l/sq.m/yr)	GHG (kg eqCO2/sq.m/ yr)	Inert (kg/sq.m/yr)	Non-hazardous (kg/ sq.m/yr)	Hazardous (kg/ sq.m/yr)
6 TOTAL CONTRIBUTORS	[modules A-B-C]			(l/sq.m/yr)		(kg/sq.m/ yr)		
or in %								
Jobsite	[module A5]	2%	2%	1%	5%	60%	0%	1%
Water	[module B7]	0%	0%	50%	1%	0%	0%	40%
Energy - RT stations	[module B6]	27%	27%	8%	15%	1%	4%	1%
Energy - specific to construction	[module B6]	12%	12%	7%	6%	0%	3%	1%
Energy - specific to business	[module B6]	40%	42%	22%	17%	0%	12%	2%
Products & equipment	[modules A-B-C]	18%	16%	11%	56%	38%	80%	56%

This graph presents the results of LCAs carried out by HQE® Performance experiments for 2010-2011 and 2012-2013, summarizing the impact of commercial buildings in terms of primary energy, non-renewable energy, water use, climate change, inert waste, as well as non-hazardous and hazardous waste by item for a life cycle of 50 years. Products and equipment generate 80% of non-hazardous waste and 40% of primary energy used is related to building operations, compared to 27% for items specific to French thermal regulation RT 2012.

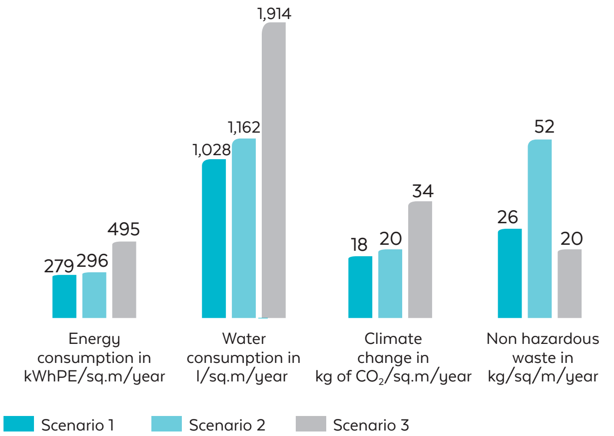
(27) Gray energy: energy needed for the extraction, transformation, transportation and end of life cycle of the materials used in buildings.

As an extension of this concept, in 2014 Gecina participated in the Paris area LCA community project steered by IFPEB (French Institute for Energy Performance in Buildings), ADEME (French Agency for the Environment and Energy) for the Paris region and Ekopolis. It was through this forum for discussing good practices that Gecina optimized LCA integration into two projects selected as its contribution to the community efforts, the Cristallin Building B project and Vélizy Way.

The Cristallin building was modeled three ways by CSTB according to the following scenarios:

- Scenario 1: A rehabilitation project;
- Scenario 2: Demolition and construction of a new structure;
- Scenario 3: Conservation of the existing building.

COMPARISON OF THE THREE SCENARIOS' ENVIRONMENTAL IMPACTS FOR THE ALL LIFE CYCLE OF THE BUILDING (Estimated useful life: 50 years)



The above graphs compare the impact of the three scenarios in terms of non-renewable energy use, water use, climate change and generation of non-hazardous waste. Scenario 2 uses slightly more energy and water and emits more GHG than scenario 1 due to the new materials implemented. It also generates more waste through demolition and rebuilding.

These results confirmed Gecina's choice of refurbishing the property causing a lesser environmental impact, which had been its original intention because the existing structure corresponded to Gecina standards of clear available height and had the advantage of allowing refurbishing work in an occupied space, with a commercial tenant active on the ground floor.

Apart from the technical difficulties in modeling buildings and difficult overlap of project scheduling, the community modeling efforts enhanced experience feedback and illustrated the requirement for developing a methodology for existing buildings, now the task of a working group steered by HQE Performance.

THE BUILDING AT 55 RUE AMSTERDAM: A SPECIFIC EXAMPLE OF ECO-DESIGN

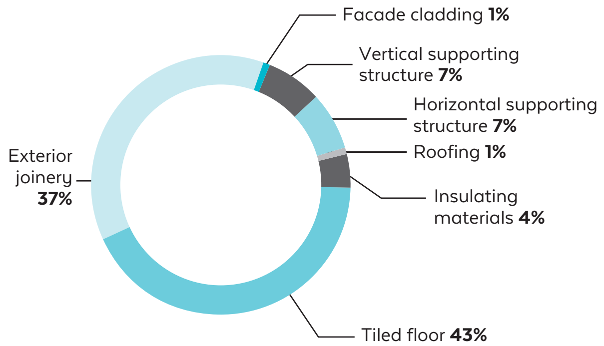
The building at 55 rue Amsterdam in the 8th arrondissement of Paris dating from the 1930s underwent major reconstruction upon the departure of a tenant and Gecina's decision to produce a building with the highest standards. In addition to the triple environmental certification of HQE® Exceptional, LEED Platinum and BREEAM® Outstanding labels targeted for this project, particular attention was paid to choosing construction materials that would reduce environmental impacts.

To simplify modeling results and to identify the highest impact areas, the 15 impacts of an LCA were grouped into three categories:

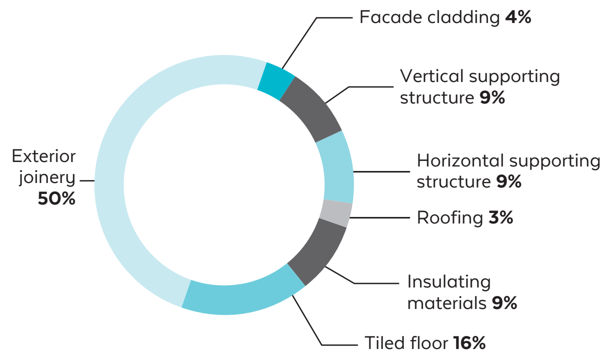
- resources (consumption of energy resources, using up of resources and total water use);
- waste;
- air and water pollution.

DISTRIBUTION OF ENVIRONMENTAL IMPACTS

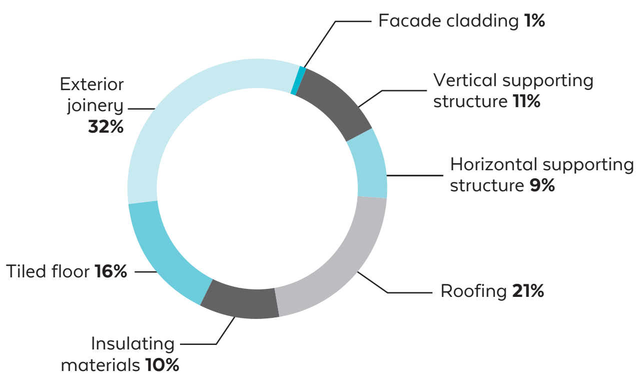
Resources



Waste



Air and water pollution

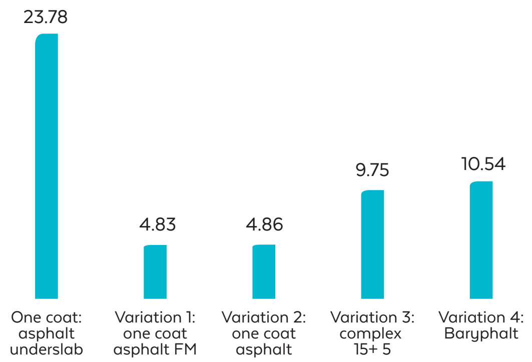


The structural, facade and floor cover components were identified as having the greatest impacts. Exterior doors and windows, waterproofing of the roof, internal thermal and acoustical insulation and office floor systems were analyzed carefully.

Two solutions were recommended to improve environmental performance:

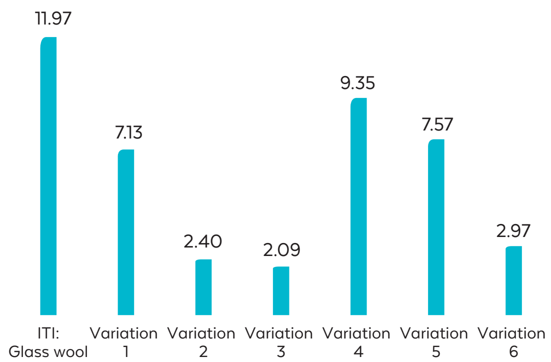
1. Replace the watertight system with a single-layer bituminous system to divide the environmental footprint by five, at equivalent cost and technical performance.

COMPARISON OF THE IMPACT OF TECHNICAL WATERTIGHT SOLUTIONS IN TERMS OF GRAY ENERGY



2. Replace the originally planned interior fiberglass insulation with wood wool, dividing the environmental footprint of insulation by four.

COMPARISON OF THE IMPACT OF TECHNICAL INTERNAL INSULATION SOLUTIONS IN TERMS OF GRAY ENERGY



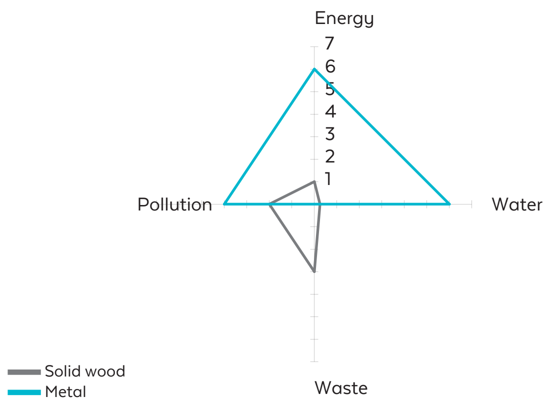
That graph above presents gray energy levels of the various insulation substances proposed. Options 2 and 3 were discarded for technical reasons: acoustical insulation was too low and wood wool added a major cost factor while the health quality of the fabrication method of cellulose wadding was lower. The various choices reduced the "products and materials" portion of the building's environmental impact by 40 to 70% with relation to a demolition/rebuilding option for a new building.

Armed with this experience, Gecina anticipated the construction choices of its other projects through a per-phase planning process:

- in the sketching phase: modeling and choice of structure;
- in the final design phase: modeling and choice of technical equipment;
- in the plans phase: modeling and choice of finishing products.

This method caused Gecina to opt for a wood structure for its Grande Halle project in Lyon, with wood frame construction, a concrete-wood mix for the hall and wood facades for the two buildings (see graphs below). In order to even further limit the environmental impacts of wood frame construction, the wood in use will come from an eco-managed, FSC- or PEFC-certified forest, either untreated or treated with a CTB P+ certified product.

COMPARISON OF IMPACTS OF FACADE FRAMING IN SOLID WOOD OR STEEL STRUCTURE



A wood frame structure exerts significantly lower impact than steel structures, despite the generation of large amounts of scrap from cutting and treatment of wood; the scrap, however, can be largely recycled for products in other sectors.

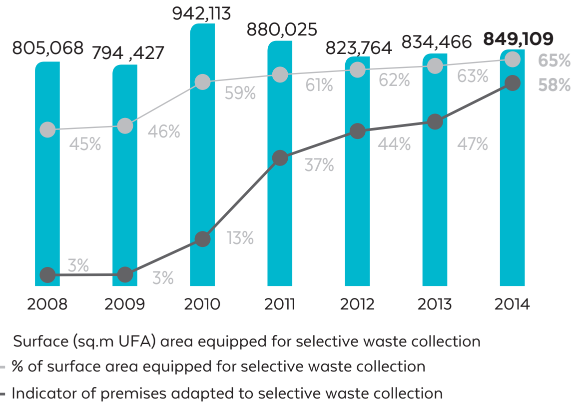
7.4.2.2. WASTE MANAGEMENT

Areas equipped to accommodate selective collection of waste increased on the average by 1.9% in 2014 with changes in property portfolio impacting the figures. The negative impact (-15%) of sales of residential buildings equipped with selective waste collection was offset by the development of collective waste facilities in office properties (a 23% increase in areas thus equipped for a 7% growth in the office property portfolio).

CHANGE IN PROPERTIES SURFACE AREAS EQUIPPED FOR SELECTIVE WASTE SORTING

	2008	2009	2010	2011	2012	2013	2014
Surface area equipped for selective waste collection	805,068	794,427	942,113	880,025	823,764	834,466	849,109
Surface area – Offices and residential properties (sq.m)	1,796,920	1,730,369	1,611,339	1,451,906	1,329,324	1,323,048	1,306,220
% of surface area equipped for selective waste collection	**44.8%**	**45.9%**	**58.5%**	**60.6%**	**62.0%**	**63.1%**	**65.0%**
Surface area equipped with premises outfitted for selective sorting	54 894	54 894	215 471	533,262	590,032	622,850	760,457
% of surface area equipped with premises outfitted for selective sorting	**3.1%**	**3.2%**	**13.4%**	**36.7%**	**44.4%**	**47.1%**	**58.2%**

DETAILS OF SELECTIVE WASTE COLLECTION FOR OFFICE PROPERTIES



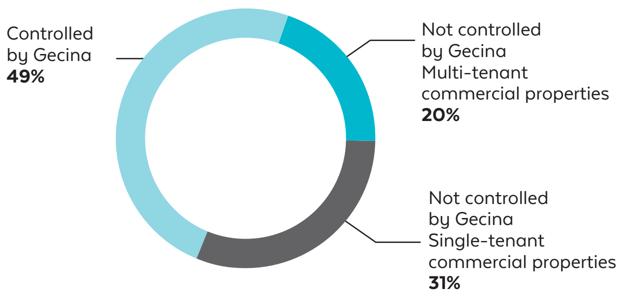
Areas equipped with a structure adapted to selective waste collection showed a strong gain of 11% and thus demonstrates Gecina's determination to facilitate sorting in its buildings, the only way to improve waste recycling.

In commercial properties, surface area in buildings with a selective waste collection contract managed by Gecina grew by 6.5% (from 42.9% to 49.4%).

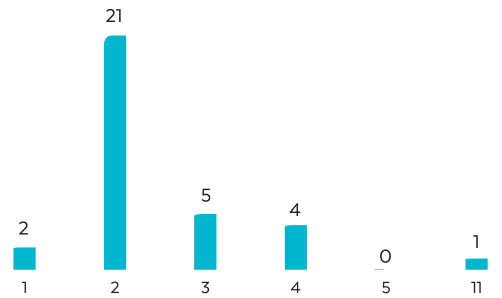
In addition, 20% of remaining surface areas are multi-tenant buildings in which Gecina is reviewing the installation of collective waste collection and the development of sorting facilities.

The last 31% are buildings where operations are managed by the single tenant who contracts waste collection individually.

PROPORTION OF BUILDINGS AS A FUNCTION OF OPERATIONAL CONTROL OF WASTE RECYCLING CONTRACTS



SUMMARY TABLE OF NUMBERS OF BUILDING BY NUMBER OF WASTE RECYCLING NETWORKS



In its head office, Gecina sorts eleven types of different waste [28] and seeks to implement the good practices of this building throughout its portfolio (see section 7.1.3.4.3. "Focus on the exemplary head office, illustration of the responsible building").

(28) Office paper, cardboard, batteries, plastic bottles and cups, cans, WEEE, ink cartridges and toners, NHIW, glass, Nespresso coffee capsules and food waste.

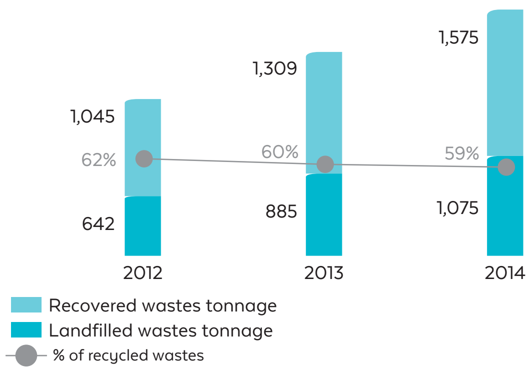
In staff restaurants in its buildings, Gecina works with operations companies and is embarking on the recycling of biodegradable waste products in sectors working in that area, as illustrated by the pilot process implemented in its head office in December 2014 (see section 7.1.3.4.3. "Focus on the exemplary head office, illustration of the responsible building").

Students residences have been equipped with mechanisms for recycling bottle stoppers.

In order to coordinate all of these actions and to support Gecina in determining its waste policy, a consulting contract was awarded to Inddigo. In the wake of audits and surveys completed in 2014 on commercial and residential properties, the following opportunities and paths for improvement were identified:

- improvement and harmonization of contracts;
- customization and supply of bins;
- pooling of waste collection internally in small buildings;
- communication about collection systems and good practices to reduce waste production;
- implementation of a reporting system for volumes and/or quantity of recycled waste by sector to share the results of actions carried out with tenants and users.

CHANGE IN PROPORTION OF RECOVERED WASTES



7.4.3. BIODIVERSITY

Biodiversity
KPI : average biotope area factor of properties
2016 objective: –

7.4.3.1. GECINA'S BIODIVERSITY STRATEGY: NATURE IN THE CITY

As all progress and individual or collective actions achieved by Gecina cannot legitimately be dealt with and included in this reference document, a specific report co-produced with the primary stakeholders has been prepared this year on this subject. This report is available at the following address www.gecina.fr in Responsability headings.

One of the major impacts of real estate on biodiversity, either through construction or operation of buildings, is urban sprawl, a subject addressed in exchanges between Gecina and its expert stakeholders second Stakeholders Committee meeting on July 24, 2014 (see section 7.1.2.3. "The Gecina Stakeholder Committee").

Gecina operates in major city centers (like Paris, its first rim and Lyon) where it minimizes its negative impact on biodiversity by developing new assets through the re-urbanization of decaying areas or ones in disarray (such as Beaugrenelle, 75 Gerland and the Girondins commercial area). It also restructures assets (the 55 Amsterdam and 122 Général Leclerc buildings) and changes building use (the Lecourbe or Auguste Lançon buildings converted to student residences).

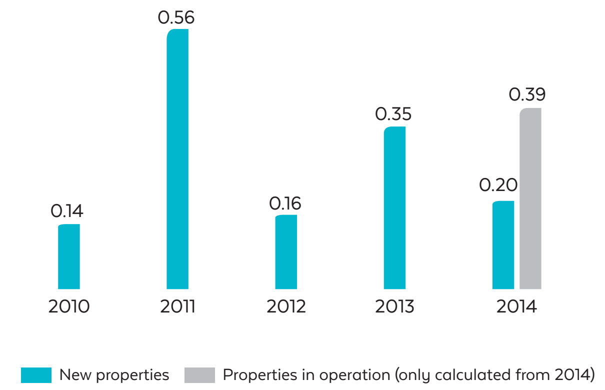
Located in city centers with barely any vegetation, 50% of Gecina's properties nonetheless have the advantage of being close to ecologically interesting species and habitats, as illustrated in the company's biodiversity mapping completed with the help of the biodiversity consultant Gondwana in 2011. This analysis reinforced Gecina's conviction of its capacity to contribute to the preservation and creation of ecological continuities in the form of green and blue belts, a basic element of its biodiversity strategy. The strategy is laid out over three areas with ten commitments and was prepared with the support of Gondwana in 2012. It is the end of a lengthy period of consideration carried out in four phases: biodiversity mapping of properties, biodiversity audits of representative buildings, interviews with internal and external stakeholders and preparation of biodiversity indicators. The table below shows progress of the action plans linked to this strategy.

GECINA'S BIODIVERSITY ACTION PLAN PROGRESS

Commitment	Actions carried out	Actions to be carried out in 2015
1. Integrate biodiversity in the Gecina responsible management system	Biodiversity integrated into specifications for construction of commercial buildings and student residences (Campuséa). A new landscaping contract prepared for commercial buildings' green areas.	Integrate biodiversity into construction specifications for healthcare properties, especially in "Therapeutic gardens" programs. Finalize and formalize specifications for landscaping design applicable to all properties Review maintenance contracts for residential landscaped areas with regard to the Ecojardin label
	GT biodiversity in existence since 2012	Replace internal GT biodiversity by business line committees
	BAF indicator used for new and existing properties	Initiate a measuring campaign of surface area of residential properties to make BAF calculations reliable
2. Develop a biodiversity mentality internally	The "Building & Biodiversity" conference set up during the Green Building Week	Set up training programs to develop skill levels of technical managers in biodiversity themes (2 courses, 2 hrs + ½ day in the field) Set up an awareness morning for all employees
	Use of Gecina Intranet with areas dedicated to biodiversity	Continue the Intranet biodiversity watch and update tools
3. Display Gecina's commitment to biodiversity	Integrate biodiversity into communications: done systematically, pamphlets in buildings	Draft the handbook for Gecina's diversity strategy Submit three sites for Ecojardin certification Install Ecojardin certification labels on approved sites
	Organize or participated in biodiversity events: regularly done, in 2014 the Natureparif colloquium, Assisses de la biodiversité, etc.	Participate in biodiversity events in 2015 such as Assisses de la biodiversité, MIPIM, etc.
4. Carry out an ecological diagnostic on sites with major biodiversity issues	4 LPO audits carried out in 2014	Annual update of biodiversity mapping of properties 3 sites to be identified for LPO audits in 2015 Create a biodiversity sheet for each building and on LPO and Ecojardin audited buildings
5. Integrate biodiversity into the design/ construction phases	Included in the Vélizy Way, Montigny, 55 Amsterdam and Grande Halle projects	100% of projects under development Integrate a biodiversity section while completing LCAs on buildings to identify their impacts and dependencies with regard to biodiversity and ecosystem services
6. Integrate biodiversity into the operations phase	Specifications for landscaping maintenance for commercial buildings, Ecojardin label on 2 sites. Installed 17 beehives of commercial building tops	Specifications for landscape maintenance of residential buildings
7. Integrate biodiversity into the renovation phase	Planting vegetation: Arcueil (green roof), 3 rue Caumartin (Courtyard), Banville (terraces, patios and gardens)	Finalize and formalize specifications for landscaping design applicable to all properties and specifications for construction of health care properties Identify sites that would be appropriate and possible to re-vegetate
8. Make tenants and users aware of biodiversity issues and meet their expectations in the area	Drafting of pamphlets and setting up of events such as beehive visits	Set up events on Ecojardin label sites or on those on which biodiversity actions have been developed (commercial and residential)
9. Involve Gecina's partners in becoming aware of biodiversity	Share Gecina projects with player in similar sectors: founding member of the Urbanism club, Structures and biodiversity (LPO), participation in GT Biodiversity HQE/Orée event	Integrate a specific biodiversity section in specifications of healthcare assets (see commitment 1)
	Develop ecological selection criteria for purchasing policy and in specifications: a corporate responsible purchasing policy that indirectly integrates biodiversity through materials, maintenance products, paint, etc.	
	Support property managers in taking into account biodiversity in landscaped areas. Support landscapers working on buildings. Manage and monitor contracts specific to biodiversity and landscaping activities in 2014 for commercial buildings. Annual meetings with service providers for commercial buildings.	Support landscaping companies in implementing Ecojardin recommendations on audited sites Implement a system for monitoring maintenance contracts for residential and health care facilities
10. Collaborate with those active in biodiversity issues	Ecologists assigned to new and renovation projects, audits and supporting LPO on existing properties projects.	CONTINUE this task: identify 3 sites for LPO audits in 2015
	Setting up of a steering committee with DEVE, the biodiversity observatory, etc. as part of innovative AAP vegetation projects.	Innovative AAP vegetation projects: continue ecological monitoring and implementation of societal follow-up

Gecina chose the BAF (biotope area factor) process to provide an overall measurement of the contribution of its properties for an initial analysis. Used in Berlin for over 20 years, BAF characterizes the vegetation of a parcel to evaluate the biodiversity of a project. Depending on the types of soil treatment and thicknesses of natural soil (*i.e.*, the substrate), a coefficient of ecological value per square meter is used to weigh the various eco-developable surfaces. Convinced that this type of indicator is essential for measuring the environmental footprint of a building, Gecina calculates the BAF of projects under development before and after construction. The average value was 0.20, for buildings delivered in 2014. These results reflect the difficulty of planting vegetation on buildings located in very urban areas (Paris 15 and Saint-Denis) and especially of conserving open ground areas, a leading factor for obtaining high ratings") . In 2014, the BAF was calculated for all of its residential and commercial properties in operation. The average value was 0.39. This result is mainly due to buildings located in the suburbs of Paris with a high vegetation of free areas. More urban buildings with less vegetation are specically analyzed such as 55 Amsterdam building wich operations increase the BAF of 300% (see section 7.4.3.3. "Major biodiversity actions carried out during the year).

BAF OF NEW PROPERTIES AND OF ALL PROPERTIES



Gecina hopes to strengthen the analysis of the impact of its properties and review the opportunity for creating new indicators, especially regarding the identification of the presence of prevalent, invasive or allergen species on a site, within the meaning of the audits that were carried out on projects under development by BREAM assessors, such as the Grande Halle project in Lyon.

7.4.3.2. THE ADDED VALUE OF A BUILDING THAT INTEGRATES BIODIVERSITY

After the contributions of the Goodwill-Management design office, who in 2014 did a study on immaterial assets (see section 7.3.3. "Immaterial value, well-being and productivity") and Gaïadomo, a consultant that assisted in a study on the "evaluation of the financial value of services provided by nature" on the Opio Club Méditerranée village in 2011, Gecina is exploring how vegetative surfaces increase the value of its properties through the ecosystem services they provide.

By diminishing the heat island effect, by acting on rain water management, by regulation atmospheric pollution or saving energy and even increasing productivity of building occupants, ecosystems render services that it is interesting to valuate.

Building a model addresses this issue and can be broken down into five phases:

- a study of the concept of services provided by ecosystems;
- design of a model that sketches the major biodiversity options applicable to a building;
- study of financialization methods applicable to various possible situations;
- inventory of internal and external effects of biodiversity on a building;
- preparation of calculation formulas to address the issue.

The initial results emerging from bibliographic studies indicate that the value of a building that integrates biodiversity is closely linked to its immaterial value (see section 7.3.3 "Immaterial value, well-being and productivity"). Essentially, the presence of biodiversity creates a decrease of 0.7% in absenteeism and 0.3% in presenteeism, an increase of 15% in mental well-being, through lowered stress levels, and an increase of 10% in production speeds through greater motivation. An employee's total increase in productivity in this context is thus evaluated at 2.1%.

Other factors analysed, which offer less economic value but are nonetheless favorable for implementation :

- The effect of vegetated walls and rooftops to improve insulation, bolster wall inertia or to diminish the "heat island" effect offers rather negligible gains, with a savings of 10% of annual energy requirements, valued at € 6,500 per year for a BBC building ;
- Adding vegetation to rooftops increases the life of waterproofing ;
- Savings achieved in water purification through vegetated ground area are difficult to quantify.

In view of these elements, a dual-note integrated model was finalized in 2014 :

- The first part relates to access of human capital occupying a building to biodiversity, which influences the value of a building up to a maximum of 7% ;
- The second part relates to biodiversity brought to a building that influences the value of a building up to a maximum of 5%.

The results of the test phase are expected during the first half of 2015.

7.4.3.3. MAJOR BIODIVERSITY ACTIONS CARRIED OUT DURING THE YEAR

Although it is difficult to create green spaces on existing properties, Gecina is changing its landscaped areas to make them more ecologically functional.

FROM AUDITS TO CERTIFICATION: CREATING ECOLOGICAL LANDSCAPING PROJECTS

Ecojardin label for the Défense Ouest building

Défense Ouest is located on a 10 hectare parcel with numerous green areas and partly open ground. In support of tenants and the site maintenance company who wanted to change the grassy patios into flowering meadows, Gecina made this project part of a wider ecologic process that was preceded by a biodiversity audit performed by the bird protection society LPO. At the end of the first phase specifications were drawn up for consulting companies that included audit recommendations.

The final project called for:

- transforming the grassy areas into natural lawns, creating flower beds and flowering meadow through the use of a mix of native and nectar bearing seed;
- installing semi-open nest boxes with holes and insect hotels;
- installing exterior benches for building occupants;
- use of differentiated management of landscaping areas with variable mowing heights;
- putting up an educational track describing to occupants the purpose of the landscaping work done to host biodiversity.

The collaboration effort carried out with tenants, the site manager, the landscaping maintenance company and Gecina resulted in being awarded the Ecojardin label in November 2014. During the same period, the Vouillé residence in the 15th arrondissement of Paris also obtained this label through the landscaping work that was done on that site.

NEW CONTRACTS FOR COMMERCIAL LANDSCAPING

In seeking to redefine landscaping management in its commercial properties, Gecina selected an overall approach based on more ecological management, stipulating assessment and follow-up tools and responsible purchasing by using companies employing people in adapted and protected work environments.

Prior to consultations, audits were carried out on each site by a specialized landscaping consulting company. These audits identified the current natural character of each site, what actions were implemented and their potential for improvement in terms of standard (services quality) and ecological operations.

After establishing a specific and detailed description of the requirements and technical approach for each site, Gecina put out a call for tenders divided into 10 lots according to site location and technical specifications, for open ground landscaping, vegetative terraces and rooftops, vegetative walls, etc. The companies were selected according to their capacity to maintain sites in terms of human and technical resources as well as their ecologic process and partnerships with companies employing people in adapted and protected work environments (see section 7.6.4 "Responsible purchasing ").

Maintenance of the Montigny (Montigny-le-Bretonneux) site was contracted to ESAT ("les amis de l'atelier") and those of Valmy in the 20th arrondissement of Paris, Défense Ouest (Colombes), the Portes de la Défense (Colombes) and Crystalys (Vélizy) were contracted to conventional landscaping companies that had one person attached to an ESAT office.

BUILDINGS UNDER DEVELOPMENT

Since 2010, Gecina has been integrating biodiversity into its new building programs. In 2014, Gecina concentrated on the design of two building programs at 55 Amsterdam in the 8th arrondissement of Paris and Grande Halle in Lyon's 9th arrondissement, in order to integrate this theme into the initial project phases.

The example of 55 rue Amsterdam

This building dating from the 1930s was fully refurbished. Integrating biodiversity into such an inorganic and isolated site proved to be a genuine challenge, which the technical teams and the architect overcame to obtain the Biodivercity© label (see the chapter on certifications) as a pilot project in November 2014.

The numerous strong points of the project from the biodiversity perspective are broken down into the four areas of this label:

Area 1: Commitment

- A strong commitment by the project manager *via* project specifications that integrate biodiversity.
- An ecologist mission carried out upstream of the project.
- Close coordination with the landscape contractor.
- Completion of an audit of the ecological context for insertion into the green and blue belts of the city of Paris.
- Drafting of a management and maintenance plan.

Area 2: Project

- Creation of numerous green spaces: An interior courtyard, miscellaneous mini-courtyards, green terraces and green rooftops with a 20 cm thick substrate.
- Consideration of the range of plants to use in concert with the landscaper: less water dependent, adapted to bio-geographic conditions of the site, non invasive, with sheltering, nourishing, nectar-bearing, nectar producing and protected properties beneficial to biodiversity and that are non-allergenic or toxic.

Area 3: Ecological potential

- The ecological value of the site will pass from 16 to 101 thanks to the project.
- Connection of planting modules to promote intrinsic ecological continuity.
- Stratified areas that are tree-bearing, shrub conducive, herbaceous or moss-layered.
- Use of a range of native plants.
- Integration of several hosting facilities for target fauna for Paris, such as nesting boxes for passerine species, swifts and insect hotels and a partnership with the LPO.

Area 4: Amenities

- Areas that can be accessed by a maximum number of persons (internal courtyard, green terraces).
- An area hosting aromatic plants.
- Raising awareness among tenants about biodiversity with an education display and events.

Apart from working with biodiversity in place, Gecina also concentrates on gray biodiversity and chose to use 6,000 square meters of wood wool for acoustical and thermal insulation 55 rue Amsterdam (see section 7.4.2.1. "Eco-design").

CALL FOR INNOVATIVE VEGETATION PROJECTS

In 2013, Gecina together with a project team comprised of LPO, Noé Conservation, Gondwana, Goodwill-Management and Jardins de Gally were selected to participate in the Innovative Re-vegetation project launched by the City of Paris under the steering of Paris région Lab.

The proposed project consisted of monitoring the status and ageing of green rooftops and walls in Gecina properties for three years.

Gecina is convinced that innovation has no meaning without real or immaterial benefits and hopes that through this experiment ecological, sociological and economic advantages will emerge, as will requirements for improvement, which will be freely shared throughout the profession. This feedback is a prerequisite to spreading multiple green surfaces throughout cities.

The experiment will take place over a three-year period through the following phases:

- first phase: determine the monitoring protocol and indicators with the entire project team;
- second phase: test the protocol and monitor Gecina buildings selected over three years;
- third phase: publish a report for the entire profession through the LPO Biodiversity Club.

During these three years, the project team together with representatives of the City of Paris, the Biodiversity Observatory and the DEVE will meet in quarterly steering committees to share information about observations and difficulties encountered and discuss necessary changes to the monitoring protocol. The internet site set up by LPO through the U2B club will be the vector for disseminating this initial feedback.

In 2014, the testing began and resulted in:

- determining the ecological protocol with observation of volunteer flora, insect counting using the Spipoll protocol and observing signs of nesting;
- carrying out seven site monitoring operations by LPO and the Jardins de Gally design office on five Gecina buildings including: Initial inventories of flora present on the sites, determination of evaluation quadrants and the drafting of maintenance guides compatible with the observation protocols set out;
- drafting of questionnaires and interview formats for occupants as part of the societal monitoring phase to take place in 2015 and 2016.

The first monitoring operations showed the impact of substrate thickness and management of colonization of areas by volunteer flora as illustrated by the numerous areas monitored on the green rooftop of the Newside building (self-heal, laitue vireuse, wild carrot, etc.).

These results were shared throughout the year with a steering committee composed of experts and the Biodiversity Observatory, the DEVE, Paris Habitat and France Habitation. The testing phase is open to building owners who wish to monitor their properties using this monitoring protocol.

7.4.4. WATER

Water
KPIs: average and % of reduction of consumption of water
2016 objective: 0.93 m^3/sq.m/year, a saving of 25% compared with 2008

Gecina has improved its reporting methodology concerning water consumption in order to provide data for the same periods as all the other indicators. In 2014 therefore, it published the water consumption averages for 2013 as well as 2014.

The average consumption of residential properties was significantly higher than that of commercial assets (1.49 m^3/sq.m/year for 2014 and 0.61 m^3/sq.m/year for 2013). The improvement in the coverage of data on residential properties as a result of the new methodology had a negative impact on average consumption at the overall portfolio level between 2012 and 2013.

The reporting scope was substantially equivalent between 2013 and 2014, and the 3% reduction in the average water consumption of the portfolio between 2013 and 2014 (from 0.99 m^3/sq.m/year to 0.96 m^3/sq m/year), proves the efficiency of the actions carried out on the property assets and the continued improvement of efficiency in terms of water management.

Actions performed on office assets:

- installation of meters and connection of meters and sub-meters to building management systems (BMS) for close tracking of consumption and identification of any leaks;
- deployment of the Hypervision solution for managing total consumption of assets;

- signing of a water savings contract with the installation of aeration units to limit throughput;
- removal of air-cooled towers on three buildings in 2014 (11, bd Brune in Paris 14th arrondissement, 55, rue Amsterdam in Paris, 8th arrondissement and 122, av Général Leclerc in Boulogne-Billancourt);
- deployment of rainwater collection systems in some buildings of the property portfolio undergoing restructuring (see section 7.3.2.1. “Construction and renovation”);
- replacement of all toilet flushes and adjustment of toilet tanks (from 6/9 liters to 3/6 liters at Head Office.

Actions performed on residential assets:

- deployment of 890 cold water meters in 14 residences;
- installation of 9,806 individual domestic hot water consumption meters with remote meter reading systems on 33 residences;
- signing of collective service contracts for plumbing with at least one annual visit scheduled for each apartment;
- replacement of hot water heaters and stopcocks (for example, the building at 37/39, rue de Vouillé, Paris 15th arrondissement);
- installation of water-saving measures (two-level toilet flush, shower heads and tap aerators) for apartment renovation;
- automatic watering timers, installation of drop-by-drop watering systems and low water consumption plants for ornamental gardens (see section 7.4.3.3. “Major biodiversity actions carried out during the year”).

To define a strategy specific to water management for all its property holdings and identify new improvement actions to carry out, Gecina is assisted by 2EI. The engineering firm has been asked to carry out a complete audit of the entire property holding in order to identify the specific challenges and objectives linked to water management and to propose a concrete action plan that corresponds to the following objectives:

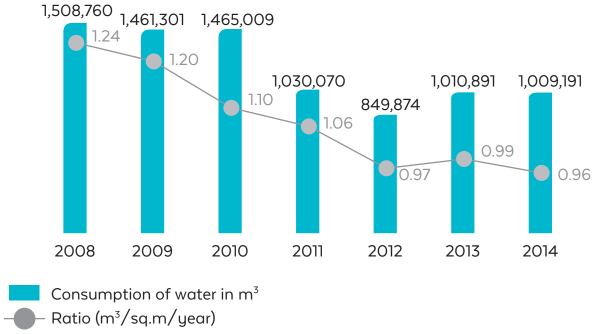
- reduce consumptions on all buildings;
- promote an integrated approach at the level of the entire property portfolio;
- protect water resources by limiting take-up and by developing alternative management modes on renovated buildings.

The stages of the assignment are as follows:

- mapping of real estate assets and audit report on current practices;
- benchmark of water management best practices and proposals of solutions complementary to those already implemented by Gecina;
- proposal of monitoring dashboards for each building type (with identification of issues based on the audit results and the defining of performance targets, target levels or reference values to reach).

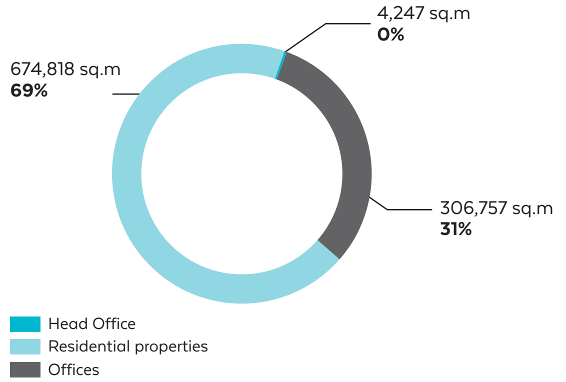
The audit was performed in mid-2014 and the next phases will be presented in early 2015 to be deployed all throughout the year.

CHANGE IN COLD WATER CONSUMPTION FOR ALL PROPERTIES

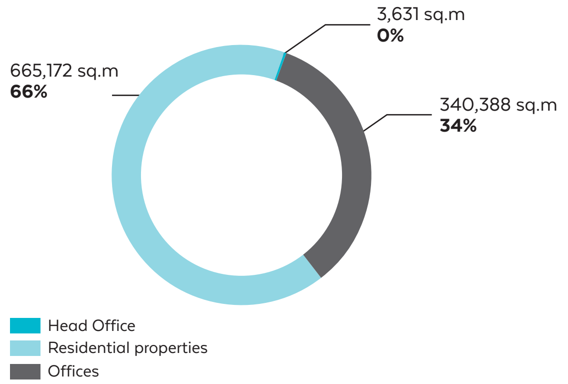


BREAKDOWN OF WATER CONSUMPTION PER BUSINESS ACTIVITY (365 DAYS OF CONSUMPTION BASE)

2013



2014



7.5. EMPLOYEES

Gecina's Human Resources policy is based on the issues described in the Employees pillar of the Gecina CSR policy:

- integrate CSR into Gecina's business lines;
- talents and skills;
- working conditions;
- diversity and equal treatment.

This chapter outlines the action plans that were implemented and the results achieved in each of them. Key indicators were determined to guide progress in the action plans (see section 7.2.3. "Table of non-financial indicators", the summary of which is in section 7.1.3.4.1. "Level of progress achieved in various CSR action plans".

The reporting scope for social indicators covers all of Gecina's staff. All the Group's employees are regulated by a collective bargaining agreement. Headquarters personnel fall under the real estate agreement while building staff work with a collective bargaining agreement for caretaker, concierge and building maintenance staff.

The Group has no employees working outside of France (see section 7.2.2. "Summary of the reporting scope"). Some of these social indicators were verified with a reasonable level of assurance by an independent organization (see section 7.7.1.3. "External verification and independant third party").

In 2014, the Group carried out a major structural change. Staff that was up till then organized by asset type were restructured by business line in order to promote cross-sharing and versatility.

The reorganization was based on three specific avenues of approach:

- the Investments and Arbitrage department, hosting staff from the assets departments previously assigned to managing disposals and investment processes;
- the Real Estate Properties department, responsible for property management, marketing, technical management and architectural design and construction projects, which previously included staff assigned to functions by asset type (residential, commercial, health facilities and students residences);
- the Asset Management department, whose task is to prepare business plans by building, oversee property rotation and manage key accounts This department emerged from the restructuring process and its business is managed by internal staff that also integrates external resources into its teams.

This change, which was guided by the Human Resources department, reconciled career management of existing employees with the integration of new talent depending on the requirements of the departments concerned.

From January to March 2014, principles of this new orientation were systematically communicated by managers to staff and complemented by presentations by Executive Committee members.

On April 1, 2014, the transition was carried out as planned and was accompanied by a reorganization of offices to accommodate staff. Working space was refitted with a view of combining functionality with conviviality, with work and meeting areas providing free coffee to employees on every floor.

This organization was described in a brochure for all existing employees and new hires. Likewise, each department was introduced during the Group integration seminar put on annually for all new hires. The latest session taking place in October 2014 hosted some forty persons newly hired during the year.

7.5.1. INTEGRATE CSR INTO GECINA'S BUSINESS LINES

Integrate CSR into Gecina's business lines
KPIs: % of training hours integrating CSR
2016 objective: 30%

7.5.1.1. THE NEW ORGANIZATION BY BUSINESS LINE TO SUPPORT CSR INTEGRATION

With the Group's reorganization, CSR steering and governance were adapted in 2014 to reinforce the concept's operational integration (see section 7.1.4. "Steering and coordinating the CSR strategy"). All job descriptions were updated in order to bring the responsibilities involved into each business line. Some departments, such as Real Estate Properties, took on specific CSR expertise and skills and/or guided their actions in team meetings by coordinating them with the CSR department.

To remain consistent with the Group's CSR policy, collective and individual objectives of directors have taken on CSR criteria. This trend will be expanded to all Group management employees in 2015.

7.5.1.2. INVOLVING TOP MANAGEMENT IN CSR

The presence of the CSR department in the Group's Executive Committee beginning on January 1, 2014 facilitated the integration of CSR issues into Gecina's overall strategy. The progress of the CSR action plans was discussed in specific monthly agenda items in the Executive Committee with the participation of internal or external specialists depending on the subject, such as energy supervision tools or non-financial ratings.

Principal CSR current events were communicated in quarterly meetings of the Management Committee.

Under the new organization, CSR was integrated into the steering of the various functional and operational departments (see section 7.1.4.2. "CSR Governance and steering")

7.5.1.3. PROMOTE EMPLOYEES AWARENESS OF CSR ISSUES

Throughout 2014, various awareness actions were carried out directed at employees, according to news and issues then current.

In April, the Sustainable Development week provided an opportunity for 150 employees to participate in programs and conferences dedicated to steering energy performance in buildings, biodiversity (with the showing of the beehive located on the building's sixth floor), and well-being at work (featuring a nutrition conference and demonstrations of breathing and self-massaging techniques).

In November, the week of Employment of the Disabled featured a dedicated awareness promotion mechanism attended by nearly 80% of employees. During the event, 38% of participants learned how to prepare floral centerpieces for tables under the supervision of people with disabilities from a specialized institution and 10% had massages performed by sight-impaired physical therapists. Another 20% of participants took an awareness quiz on disabilities at work, 12% were given a presentation on an activity report for Mission Handicap and 17% attended a play to assimilate how people with disabilities are integrated into a job in an entertaining fashion.

During this week, the company also hosted an airing of Radio Vivre FM, a station dedicated to social, cultural and professional integration of people with disabilities and managed by able-bodied and employees with disabilities, broadcast from a meeting room fitted out as a studio for the occasion. For over three hours, numerous Gecina partners and employees together with directors testified about actions carried out in promotion of people with disabilities by Mission Handicap and the Gecina Foundation.

7.5.1.4. TRAINING EMPLOYEES IN CSR

Consistent with the new organization, the training system has progressively integrated CSR in all recommended themes, in addition to specific CSR training focusing on energy, environmental certifications, risks, responsible purchasing, Disabilities policies, etc. This major system restructuring was intended to facilitate integration of CSR into professional practices and led to including CSR in 22.6% of the training hours provided to 63% of Group employees. Simultaneously, the requirements for specific CSR training naturally decreased, with such training occupying 2.6% of programs in 2014, compared with 18% in 2013.

7.5.2. TALENTS AND SKILLS

Talents and skills
KPIs: % of positions filled through in-house mobility
2016 objective: over 25%

Under the Group's Prospective Management of Jobs and Skills (GPEC) policy, the company mapped jobs occupied by administrative personnel in the Group during the year.

This Human Resources-guided project resulted in the updating of job descriptions by department, consistent with the levels of responsibility and autonomy within the teams.

In all, 180 job titles were concentrated in 15 skill sectors.

This mapping is a genuine recruiting, transfer and promotions tool that was validated in December 2014 by the unions under a company-wide agreement. It will be implemented in 2015 to include all personnel.

7.5.2.1. WORKFORCE

In 2014, the number of Group employees fell by 5.6% from 501 persons at December 31, 2013 to 473 at December 31, 2014. This trend, in place for several years now, is also a reflection of Gecina's strategy in terms of skills. In connection with the Group's strategy, staff is adjusted to operational requirements. A slight increase in management staff of 1.5% can be discerned, with more significant drops in non-management staff, notably in the numbers of supervisors, which fell 8.6%, administrative employees, down 15.4% and building staff, which dropped 10.9%.

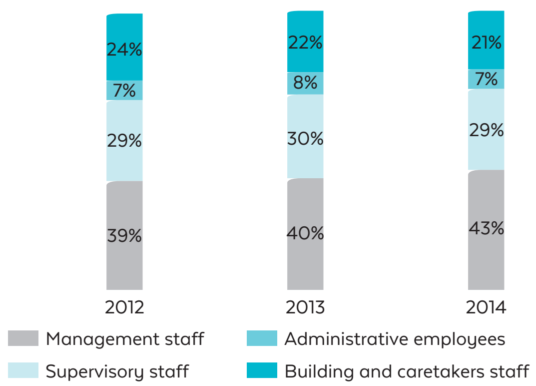
Simultaneously, using staff under temporary contracts diminishes, especially the number of work-study staff, which decreased 29.6%, falling from 27 in 2013 to 19 in 2014.

STATUS OF WORKFORCE ☑

Category	2012			2013			2014			Change 2013-2014
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Management staff	98	101	199	100	100	200	99	104	203	1.5%
Supervisory staff	28	121	149	27	125	152	28	111	139	-8.6%
Administrative employees	13	25	38	17	22	39	12	21	33	-15.4%
Building and caretaker staff	51	72	123	44	66	110	40	58	98	-10.9%
TOTAL WORKFORCE	**190**	**319**	**509**	**188**	**313**	**501**	**179**	**294**	**473**	**-5.6%**
Of which:										
Permanent contracts	177	289	466	171	285	456	168	275	443	-2.9%
Fixed length contracts (incl. work-study)	13	30	43	17	28	45	11	19	30	-33.3%

☑ *2014 data audited by the independent third party that provides reasonable assurance.*

CHANGES IN WORKFORCE DISTRIBUTION



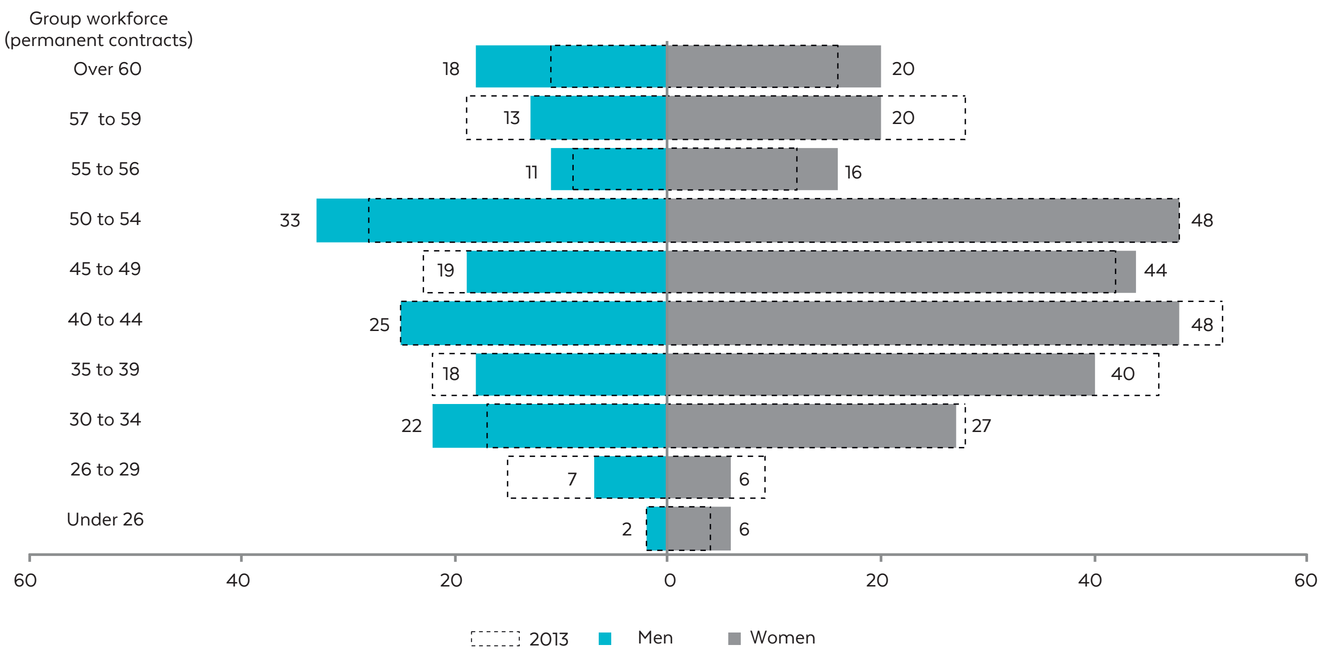
Breakdown of staff by status is consistent with the direction wanted by the Human Resources department.

The decrease of caretaker staff from 24% of employees in 2012 to 21% in 2014 is in line with reductions in the residential property portfolio.

In contrast, the proportion of administrative employees and supervisors remains stable over the last three years, in as much as regarding this category, persons who leave the company are generally replaced.

The percentage of management staff grew from 39% in 2012 to 43% of total staff in 2014, reflecting a growing need for qualified persons in skilled positions.

BREAKDOWN BY AGE ☑



The average age of indefinite-term contract staff is 46.3 years and remains the same compared with 2013, despite 17 retirements that occurred during the year.

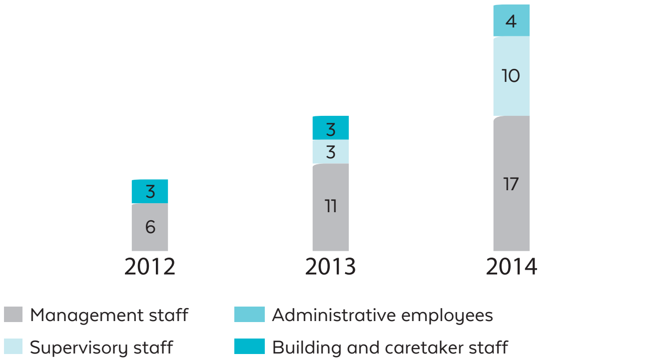
In spite of that, a slight increase in the group of employees aged under 26 was noted as the four new hires pushed this percentage up from 1.3% in 2013 to 1.8% in 2014 of total staff.

The average age of the year's 31 hires was 37 years.

Percentage of employees	2013	2014
under 26	1.3%	1.8%
26 to 29	5.3%	2.9%
30 to 34	9.9%	11.1%
35 to 39	14.9%	13.1%
40 to 44	16.9%	16.5%
45 to 49	14.3%	14.2%
50 to 54	16.7%	18.3%
55 to 56	4.6%	6.1%
57 to 59	10.3%	7.4%
Over 60	5.9%	8.6%
TOTAL	**100.0%**	**100.0%**

7.5.2.2. NEW HIRES AND TERMINATIONS

CHANGE IN INDEFINITE-TERM CONTRACT RECRUITING



In 2014, the Group hired 31 employees on indefinite-term contracts. Recruitment was up by 82.4% compared with 2013 and primarily concerned management jobs for which requirements were identified following the implementation of the new organization. Ten of seventeen management jobs, or 58.8% of them, concerned jobs created under the new organization, especially in the Asset Management, Investment and Arbitrage, Real Estate Properties and Marketing and Communications departments.

CHANGE IN WORKFORCE

Category	Gender	Workforce at 31/12/2013	Permanent contracts			Fixed length contracts			Workforce at 31/12/2014	Change 2013-2014
			Incoming	Outgoing	Change of status	Change of status	Incoming	Outgoing		
Management staff	H	100	7	9			3	2	99	-1,0%
	F	100	10	10	4		5	5	104	4,0%
Supervisory staff	H	27	2	3	2				28	3,7%
	F	125	8	14		4	4	8	111	-11,2%
Administrative employees	H	17	2				14	21	12	-29,4%
	F	22	2				27	30	21	-4,5%
Building and caretaker staff	H	44		2		2	151	151	40	-9,1%
	F	66		6			73	75	58	-12,1%
TOTALS		**501**	**31**	**44**	**6**	**6**	**277**	**292**	**473**	**-5,6%**

The Group had 44 indefinite-term contract staff leave the company, representing 8.8% of the 501 total employees at December 31, 2013.

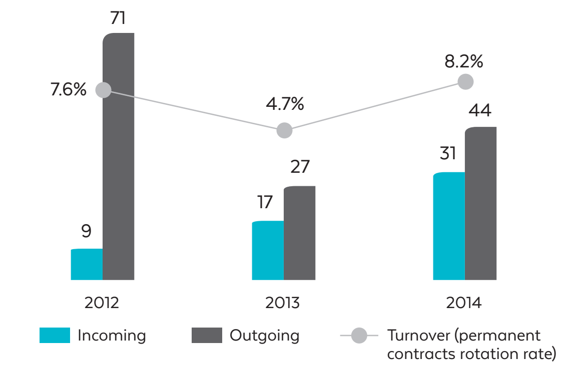
As a result, according to requirements, 61.3% of hires were to replace employees who left, whereas 38.7% were to fill new jobs created under the reorganization, especially management jobs, which represented 90% of new jobs.

Among the indefinite-term contract hires, 22.6% corresponded to conversions to indefinite-term contracts of employees initially hired under fixed-term contracts, four of which were management, two were supervisors and one was an administrative employee.

Fixed-term contracts were primarily offered to building staff replacements for temporary absences, and these represented 80.9% of contracts concluded.

Regarding administrative personnel, fixed-term contracts were primarily for work-study, seasonal and temporary replacement of employee jobs, representing 19.1% of fixed-term contracts signed in 2014.

CHANGE IN INDEFINITE-TERM CONTRACT TURNOVER RATES SINCE 2012



Calculation = ((permanent contracts entries + departures in the year /2) / wprkforce at 1/01/N

In 2014, the turnover rate for indefinite-term contracts in the Group was 8.2%, a 74.5% increase with relation to 2013.

However, incoming and outgoing flows of persons, up 82.4% and 63% respectively over the same period, should be indicated simultaneously.

Of the 44 indefinite-term contracts that left during the year, the primary reasons for leaving were as follows: retirement (38.6%), resignations (34.1%), terminations for personal reasons or by mutual consent (22.7%) and transfers of staff due to disposals of residential buildings (4.5%).

REASONS FOR LEAVING

Reason	Gender	Resignation from a permanent contract	L. 1224-1-based transfer	Layoff	Termination for another reason	Left during permanent contract trial period	Resignation from fixed length contract	End of fixed length contract	Left during fixed rate contract	Volontary retirement or pre-retirement	Compulsory retirement	Death
Management staff	H	3			2	1	1	1		3		
	F	5			3			5		2		
Supervisory staff	H	1			1					1		
	F	2			4	1		8		7		
Administrative employees	H						2	19				
	F						2	27	1			
Building and caretaker staff	H	1	1					151				
	F	1	1					75		4		
TOTAL	**336**	**13**	**2**		**10**	**2**	**5**	**286**	**1**	**17**		

Departures, especially resignations, are monitored specially by the Human Resources department, who interviews each resigning employee.

Of the 13 resignations submitted in 2014, eight were because of spouse relocations, three for better professional opportunities and two for personal reasons.

Of the three resigning employees who sought better professional opportunities, two were under 30 and had joined Gecina following their studies two years earlier and the other, who had been professionally confirmed, had four years seniority.

7.5.2.3. ANNUAL PERFORMANCE REVIEWS

The annual or six-month performance review is a management tool focused on individual and collective performance within the company steered by the department of Human Resources. This interview is formalized through a document and is an opportunity for all employees and their managers to review the past year, analyze how well objectives have been achieved and evaluate what skills have been acquired and what remains to be developed.

This review is compulsory for every employee with at least six months service in the company and is carried out each year during the final quarter by administrative personnel and for caretaker staff during the first half of the year following the reference year.

The Human Resources department performs a quantitative and qualitative monitoring of interviews each year.

The overall rate of return of interviews carried out in 2013 was 94%, *i.e.* 97.9% for administrative personnel and 82.2% for caretaker staff. Missed interviews were all justified by absences or job changes that rendered it impossible to set up an interview.

For 2014, the quantitative report of January 10, 2015 showed that 97.1% of administrative personnel had interviews. The stability of these rates demonstrates the high level of assimilation of EAP evaluation interviews in Gecina's management process.

An analysis of the forms returned each year is taken into account when drafting the training plan as well as during career management interviews.

During 2014, some twenty employees were accorded career management interviews following the evaluations in the Human Resources department.

7.5.2.4. INTERNAL MOBILITY AND PROMOTIONS

For many years now, Gecina has put internal mobility at the core of its career management strategy. Every time a job comes up, Human Resources systematically explores how to identify the most appropriate in-house profiles by getting the word out about job offers to all employees. Some jobs may give rise to directly approaching an employee by the Human Resources department, such as when the employee concerned is being monitored specifically under a career management action.

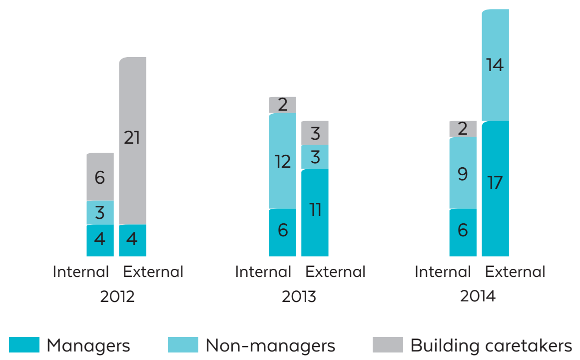
Still, every internal mobility possibility depends on a minute review of the application file and a preliminary interview by the concerned manager and by Human Resources.

The 2014 reorganization gave company employees numerous opportunities for mobility in terms of extending mission scope, or changing portfolios, function or department.

A total of 76 employees were involved in a concerted transfer, following a direct approach by their management or an internal mobility offer to which they responded.

Over the year, 75% of the Group's recruiting requirements were satisfied by internal mobility, compared with 54% of requirements stated in 2013.

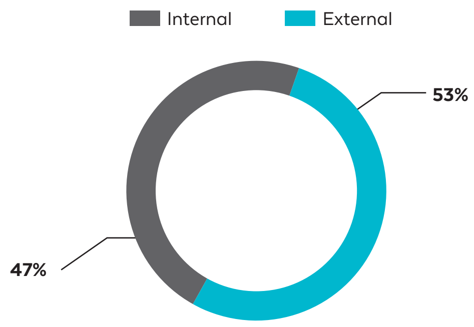
CHANGES IN INTERNAL RECRUITMENT COMPARED WITH EXTERNAL RECRUITMENT, BY STATUS



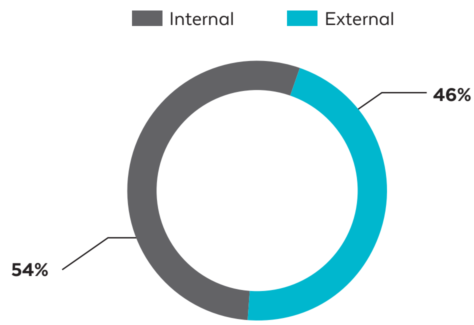
In parallel, 17 employees were concerned by the internal recruitment process, receiving a change decided in consultation during a direct approach of their supervisor or anwering an offer of internal mobility. The volume remains relatively stable compared with 2013 when it represented 19 recruitments.

PERCENTAGE OF INTERNAL MOBILITY IN RECRUITMENT CARRIED OUT OVER THREE YEARS

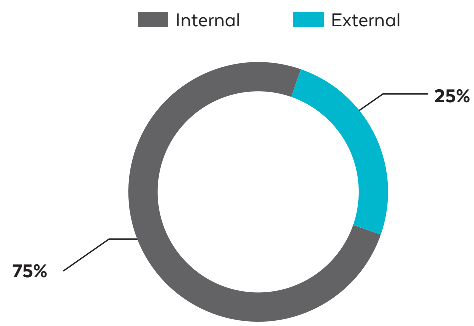
2012



2013



2014



PROMOTIONS

		Managers	Supervisors	Administrative staff	Building and caretaker staff	Total
Promoted, changed status	Men	7	4			11
	Women	11	4			15
Sub-total		**18**	**8**	**0**	**0**	**26**
Promoted, no status change	Men	5				5
	Women	2				2
Sub-total		**7**	**0**	**0**	**0**	**7**
TOTAL		**25**	**8**	**0**	**0**	**33**
Of which change in socio-professional category						
	Men		2			2
	Women	4				4

Over the year, Gecina recorded 26 under the 33 promotions leading to changes in classification per the collective bargaining grading system for administrative personnel.

A total of 21 promotions, or 63.7% related to recognition of management personnel that acquired new skills or pursuant to an increase in responsibility accompanied or not by a change in grade.

Supervisor promotions, all of which were accompanied by a change in classification, were in recognition of a change in skill levels. Of the eight promotions recorded, two were building caretakers who moved to supervisory positions in the real estate management teams, thus changing their socio-professional category.

Promotions to management staff concerned four employees, an increase of 200% compared with 2013, when only two persons were promoted.

7.5.2.5. TRAINING

The annual training plan is prepared in concert with area managers. The plan is focused on the Group's strategy and technological changes and promotes the acquisition and development of the skills required of employees in their job functions. Recommendations drawn up by managers also take into account the individual desires for training as expressed by their staff during the annual interviews as well as those requirements identified in career development monitoring carried out by the Human Resources department.

The Group's expenditures for training in 2014 were unchanged with respect to 2013. It represented an overall 10,602 hours, an average of 21.9 hours or three training days per year and per employee, at a budget equivalent to 4.4% of the 2014 employee expenses.

This investment represents an average cost of €2,819 per employee, compared with €2,555 in 2013.

The percentage of expenses for training with relation to the legal obligation of 1.6% amounts to 3.3% of employee expenses.

In addition, the Group devotes its annual apprenticeship tax to paying academic costs for young hires in the form of apprenticeship contracts as well as assistance for schools and associations working in the disabilities and professional

insertion fields, as part of its investment in training and the extension of its social commitments.

The breakdown of available funds remained stable in 2014 with respect to 2013: 63%, compared with 60% in 2013, of funds were consecrated to schools, while 37%, compared with 40% in 2013, for the social commitment.

Employee access to training programs improved by gender and professional category, at 102.1%, contrasted with 85% in 2012 and 96.8% in 2013.

The 2014 training plan was drawn up on the basis of the 501 employees active at December 31, 2013. On this basis, 37 employees under indefinite- and fixed-term contracts received training during the year despite no longer being present at December 31, 2014.

The satisfaction rate regarding the training offered to employees that forms part of the company's policy was 96%. This relates to cross-shared training programs during at last 2.5 hours on management, safety and working conditions.

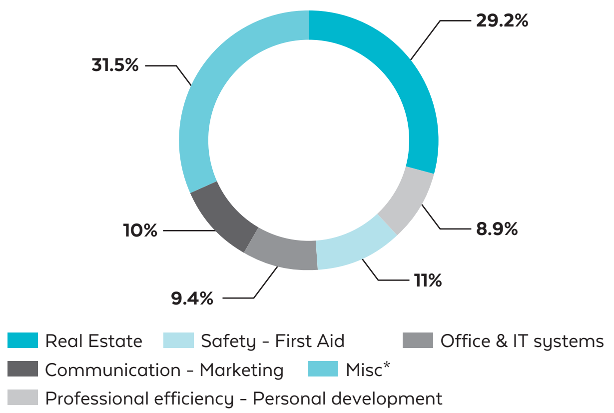
NUMBER OF EMPLOYEES TRAINED BY SPC AND BY GENDER IN 2014

	Workforce			Access to training by SPC and by gender					
SPC	**Men**	**Women**	**Total**	**Men**	**% of men trained w/ relation to their representation**	**Women**	**% of women trained w/ relation to their representation**	**Total M + W**	**% Total M + W trained**
Administrative staff	**139**	**236**	**375**	**142**	**102.2%**	**253**	**107.2%**	**395**	**105.3%**
Managers	99	104	203	102	103.0%	104	100.0%	206	101.5%
Supervisors	28	111	139	27	96.4%	121	109.0%	148	106.5%
Staff	12	21	33	13	108.3%	28	133.3%	41	124.2%
Building/Caretaker staff	**40**	**58**	**98**	**33**	**82.5%**	**55**	**94.8%**	**88**	**89.8%**
TOTAL	**179**	**294**	**473**	**175**	**97.8%**	**308**	**104.8%**	**483**	**102.1%**

Over the year, the five primary training subjects concerned real estate, with (29.2% of training hours), safety (11%), professional effectiveness and personal development (10%), office systems and IT training (9.4%), and communications and marketing (8.9%).

Training programs offered as part of company policy were primarily collective in nature and focused on CSR or management themes.

BREAKDOWN OF TRAINING HOURS BY FIELD IN 2014



** Misc.: incl. audit, risks, quality, sales, CSR, legal, languages, HR.*

MANAGEMENT AS A DEVELOPMENT ORIENTATION

Setting annual objectives

In 2014, the Human Resources department launched a multi-year program to bolster managerial skills concerning the setting of objectives.

Some sixty managers and executive managers participated in a collective training session lasting a half-day dedicated to this theme.

To facilitate the practical implementation of this training, beginning in October individual workshops were set up by directors.

Using strategic guidelines provided by Executive Management and members of the Executive Committee, a selected group of managers and directors reporting to members of the Executive Committee received individual support in preparing their objectives and those of their staff for 2015.

This support system beginning in 2014 will be expanded with the Executive Committee to all Group management staff in 2015.

The Management training program

The objective of this program, which was implemented for the first time fully in 2014, is to provide employees selected internally for moving to management jobs with an individualized and collective support program of a minimum of 70 training hours to develop:

- skills within the business line;
- managerial conduct skills;
- knowledge of the company, its businesses and operational objectives that contribute to the implementation of its strategy.

Under the supervision of their managers and a Humans Resources manager, these employees will receive a structured path to follow to implement in the learning tasks and the case study they are assigned. Training is also provided in cross-functional management (21 hours), business management (18 hours) and time management (14 hours).

Upon completion of this program, each individual's promotion is validated by a special commission.

The Personal Skills Development Project (PPDC)

Gecina also extended its skills development policy for employees who wish to complete certification, qualification and degree courses with the support of the Human Resources department.

This company-funded program has taken in 18 participants since it kicked off in 2012.

During 2014, eight employees, six of which were supervisors and two managers, were in training at an overall cost of €63,737 or an average €7,967 per employee.

The training programs are all carried out on a within a work-training framework, over a total of 1,608 hours.

Of the eight employees in training, six completed their coursework this year and five of these earned a diploma or professional credentials, which represents a success rate of 83.3%.

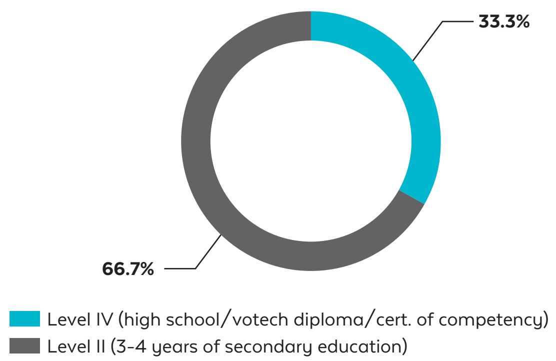
As a consequence, the overall level of studies achieved also increased for these six employees. At the start of the training period, 33.3% had a Baccalaureat and 66.7% a 3-year/Masters 1 level.

Upon its completion, of the six, 66.7% had achieved the 3-year/Masters 1 degree level and 33.3% had earned a Masters 2.

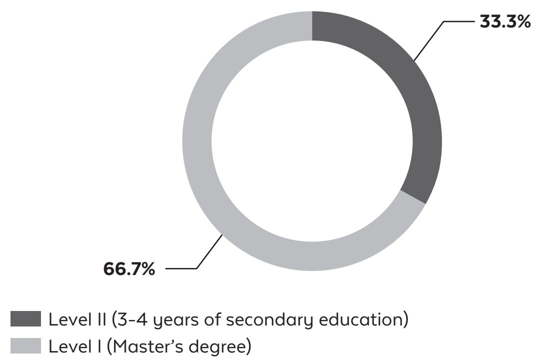
All employees involved in this project received support by the career management department. Acquiring new professional skills and opportunities had been offered to 50% of them as career advancement in line with their orientation program.

LEVEL OF TRAINING OF SIX EMPLOYEES WHO COMPLETED THE PERSONAL SKILLS DEVELOPMENT PROGRAM

At the start of their program



Upon completion of their program



7.5.3. WORKING CONDITIONS

Working conditions
KPIs: % of employees with at least one work stoppage of less than or equal to 3 days
2016 objective: 29%

7.5.3.1. ORGANIZATION OF WORKING HOURS

Within the Group, work-time and organization of work is generally based on a company-wide agreement depending on category of employee. Aside from executive managers not subject to regulations governing work 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 allotment of days off in lieu (15 or 17 days depending on the work time formula adopted).

Hours paid to employees over the regulatory thresholds are considered overtime hours. These hours are generally paid as and when they are completed, except for persons on an annual rate of hours, for whom hours charged in year N are paid in year N+1.

For 2014, overtime hours paid amounted to 719 hours, corresponding to hours completed for 2013 and 2014, which represents an increase of 423 with respect to 2013.

Despite this exceptional increase, there has been a net decrease in overtime hours in recent years. In 2011, there were 1,828 overtime hours and in 2012, 1,360 overtime hours.

The company offers its employees the option of working within a broad daily timetable, in order to allow a satisfactory balance of private/professional life while maintaining the level of collective performance.

Employees are entitled to adopt part time working based on various schemes. When employees apply for adjustments to working hours under the company-wide agreement for older employees, Gecina compensates a portion of the resulting loss in salary including pension contributions. Consequently, these employees may voluntarily opt to keep up their social contributions on the basis of full salary.

In 2014, the number of employees who have adopted a part-time work scheme fell 7.5% between 2013 and 2014, from 40 to 37 persons). However, due to the variation in overall workforce, the percentage of part-time employees remains stable at 7.8%.

Among employees who reduced working hours, the percentage of older workers is greater, at nearly 38%, and that of employees with part-time parental leave is 13.5%.

There are 331 full-time employees excluding senior executives and resident superintendents.

THE VARIOUS ORGANIZATION FORMATS

	% working time	Number of persons at December 31, 2012	Number of persons at December 31, 2013	Number of persons at December 31, 2014	Change 2013-2014
Executive management		15	21	22	4.8%
Annual number of working hours (based on 35 hrs/wk)	100%	10	8	7	-12.5%
Annual number of working days	From 80 % to < 99%	9	12	12	0.0%
	100%	171	165	168	1.8%
Resident building caretaker	Not subject to schedules	100	92	83	-9.8%
Employees with fixed or variable schedules (based on 35 hrs/wk) *	Less than 50 %	4	3	1	-66.7%
	From 50 % to < 80 %	5	5	3	-40.0%
	From 80 % to < 99%	22	20	21	5.0%
	100%	173	175	155	-11.4%
TOTAL		**509**	**501**	**473**	**-5.6%**

** Including building staff.*

In order to guarantee the best working conditions for its employees, Gecina has placed well-being and stress reduction at the core of its preoccupations. This commitment is reflected in the collective bargaining or company-wide systems set up over the years. Depending on a employee's personal situation, in addition to their annual leave of thirty days and their 17 or 15 days in lieu depending on their status of management or non-management, employees may have additional leave for reasons related to family events or their personal situations, such as moving days, providing health care to family members, disabilities, etc.

THE PARENTHOOD CHARTER

In addition, as an extension of the provisions implemented to promote well-being at work, Gecina signed a Parenthood Charter in 2013. By implementing actions to reduce stress on working parents, Gecina is working to reduce absenteeism and improve productivity and performance of its employees.

In 2014, Gecina improved its communications to employees by publishing information on benefits available to them. This list includes a bonus for child care, a back-to-school bonus, variable timetables, part-time options, leave for family events, work time adjustments for pregnant women, full salary as part of maternity/parental leave and child care, assumption of the company's share of insurance up to 75% of the full amount, a Christmas party for children of employees, retention of full seniority during parental leave on the first year of absence and taking into account family-related constraints in setting up working meetings, seminars and professional travel.

7.5.3.2. HEALTH, SAFETY AND ABSENTEEISM OF EMPLOYEES

The work completed in 2013 in the area of managing psycho-social risk, which was continued in 2014 with the implementation of an *ad hoc* committee, contributed to a unruffled social climate void of employee complaints regarding of hardship sparked by interpersonal relationships. In addition, as in 2013, the company rejoices that no occupational related illness or death occurred.

Since April 2014, Gecina has been committed to a partnership with the Psya agency, a specialist in prevention and management of psycho-social risks. A report complying with the rules of anonymity and confidentiality is produced periodically for the company with the objective of raising awareness of risk situations encountered in this area. Over the year, the cabinet was contacted by two employees and their response assisted them with a work load issue and a family situation.

Simultaneously, since August 2014, Gecina has been associated with Responsage, a multi-media news, guidance and consulting platform to help employees in supporting older dependent persons in their families. All fifteen of the employees who evaluated this service were satisfied with it, and 88% were very satisfied.

On recommendation of the occupational physician reporting on medical visits, Gecina adapted or refitted the workstation of 17 employees, ten of the administrative staff and seven of the building staff.

At December 31, 2014 the Risks department finalized all of the "Unique documents" for building staff. The purpose of this process is to inventory and identify all risks that building staff are subject to.

Of the 92 persons on the job, 72.8% have been identified as being exposed to accident rate factors because of the frequency of performance (at least four hours per day) of certain tasks such as taking out trash and cleaning chores in residences and landscaped areas.

Since the identification of these risks, Gecina has produced an action plan by acquiring equipment such as tractors for moving trash bins and adapted housecleaning tools, with the result of reducing the number of employees subject to an accident rate risk of 56.5%, or 52 out of 92 employees.

Simultaneous to the "Unique documents" effort, the Human Resources department produced **"Prevention cards for exposure to certain occupational risk factors"** for all building staff. Gecina is concerned by two factors: manual handling of loads and arduous work postures.

In 2015, these cards will be redone under the **"Hardship account"** whose implementation is set for January 1, 2016.

ABSENTEEISM

	2012	2013			2014			
	Total	Administrative staff	Building and caretaker staff	Total	Administrative staff	Building and caretaker staff	Total	Change 2013-2014
Average monthly FTE	512.63	380.68	109.03	489.71	375.30	101.33	476.64	-2.7%
Illness	4,687	3,572	1,857	5,429	3,141	1,306	4,447	-18.1%
	2.54%	2.61%	4.73%	3.08%	2.32%	3.58%	2.59%	-15.8%
Workplace or commuting accidents	937	304	318	622	145	319	464	-25.4%
	0.51%	0.22%	0.81%	0.35%	0.11%	0.87%	0.27%	-23.4%
Rate of absenteeism	**5,624**	**3,876**	**2,175**	**6,051**	**3,286**	**1,625**	**4,911**	**-18.8%**
	3.05%	**2.83%**	**5.54%**	**3.43%**	**2.43%**	**4.45%**	**2.86%**	**-16.6%**
Family leave	427	320	30	350	272	39	311	-11.0%
	0.30%	0.32%	0.09%	0.26%	0.28%	0.12%	0.24%	-8.4%
Maternity/Paternity	1,163	940	11	951	785	0	785	-17.5%
	0.63%	0.69%	0.03%	0.54%	0.58%	0.00%	0.46%	-15.2%
Other absences	327	849	111	960	1,551	78	1,628	69.6%
	0.23%	0.86%	0.33%	0.72%	1.59%	0.25%	1.26%	74.6%
Total absences	7,541	5,984	2,327	8,311	5,893	1,742	7,635	-8.1%
	4.21%	4.69%	5.98%	4.96%	4.88%	4.82%	4.82%	-2.7%

Calculation = No. of days absent/Average monthly FTE x no. calendar days or days worked).

Absences for "family events" include care for family members, exceptional leave and births, marriages and deaths.

"Maternity/paternity" absences are related to leave for which the company assumes 100% of the cost.

"Other absences" concern the following types of leave: parental leave, unpaid leave, additional days of leave for employees with disabilities, leave for moving a non-compensated leave.

Changes for this category of absences, which rose overall 69.6% between 2013 and 2014 is largely due to a significant increase in days of absence for parental leave, which went from 338 to 1,253 days between 2013 and 2014.

The days counted in leave due to "illness, work-related/commuting accidents and maternity/paternity" are expressed in calendar days. Those concerning "family events and other absences" are expressed in business days for administrative staff and working days for building staff.

ABSENCE DUE TO ILLNESS

In the area of health at work, a decrease in absences due to illness was registered in 2014.

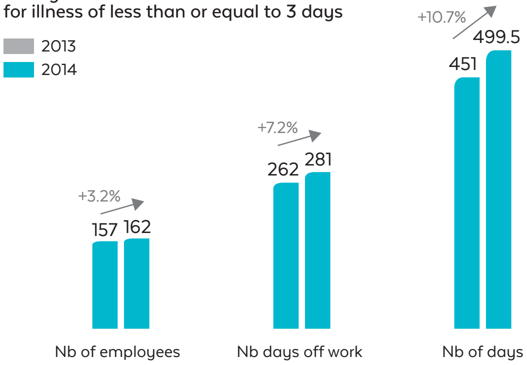
With relation to 2013, the number of days of absence decreased by 18.1% and the absenteeism rate fell by 15.8%

Only the number of employees absent for sick leave rose by 13.4%.

Absence due to illness concerned 238 employees in 2014 and the average number of days off work per employee was 9.3 compared with 11.1 in 2013.

However, the following observations may be noted:
- 32.7% of absence due to illness of at least 100 days pertain to six employees, representing in all 1,453.5 days, a drop of 27.9% with relation to 2013 where this category of absence amounted to 2,016.5 days;
- 11.2% of absence are due to illness of one to three days. They pertain to 162 employees or 34% of average 2014 staff, slightly more than in 2013 (6%) and represent 499.5 days (see graph below).

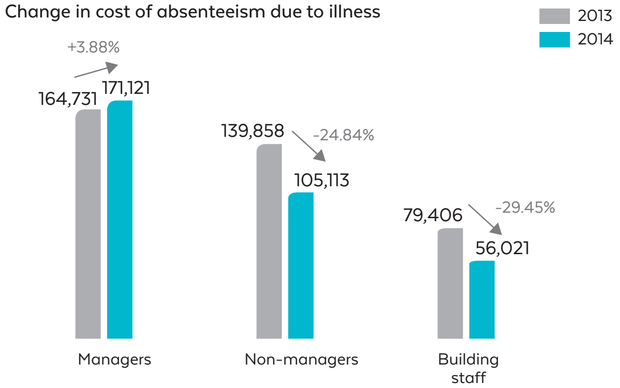
Change in absenteeism related to time off work for illness of less than or equal to 3 days



This short-term absenteeism primarily pertains to administrative staff and represents 91.4% of absent employees. Work overload caused by new functions of the reorganization that occurred in early 2014 and the potentially destabilizing related offices reorganization, could provide an explanation for the increase in the number of people who had at least one work stoppage under 3 days. At the same time, this indicator followed since 2013, the comparison of these two years reveals no particular recurrence in the affected populations. The variation of this indicator should therefore be analyzed over a longer period to identify the causes.

COST OF ABSENTEEISM

Change in cost of absenteeism due to illness



Deductions for absence due to illness less social security repayments are shown above.

In 2014, the cost of absenteeism for sick leave amounted to €332,254 compared with €4,883,995 in 2013, a decrease of 13.5%.

According to the national Alma Consulting study published October 2014, the absenteeism cost ratio in 2013 represents 0.4% of employee expenses for every 1% of absenteeism.

For Gecina, this ratio represents 0.41% taking into account the cost of indefinite-term employment contract absences. In contrast, it amounts to 0.47% when the cost of replacement fixed-term contracts is added in.

Absences due to work and commuting accidents

SAFETY AND WORKING CONDITIONS

	2012			2013			2014		
	Off work	Not off	Total	Off work	Not off	Total	Off work	Not off	Total
Number of workplace accidents	10	7	17	11	2	13	7	2	9
Number of commuting accidents	6	4	10	7	4	11	3	5	8
TOTAL	**16**	**11**	**27**	**18**	**6**	**24**	**10**	**7**	**17**
Number of days off work for work accident	566		566	428		428	344		344
Number of days off work for commuting accident	371		371	194		194	120		120
TOTAL	**937**	**0**	**937**	**622**	**0**	**622**	**464**	**0**	**464**

Absences due to work-related accidents, work or commuting accidents, fell significantly for the second consecutive year. It represents 464 days in 2014, compared with 622 days in 2013, a drop of 25.4%.

As a result, in 2014, the rate of absences in this category was 0.27% compared with 0.35% in 2013, a drop of 23.49%.

An analysis of the 17 accidents in the above chart shows that eight of them, or 47.1% were commuting accidents. The portion of these 120 days off work stemming from these accidents concerns only administrative staff and amounts to 25.9% of the 464 days off work due to accidents recorded over the year.

The other nine accidents, 52.9% of the total, are work situation or condition related accidents, as follows:

- seven were caused by falls or twisting movements occurring during travel;
- one occurred due to physical aggression on the worksite of a building staff member;
- one accident occurred during the handling of items on the workplace. A training course on gestures and postures was provided for the employee concerned, in accordance with commitments undertaken by the Human Resources department.

Of the 344 days off due to accidents, 319, or 92.7% of them, concerned building staff and 25, or 7.3%, related to administrative staff.

RATE OF FREQUENCY

		2012	2013	2014	Change 2013-2014
Rate of frequency		11.43	13.30	8.71	-34.5%
of which	Administrative	0.00	6.53	4.96	-23.9%
	Building	36.63	32.64	20.07	-38.5%

Calculation = (No. of work accidents with time off work x 1 000 000)/(No. hours worked x Average annual FTE).

The rate of frequency fell sharply in contrast with 2013, by 34.5%, dropping from 13.30% in 2013 to 8.71% in 2014. This decrease is due to the decrease in the number of work accidents that involved work stoppage for both administrative staff (-25%) and building staff (-42.8%).

RATE OF SEVERITY

		2012	2013	2014	Change 2013-2014
Rate of severity		0.65	0.52	0.43	-17.2%
of which	Administrative	0.00	0.18	0.04	-76.9%
	Building	2.07	1.48	1.60	7.9%

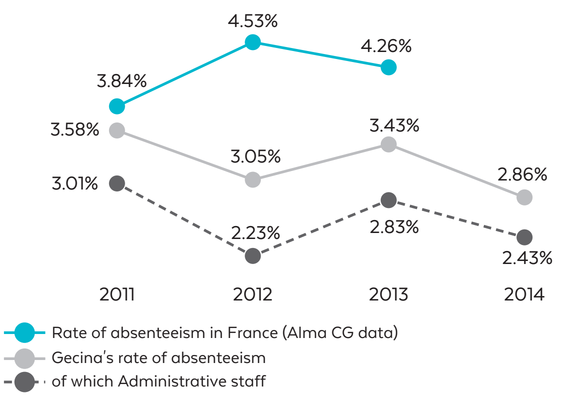
Calculation = (No. of days off work following a work accident regardless of year x 1,000)/ (No. hours worked x Average annual FTE).

The rate of severity of accidents fell with regard to 2013 by 17.2%, dropping from 0.52 to 0.43% in 2014.

This decrease is proportional to the number of days of work stoppage related to these accidents.

For building staff, the number of days of work stoppage rose from 318 in 2013 to 319 in 2014, whereas for administrative staff it dropped from 110 in 2013 to 25 in 2014.

COMPARATIVE ABSENTEEISM RATE



According to the last Alma Consulting chart published in 2014 (see graph above), in 2013, the average absenteeism rate is 4.26% on the national level. This study included absence due to illness, work-related accidents, commuter accidents and occupational illnesses.

In comparison, the same rate for Gecina was 3.43% in 2013 and 2.86% in 2014, a rate inferior to the national average for 2013.

7.5.3.3. STAFF COHESION AND DIALOGUE

Gecina adheres to ILO principles for its own employees (see section 7.6.2.4. "Relations with employees") and shares these requirements in its relations with suppliers and subcontractors (see section 7.6.4. "Responsible purchasing"). The commitments undertaken under the Global Pact reflect Gecina's actions in the area (see section 7.7.2.3. "Communication on Global Pact Progress").

CORPORATE AGENDA FOR 2014/2015

Achievements in 2014	Projects for 2015
• Rider to the GEPC (6 months) agreement • Agreement for the extension of terms of Employee delegates and Employee Representatives of the UES Gecina Works Council • Agreement for giving time off to an employee who assumed responsibility for a seriously ill child within UES Gecina • Collective agreement for the forward planning of jobs and skills for 2015-2017 • Rider to the agreement relating to classifications and career management of administrative personnel signed in September 2007 • Annual Mandatory Negociations for 2015 – Agreement	• Agreement on professional gender equality • Agreement on workers with disabilities • Pre-electoral agreement • Implementation of personal accounts for hardship prevention • Agreeement on working time for Residences staff

During 2014, regular and special meetings with the Works Council, staff representatives and CHSCT members, and meetings to review the various corporate agreements provided 77 occasions to discuss collective or individual employee issues relating to working conditions at the company.

7.5.3.4. PROFIT SHARING AND INVOLVEMENT OF EMPLOYEES IN GECINA'S PERFORMANCE

The Group's remunerations 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 on by both parties.

The amount determined for the general increase applicable on January 1, 2014 was 1.4% and is intended solely for non-management staff whose seniority dates from prior to September 1, 2013.

COMPENSATION FOR 2014

The median monthly salary in the Group is determined as follows:

(€)	Administrative staff	Building and caretaker staff	Group
Amount paid out	3,658,480	55,887	3,711,996
Gross employee expenses	26,359,719	3,580,923	29,940,642
Percentage of employee expenses	13.9%	1.6%	12.4%

An envelope specifically intended for individual 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 goals set with the employee. Their amount lies within the bracket established for each person's level of responsibility.

GROSS MEDIAN MONTHLY SALARY IN THE GROUP

The median monthly salary in the Group is determined as follows:

Median monthly salary (€)	2012	2013	2014	Change 2013-2014
Managers	4,816	4,852	5,019	3.4%
Non-managers	3,100	3,204	3,256	1.6%
Building and caretaker staff	2,169	2,245	2,331	3.8%

Calculation of the average salary is based on the number of employees on indefinite-term contracts excluding company officers, present from January 1 to December 31, 2014; the salary taken into account is the fixed annual basic salary excluding variable remunerations but including the 13th month and long-service payments, the total is divided over 12 months. For administrative staff, this value is 100% for part-time and for building staff on a pro rata basis of presence in the company.

AVERAGE INDIVIDUAL AND GENERAL RAISES FOR MANAGEMENT AND NON-MANAGEMENT STAFF BY GENDER

Category		% increase CW + IR 2013	H	F	% increase CW+IR 2014	H	F
Managers	**Individual raise**	**2.76%**	**2.58%**	**3.00%**	**2.52%**	**2.39%**	**2.68%**
Non-managers	Company-wide raise	1.70%	1.71%	1.69%	1.33%	1.28%	1.34%
	Individual raise	1.18%	1.34%	1.13%	1.21%	0.88%	1.29%
	Total raises, non-managers	**2.88%**	**3.05%**	**2.83%**	**2.54%**	**2.16%**	**2.64%**

Against a bleak economic backdrop and despite low inflation levels, in 2014, Gecina maintained a relatively similar average increase of salary level of 2.52% for management and 2.54% for non-management staff.

In 2013, these increases represented 2.76% for management and 2.88% for non-management staff.

Regarding building staff, only general and collective bargaining increases were applied.

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 up to €2,100 gross per employee depending on the amounts invested.

Gross bonuses and profit-sharing paid in 2014 for 2013 amounted to €3,202,618 representing 11% of the 2013 employee expenses while the employer's contribution paid in 2014 by Gecina for the PEG or PERCO (Collective retirement savings plan) amounted to €928,589 (€784,000 for administrative staff and €145,000 for building staff).

The amounts paid as variable collective compensation including profit-sharing and investments generated an additional increased revenue of 6.7% between 2013 and 2014.

	Paid in 2013 for 2012	Paid in 2014 for 2013	Change 2013-2014
AVERAGE AMOUNT OF THE COMPANY-WIDE VARIABLE COMPENSATION	**5,612**	**5,986**	**6.7%**

Employee shareholding

At December 31, 2014, Group employees held 558,579 Gecina shares directly and 86,452 Gecina shares indirectly *via* the Gecina employee shareholding fund ("FCPE Gecina actionnariat"), representing a total of 1.02% of share capital.

Performance shares

The company decided in early 2015 to delay the implementation of the performance share awards plan in order to make performance criteria of the plan consistent with the strategy validated by the Board of Directors in December 2014.

7.5.4. DIVERSITY AND EQUAL TREATMENT

Diversity and equal treatment
KPIs: Number of professional classification levels for which the wage gap between men and women is greater than 3% (administrative population excluding Comex)
2016 objective: 0/7

7.5.4.1. DIVERSITY POLICY

The signature of the Diversity Charter in 2010 has caused the Group to improve its human resources process in terms of recruitment, training and career management.

The subjects concern gender equality at work, the employment of older employees, the GPEC management of jobs and skills, are all subject to a company-wide agreement. Changes to and performance of action plans implemented are evaluated through a body of indicators presented during follow-up commissions set up each half year with personnel representatives.

Furthermore, Gecina continued its partnership with the "Our neighborhoods have talent" organization by supporting eight young university graduates with four or five year degrees in their job searches.

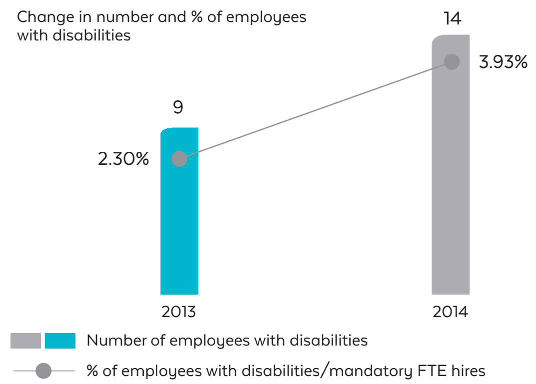
Since the beginning of this program in 2012, 65 young people have been assisted in their job searches by a dozen volunteer sponsors who dispense advice and methods for CV drafting, how to get through hiring interviews, etc. during meetings and exchanges of views they hold with them.

7.5.4.2. DISABILITIES POLICY AND EMPLOYMENT OF PEOPLE WITH DISABILITIES

The Disabilities policy put in place by Gecina in 2013 is accompanied by action plans and quantifiable objectives in six areas that are monitored regularly, as follows: awareness promotion and training of employees, information and communication to the various internal and external stakeholders, hiring and integration of people with disabilities, professional career path support for employees with disabilities, maintaining employment of employees who become unfit for their job and collaboration with companies and organizations addressing the needs of people in adapted and protected work environments (Establishments and Aid Services through Work and Specially Adapted Companies).

At the end of the first year in existence, the initial annual report features the following:

- **awareness**: over 80% of participated in events such as the disabled persons employment week and two visits were set up to Professional Reclassification Centers (PRC) involving 30 participants;
- **communications**: the Mission Handicap organization drafted and distributed a Disabilities guide to all employees at the end of the first year, the company brought in three interns from the Agefiph organization during the disabled persons employment week and authorized the drafting and distribution on its site of a report on Gecina's commitment to people with disabilities;
- **training**: 76.1% of employees have been trained in the employment and integration of disabled fellow employees These training sessions will be offered each year to new hires;
- **recruiting**: three disabled employees were hired, two on indefinite-term contracts and one on a fixed-term contract, surpassing the objective of two hires per year;
- **partnership**: implementation of a partnership with one PRC and *Cap Emploi*, with the result of two interns hosted during the year;
- **keeping people on the job**: all employees with disabilities were kept on the job and adaptation of their work environment offered them if required;
- **collaboration with the protected workers sector**: services carried out with ESAR and EA [29] generated one beneficiary unit in conformity to the 2014 objective.



In summary, the actions carried out led to an increase of the percentage of employees recognized as workers with disabilities. In 2012, six employees were recognized as disabled. There were nine when the 2013 agreement was implemented and 14 in 2014. Thus, for the first year, the forecasted rate of the Group's beneficiary units meets the legal obligation calculated depending on employee numbers, *i.e.* 21 BU.

7.5.4.3. EMPLOYABILITY OF OLDER PERSONS AND THOSE UNDER 26

In June, 2013, Gecina signed an agreement with its social partners for a three year period concerning the "Generation Contract". This agreement meets a triple objective:

- it promotes access to a indefinite-term contract for young people under 26 or 30 if they have been recognized as disabled workers;
- it promotes hiring and maintaining senior workers in jobs by recommending specific measures depending on age, beginning with 45;
- it promotes the transfer of knowledge and skills between generations.

(29) Établissements et services d'aide par le travail et Établissements spécialisés.

At Gecina, the measures recommended in the Generation Contract are monitored jointly every six months with employee representatives. They are integrated into the Group's HR process and aim to contribute to the GPEC jobs and skills agreement, mirroring Gecina's corporate social commitment.

The achievements were presented to the monitoring commission at the end of 2014, 18 months after the signature of the agreement and indicate success in all objectives.

IN RECRUITMENT

- For youths under 26, the 32% success rate recorded surpasses the 15% objective, increasing the level of representation of this age group.
- For job candidates over 45, the success rate is 21% compared with an objective of 5%.

KEEPING OLDER WORKERS ON THE JOB

Despite the seventeen retirements effective at December 31, 2014, seniors represent 22% of the total workforce with relation to an objective of 20%.

Older workers have a rate of access to training of 26.5%. This is higher than their rate of representation in employees and is climbing compared with 2013, when it was 19.5%.

Measures offered in this area were communicated to all employees. Those with the greatest success were collective and individual interviews with pension funds to prepare for retirement, HR interviews for adapting the work environment to improve difficult work situations, assistance in finding housing for building staff and part-time work for older staff.

TRANSFER OF KNOWLEDGE AND SKILLS BETWEEN GENERATIONS

All persons under 26 who were hired were supported by a sponsor who wanted to facilitate their integration during their first six months in the company.

Inter-generation breakfasts were held each quarter bringing together younger and older employees in the company to discuss cross-functional subjects related to cooperation between the generations. The satisfaction rate recorded at the end of these sponsoring efforts was generally higher than 85%.

THE COMPANY'S WORK-STUDY POLICY

During 2014, Gecina continued to support the student apprenticeship promotion program begun in 2011.

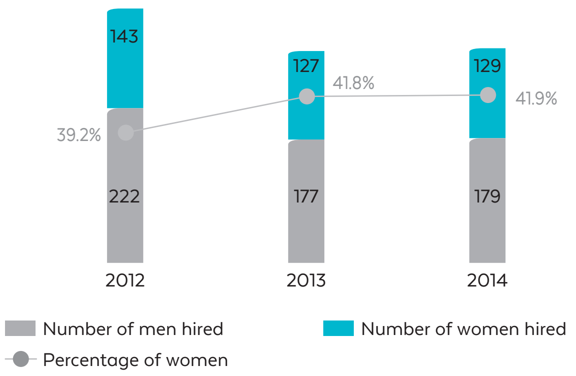
Nineteen young people worked in all departments during the 2014-2015 academic year, i.e 4% of average staff, at academic levels of one to five years of university studies.

For the 2013-2014 academic year, twenty-five young people came into the company, three of which chose to continue their apprenticeship for another year.

While the number of work-study students has dropped, it still corresponds to requirements expressed by the various departments.

7.5.4.4. GENDER EQUALITY

BREAKDOWN OF GENDERS AMONG INDEFINITE- AND FIXED-TERM CONTRACTS



Professional gender equality is jointly monitored each year with employee representatives in the company.

In accordance with commitments made in the gender equality agreement, the Human Resources department ensures complete equality in selecting interviewees to the best extent possible, especially for administrative employees.

Indefinite-term contracts are monitored to this end. For the year, out of the 85 interviewed for indefinite-term contracts, 63.5% or 54 candidates were women and 36.5% or 31 were men.

In 2014, the percentage of women in the Group was 62.2%, nearly identical to 2013, when women accounted for 62.5% of staff.

Over the year, women accounted for 41.9% of total hires, with 64.5% indefinite-term contract hires and 39.4% fixed-term contracts.

The overall average age of women on staff is 45, unchanged from 2013.

At December 31, 2014, the proportion of women in Gecina's Board of Directors was 33%, compared with 23% at December 31, 2013. In accordance with the Board of Director's decision of February 19, 2015 and contingent on approval by the shareholders, this proportion will reach 40% at the outcome of the annual General Meeting called to approve the accounts for the year ending December 31, 2014, which will be in advance of the deadlines set by the Afep-Medef code and by Law 2011-103 dated January 27, 2011, in 2016 and 2017 respectively. Details are available in chapter 5.1 "Chairman's Report on Corporate Governance and Internal Control".

BREAKDOWN OF TRAINING HOURS BY GENDER

	2012	2013	2014	2013-2014 Change
Men	83.2%	97.3%	97.8%	0.5%
Women	86.5%	96.5%	104.8%	8.6%

OVERALL SALARY INCREASES BY GENDER

Catégory	% increase CW+IR 2013	H	F	% increase CW+IR 2014	H	F
Managers	2.76%	2.58%	3.00%	2.52%	2.39%	2.68%
Non-managers	2.88%	3.05%	2.83%	2.54%	2.16%	2.63%

These increases include the gender equality envelope called for under compensation measures.

This envelope representing 0.2% of the employee expenses for December of N-1 is similar for 2014 to that allocated in 2013. In 2014, it represents €38,000.

WAGE GAP IN BASE SALARIES BY GENDER

		2012	2013	2014	Achievement of the target (less than 3% gap)
Managers	Codir	-13%	-1%	-4%	+
	C3	3%	2%	-1%	-
	C2	7%	3%	4%	+
	C1	-1%	-2%	-3%	+
Supervisors	AM2	2%	0%	0%	=
	AM1	1%	1%	0%	-
Staff	E3	-2%	-3%	3%	+

As part of the gender agreement an annual study was carried out on employees with indefinite-term work contracts.

Within each socio-professional category, the analysis was prepared in accordance with the Real Estate Collective Bargaining agreement that sets out three categories: Management (C), Supervisory (AM) and Employees (E).

Within the management group, classifications range from 1 to 4, with increasing levels of responsibility. At Gecina, all Management Committee (Codir) members have reached the C4 classification level, the highest in the collective bargaining agreement.

This analysis is carried out each year on administrative personnel with regard to salaries paid in December and from a representative panel of at least three persons by level and by gender.

The objective is to reduce any non-justified gap exceeding 3% at the time of salary adjustments in view of levels of qualifications, experience and performance.

The C4 and E2 levels are not represented because of the limited numbers in these categories.

The most significant gaps in average wages between the genders are, at like classification and excluding the Comex, as follows:
- in management, an average difference of 17% in favor of men, compared with 15% in 2013;
- in the supervisor category, an average difference of 2% in favor of women, compared with 1% in 2013;
- in the Employee category, an average difference of 3% in favor of men, whereas in 2013 the difference was 1% in favor of women.

The areas of variability since 2012 include changes occurring related to demographic renewal, *i.e.* resignations and hires and to promotions.

DIFFERENCES WITH RESPECT TO THE OBJECTIVE OF ABOVE 3%

In favor of women:
- in the Codir, the difference is -4% Here, the panel is relatively restricted, including nine men and four women, and a single change in personnel, resignation or hire, changes the balance in the category.

In favor of men:
- in the C2 category, the difference is +4%, up slightly compared with 2013. This increase is related essentially to promotions from one classification to another.

DIFFERENCES WITHIN THE 3% LIMITATION

In favor of women:
- in the C3 category, the difference is -1%;
- in the C1 category, the difference is 3% up slightly compared with 2013 when it was -2% in favor of women.

In favor of men:
- in the E3 category, the difference is 3%, a significant change because in 2013 it favored women. In 2013, this category of employees was significantly senior with high compensation packages. In 2014, in this ten-person group containing six men and four women, despite the balance maintained in compensation of new hires, a single change in personnel, resignation or hire, changes the balance in the category.

GENDER BALANCE

- In the AM2 and AM1 categories, over the past two years, there has been stability in the AM2 class and balance in AM1.

In 2015, the analysis will be made on the new job mapping system that was validated in December 2014 related to the new organization as described in section 7.5.2. “Talents and skills”. The analysis of salaries by job will be facilitated through the reclassification effort.

07

7.6. SOCIETY

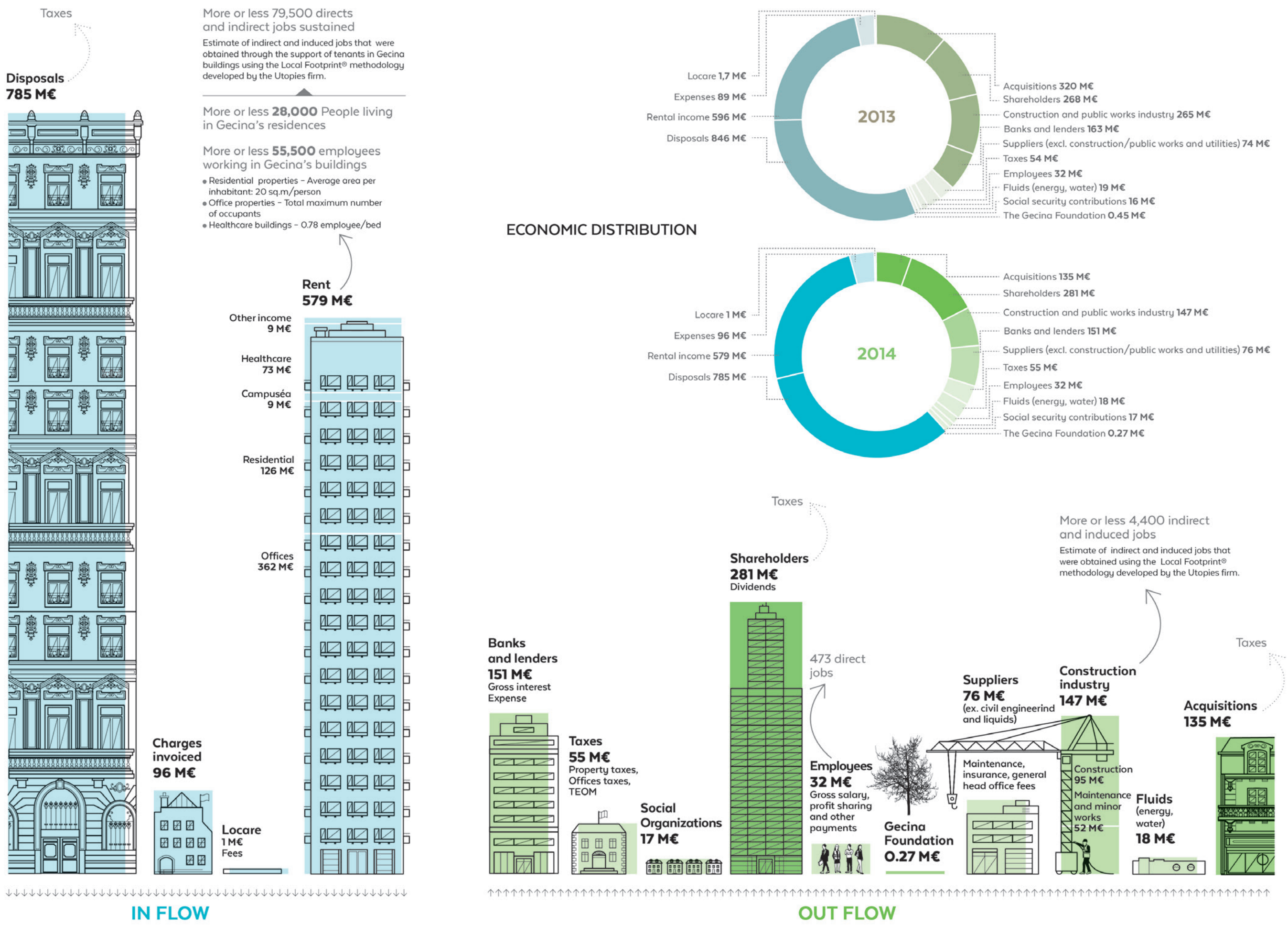
7.6.1. INTEGRATION WITHIN SURROUNDING AREAS

Integration within surrounding areas
KPIs: In progress
2016 objective: –

7.6.1.1. BREAKDOWN OF THE VALUE CREATED BY GECINA

Gecina is positioned as an organization involved in the value creation chain of the real estate sector (see the diagram in section 7.1.1.1. "Gecina value chain") and has chosen to adopt the SIIC tax regime for listed real estate investment trusts set up in France in 2003 (see section 1.5.1.3.3. "Risks related to modifications in certain tax regimes"). Gecina operates primarily in the Paris region and introduces financing into the market on the scale of that area, as on the whole of the French economy (see diagram below).

BREAKDOWN OF GECINA CASH FLOWS BY STAKEHOLDERS FOR 2014 ☑



☑ *2014 data audited by independent third party that provides reasonable assurance.*

Because of its status as an SIIC, Gecina distributes 95% of its profit and 60% of its gains on disposals of assets, thus providing individual investors the opportunity to access a category of assets suitable for establishing retirement savings. In 2014, Gecina paid out €281 million to its shareholders. With SIIC entities, the tax burden is transferred from the company, which is exempted from corporate taxes, to shareholders, who pay taxes on dividends. Direct taxes paid by Gecina amounted to €55 million in 2014, which corresponds to real estate taxes, office taxes and waste removal taxes. Furthermore, transfer taxes are generated through the regular rotation of matured assets, assessed on both disposals and acquisitions. Gecina also paid out €17 million in social security contributions.

Gecina had 484 employees at December 31, 2014, of which 93% are located in the Île-de-France region. Total workforce and breakdown by gender and age is detailed in paragraph 7.5.2.1. "Employees". The "direct" economic contribution Gecina makes to its employees, including gross salaries, profit sharing and other compensation amounted to €32 million.

The Group finances a part of its development through loans and other financial transactions concluded with banks and lending institutions. Gross interest expense paid out to these entities totaled €151 million in 2014.

Gecina produces economic benefits in various sectors of the economy through the development of new properties and the restructuring and maintenance of its existing assets. In 2014, Gecina spent €147 million in the building sector for construction, maintenance and small repair work, €18 million for utilities and €76 million on suppliers and service providers from other areas such as maintenance, insurance, headquarters overheads, etc.

The cash flows generated by Gecina's business vary depending on the volume of sales and acquisitions carried out during a given year. These volumes are determined both by the Group's set strategy and by market opportunities that arise (see sections 1.4. "Market trends" and 1.5. "Business and strategy"). The table below shows changes in these currents over the past two years.

CHANGE IN THE BREAKDOWN OF GECINA CASH FLOWS BY TYPE AND STAKEHOLDER

	2013	2014	Évolution
Disposals	€846M	€785M	-7.2%
Rental income	€596M	€579M	-2.8%
Expenses	€89M	€96M	7.8%
Locare	€1.7M	€1M	-41.2%
Acquisitions	€320M	€135M	-57.8%
Utilities (energy and water)	€19M	€18M	-5.3%
Construction and public works industry	€265M	€147M	-44.5%
Suppliers (excl. construction/public works and utilities)	€74M	€76M	2.7%
The Gecina Foundation	€0.45M	€0.27M	0%
Employees	€32M	€32M	0%
Shareholders	€268M	€281M	4.8%
Social security contributions	€16M	€17M	6.2%
Taxes	€54M	€55M	1.8%
Banks and lenders	€163M	€151M	-7.4%

All the financial activity directed by Gecina to its various stakeholders has an "indirect" impact on the economic activity of the locality. Taxes and contributions paid to the government and to social administrations contribute to supporting public labor and expenses incurred with suppliers and service providers of the Group provide work for companies in varied sectors. These companies, who in turn make purchases for their contracts, participate in the region's economic growth by producing a wave effect.

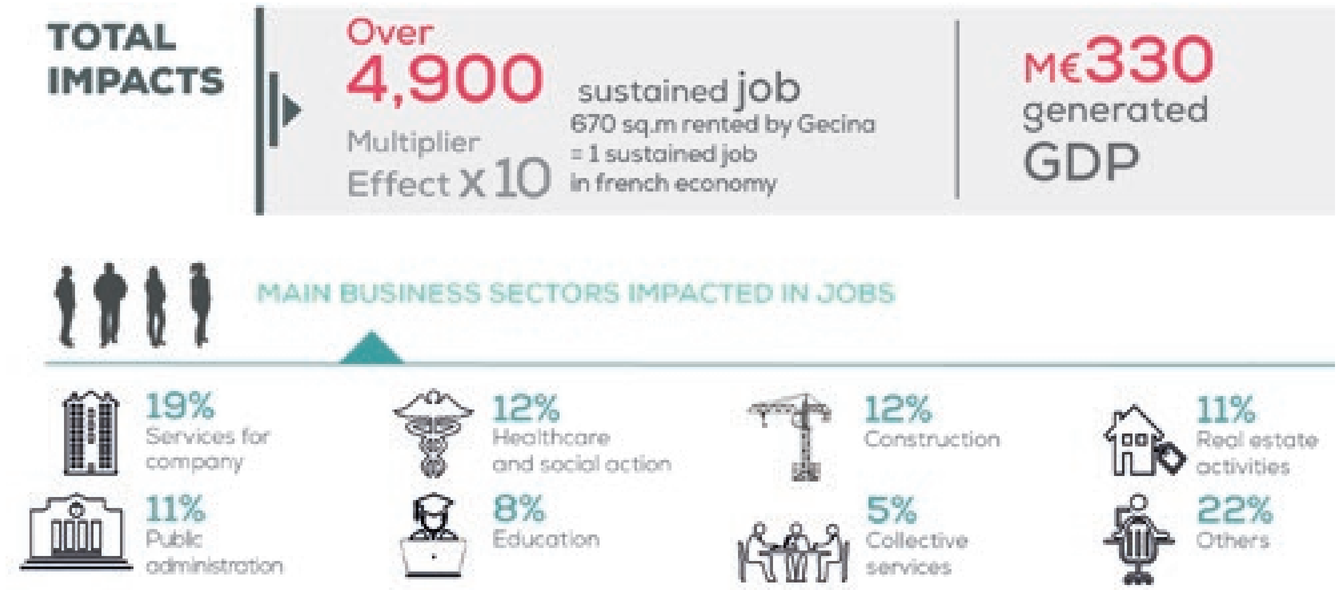
In addition, pay distributed to the Group's employees as well as to employees of companies working for it that make up Gecina's value chain produce an induced impact on household consumption in the area and finance public spending through taxes.

In order to precisely determine the entire direct, indirect and induced economic benefits, Gecina consulted with the Utopies firm to use its specific Local Footprint® methodology [30]. In order to obtain the most detailed estimate of Gecina's socio-economic imprint possible, amounts of taxes and duties paid over the year and orders placed during that period were used as a basis by the firm to calculate its results. Since the study was carried out in December 2014, order amounts for the month of December correspond to the accounting estimates made. Likewise, the total compensation amount corresponds to the amounts paid out to employees between October 1, 2013 and September 30, 2014.

Gecina's total impact estimated using this method is of 4,900 direct, indirect and induced jobs, spread out among the various sectors as shown in the graph below. Over 2,200 jobs, representing 45% of all the jobs, are located in the Île-de-France region.

(30) By reproducing the functioning of a local economy realistically, the LOCAL FOOTPRINT® methodology makes it possible to measure economic contribution over more than 35 different business sectors. By Nased on the Input-Output model prepared by W. Leontief, the Nobel Prize laureate in economics, the methodology uses a series of algorithms and coefficients emerging from work at the University of Bristol.

TOTAL IMPACT (DIRECT, INDIRECT AND INDUCED) OF GECINA IN TERMS OF ESTIMATED JOBS USING THE LOCAL FOOTPRINT® METHODOLOGY DEVELOPED BY UTOPIES FIRM



Details of this study are available in the report dedicated to the socio-economic contribution of Gecina published on the Group's website (www.gecina.fr/-Responsability/News and publication headings).

On an exploratory basis, this study also presents a calculation of catalyst impacts of Gecina's business, meaning the socio-economic contribution of Group property tenants. Utopies estimates that 130,100 jobs are supported in France by the occupants of office, residential and health facilities owned by the Group, which generates a GDP contribution of €5.3 billion.

The Utopies study does not take into account the architectural contribution of Gecina's properties (see section 7.6.1.2. "Urban sprawl and incorporating local architecture into designs"), the impact of which in terms of attractiveness and injecting vigor into the local economy is still difficult to determine at present. Gecina's actions in preserving local biodiversity (see section 7.4.3. "Biodiversity") also promote the well-being of residents and building occupants of the area and it reinforces the amenities the actions produce. Also, taking into account the expectations of local stakeholders (see section 7.1.1.2. "Stakeholders mapping and dialogue process") and the strengthening of themes making up the immaterial values of assets (see 7.3.3. "Immaterial value, well-being and productivity) participate in the invigoration of localities by supporting the productive efficiency and competitiveness of tenants.

7.6.1.2. URBAN SPRAWL AND INCORPORATING LOCAL ARCHITECTURE INTO DESIGNS

The real estate industry is naturally affected by the development of the city and the experts consulted by Gecina (see 7.1.2.3. "The Gecina Stakeholders consultation") legitimately wish to have more information on this topic, material for Gecina and an essential component of integration in the territory.

As a corporate citizen, Gecina takes part in the planning and development of sustainable cities. Building the equivalent of a city with a million and a half inhabitants each week to cope with population growth requires thinking of cities differently [31]. It is Gecina's belief that it is necessary to emphasize density as opposed to sprawl and to banish suburban areas in the style of American cities.

Sprawl is a useless consumption factor in terms of network extension resources, artificial soil, the destruction of natural habitats and the breaking down of ecological continuities by fragmenting territories. It also emphasizes the needs for mobility. However, preconceived ideas should be banished and the mechanisms at work in every densification work should be understood: a recent report from the Agence nationale pour la recherche (National Research Agency) [32] concludes as follows: *"The number of square meters is more important in extended cities than compact cities, all things being equal. In return, the heat island is more intense in winter, reducing heating needs. As a result, extended and compact cities have*

(31) Jacquet P., Pachauri RK., Tubiana L. (dir), United Nations in "Regards sur la terre: villes, changer de trajectoire" (Perspectives on Earth: cities, changing trajectory).
(32) Urban modeling and adaptation strategies to climate change in order anticipate demand and energy production (MUSCADE) – 2014 Final Report.

aggregated energy consumptions over the year for heating and air conditioning that are comparable in the future climate. In summer on the other hand, the urban heat island effect is more pronounced in compact cities, which, combined with the fact that people are more concentrated near the center of the metropolitan area, increases the conditions of heat stress."

If we also want to admit that "the quality of the city will be judged not solely in terms of carbon criterion but according to its overall impact on living systems at each stage of the life cycle[33]", the difficulty of the exercise results in the imperative need, certainly admitted today, to approach the responses theme by theme using systemic analysis and not a segmented approach.

Gecina, through its concept of responsible building, is laying the groundwork for such an approach at building level, being well aware of the extension difficulties at each of the following dimensions: those of the neighborhood, the city and the territories, whereby the city must no longer be thought of as a juxtaposition of buildings in isolation, *"the result of the uncoordinated implementation of sectoral policies [34]"*.

In 2014, Gecina continued its work on the search for (an) *ad-hoc* indicator(s) for this challenge, seeking to build on the indicators of sustainable cities as it did with the biotope coefficient selected for the challenge of biodiversity (see 7.4.3.1. "Gecina's biodiversity strategy: Nature in the city"). The paths suggested by its experts (the operational recommendations made by the experts are available on request from Gecina at: rse@gecina.fr), are global, as is the average density per hectare of new offices or housing/number of square meters of living or useful space of new buildings brought to an overall artificialized surface or which are more specific, such as the percentage of endemic species in vegetated surfaces that have been selected and will lead to the first assessments in 2015.

Respect for the local architecture is also an issue, as the concern expressed by some builders or contractors of marking the sites of a particular footprint may oppose heritage preservation. Gecina wants to work with those architects who share this goal while recognizing the environmental, economic and social constraints of today which are not always taken into account in the city centers of previous centuries, which are less demographically constrained and not affected by the perspective of limited planet resources. On the bioclimatic plan for example, the shape of the buildings is a key issue in the optimization of energy consumption. On another note, from the point of view of biodiversity, *"traditional architecture was quite welcoming to nature, especially birds, while, with its smooth surfaces, the habitat built at present is in no way favorable for the settling of these species. The objective is to exceed a certain perception of architecture as something passive and mineral when, in reality, it involves a major interface with the living [35]."*

7.6.2. RELATIONS WITH STAKEHOLDERS

Relations with stakeholders
KPIs: Satisfaction rate of outgoing customers (residential excluding students residences)
2016 objective: higher than 90%

Gecina identified the groups of stakeholders direct lyor indirectly interacting with the company at different stages of its business and throughout its value chain (see section 7.1.1.2. "Stakeholders' mapping and dialogue process"). The paragraphs below describe the details of actions carried out with the various stakeholders.

In addition, since 2013 Gecina has been conducting a multilateral dialogue process with the representatives of the various stakeholders through a committee of experts meeting at least once per year. The process and summaries of committee meetings are included in section 7.1.2.3. "The Gecina Stakeholders consultation".

7.6.2.1. CUSTOMER RELATIONS AND THE QUALITY PROCESS

7.6.2.1.1. A CUSTOMER-ORIENTED QUALITY AND INNOVATION APPROACH

Gecina has made customer relations central to its commercial and property management strategy and is determined to establish a partner relationship built on customer satisfaction and attention to their needs and expectations. This determination is illustrated the company's motto "Gecina, far more than square meters".

(33) Barrat M., Hutinet L., Lecuir G. "Économie et biodiversité, produire et consommer dans les limites de la biosphère" (Economy and biodiversity, production and consumer within the limits of the biosphere). Victoires Éditions – June 2014.
(34) Peylet R., "Rapport au Premier ministre, la ville durable, une politique à construire" (Report to the Prime Minister, Sustainable Cities, a Building Policy), May 2014.
(35) Contribution of Denis Valode – Gecina, 2010/2014 Special biodiversity report.

A barometer for customer relations

Gecina is using an evaluation system that includes a Group survey carried out every three years on customer relations management. The purpose of this survey is to:

- evaluate overall satisfaction levels through the various stages of the customer experience;
- pinpoint customer expectations in the area of real estate products and services;
- identify the key strengths and improvement areas for Gecina.

The first series of surveys were carried out in 2013 by the Ipsos Institute with a sampling of key accounts for corporate customers and with individual customers for residences. Health facilities were not included in the survey due to the specific nature of that market, where tenants assume responsibility for all building operations.

The results concerning the primary survey indicators were as follows:

GROUP BAROMETER SURVEY'S RESULTS

(average score out of 10 excluding the recommendation rate)	**Offices**
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 services	7.1
5. Recommendation rate	**90%**
Partnership	7.4
Image	7.6

(average score out of 10 excluding the recommendation rate)	**Conventional residential properties**	**Campuséa students residences**
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 services	6.3	7.1
5. Recommendation rate	**82%**	**88%**

At the end of 2013, the staff worked to prepare action plans that were ranked based on priority expectations of customers.

The key area of improvement across all the categories considered involved providing greater fluidity in exchanges and follow-up of requests, especially relating to Gecina service provider interventions.

To address these expectations from customers, in 2014 Gecina set up dedicated interfaces online that could be accessed by both major corporate and individual customers.

The Gecina online Customer Area

Gecina wants to use this new service to provide solutions to customers that meet their requirements and to adapt its interaction channels for their use.

In this service area, people can:

- make online requests and follow up on them on a 24-hour basis;
- quickly and securely access tenant account documents;
- create and directly submit documents on line;
- find transparent information about current events of their building.

Prior to offering this service to all of its customers, Gecina wanted to test the tool among a select group of them. The pilot phase of this project lasted from April to July of 2014, using four office and four residential buildings. Meetings with customers promoted an optimization of the tool's functionalities. Gecina's objective is to implement this customer area for all of its properties in 2015.

In addition, Gecina continues to carry out customer satisfaction surveys with incoming and outgoing tenants in both conventional residential properties and student residences.

RESIDENTIAL CUSTOMER SATISFACTION AND RECOMMENDATION RATE (EXCLUDING STUDENTS CUSTOMERS)

	2010	2011	2012	2013	2014
Overall satisfaction rate					
Incoming customers	94%	96%	93%	94%	90%
Outgoing customers	93%	94%	91%	92%	92%
Recommendation rate					
Incoming customers	97%	96%	95%	95%	94%
Outgoing customers	93%	93%	90%	89%	95%

STUDENT CUSTOMER SATISFACTION RATE

	2010	2011	2012	2013	2014
Overall satisfaction rate					
Incoming customers	-	-	-	98%	98%
Outgoing customers	96%	98%	94%	99%	95%

The overall satisfaction rate remains very high among both incoming and outgoing tenants, with over nine out of ten tenants claiming satisfaction or high levels of satisfaction with Gecina's facilities and services.

The relative decline in satisfaction rates of incoming tenants in 2014 compared with 2013 is primarily due to a decrease in the scope of the survey on residential properties that gave rise to more sensitive changes in results.

Gecina uses the data from these results as inspiration for the development of customer relations tools:

- a Tenant Handbook is given to all incoming tenants of residential properties upon moving into an apartment to underscore the privileged relationship that Gecina wishes to establish with them. This handbook contains information on the building, the apartment and Gecina's properties as well as useful tips to tenants to increase their comfort levels while limiting the impact they make on the environment, thus instilling a responsible attitude with regard to protecting the planet for future generations;
- a Works Notice containing information on planned building improvement work;
- the address of the Facebook page for student customers (over 3,700 fans to date). This is the favorite interaction channel for Campuséa tenants. Competitions between residence buildings are held throughout the year to strengthen the community spirit. It is also a much appreciated area by foreign students for obtaining information about residences and application procedures.

Gecina observes and analyzes emerging trends in society, in particular trends that relate to ways of life and work, in order to maintain dialogue with tenants and to anticipate their future requirements. In 2014, Gecina contracted a study with the Ipsos Institute on the theme of "the office building of tomorrow", with the intent of finding out now what transformations will be impacting the real estate sector in upcoming years and assimilating these transformations into the design of its buildings.

7.6.2.1.2. RESPONSIBLE SALES MANAGEMENT

Gecina regularly negotiates a part of its residential assets, selling them unit-by-unit. Because of the impact on tenants of the sale of their apartments, the company began many years ago to take 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.

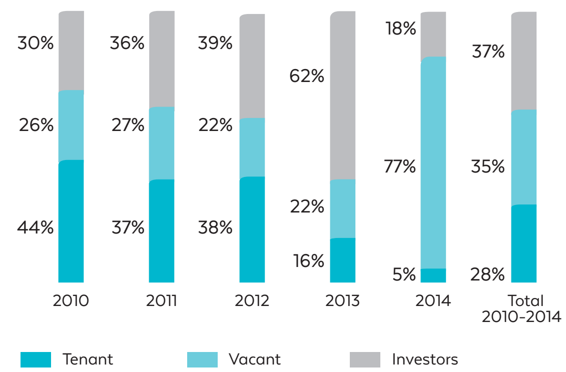
The principal legal requirements and Gecina's own provisions are as follows:

- 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;
- mobilizing Gecina's management and sales teams 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 on their behalf of over 15,000 residential units;
- 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 conditions, provided they meet certain conditions of health or disability;
- offering 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 the proposal of alternative accommodation for such tenants;
- for people who cannot or do not wish to acquire their residence, 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 6,000 apartments.

For sales volumes by units for the past five years (annual average of €146 million – 445 units, including 103 in 2014), the distribution of apartment buyers is as follows:

- 28% of units were sold 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 buyers who thus became apartment owners at prices below the market in an environment that they know perfectly;
- 35% of units were sold vacant, which amounted approximately to the average 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, on average 12 (2.2%) per year for an annual sales volume of 530 apartments over the past three years;
- 37% 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. In this way, Gecina endeavors to keep a good number of tenants on the premises, particularly those for whom a move would seriously affect their personal situation.

BREAKDOWN OF UNIT-BY-UNIT SALES BY TYPE OF BUYERS



7.6.2.2. GECINA LAB, THE CSR THINK-TANK FOR ASSISTING THE COMPANY'S STAKEHOLDERS

In 2010, Gecina created a think-tank for reflecting on all themes concerning its corporate social responsibility and baptized it Gecina Lab. A genuine forum for forward thinking, exchanging and sharing views with its stakeholders, Gecina Lab seeks to develop a participatory approach involving its customers and partners with the view to promote responsible assets.

Gecina Lab objectives are as follows:
- establish a partner relationship, promote listening and dialogue, confront points of view of experts and users;
- transpose ideas into actions and improve buildings performance for users.

Its main activities include conferences, thematic studies and construction site visits.

The idea of opening up the think-tank to other stakeholders such as Gecina suppliers offered an opportunity during the Sustainable Development week to set up a visit to the worksite of a project to convert a former office building into a students residence located at 80, rue Lecourbe in the 15th arrondissement of Paris. This visit involved twenty companies representative of the various construction trades who were able to review various aspects of a virtuous job site in the heart of Paris that integrates management of all local community constraints (communication, noise, cleanliness, etc.).

In the same spirit of collective action, the Gecina Lab breakfasts, bringing together several Gecina tenants, have resulted in numerous useful exchanges on learning about best practices in the area of CSR.

Throughout 2014, the Gecina Lab organized or participated in several conferences. During the World Green Building Week hosted by France GBC, three conferences were set up with Gecina Lab on the themes of immaterial value, biodiversity and experience feedback regarding the implementation of a system for measuring energy efficiency in commercial buildings owned by Gecina. The company's active participation in these events put its innovation capacities to the forefront through specific illustrations based on responsible buildings. The large numbers attending these events (a total of 192 people for the three conferences) confirmed stakeholders interest in these emerging CSR themes.

To take the Group's CSR commitment even further, Gecina Lab invited some Gecina tenants to participate in the CUBE 2020 event (Efficient Building Use Competition). CUBE 2020 is sponsored by the French Institute for Building Performance (IFPEB) and is the first domestic inter-company competition to highlight energy savings. The competition takes place between commercial buildings that seek to mobilize users to achieve the greatest possible savings in energy over a one year period. Events and communication actions are supporting the competition to put the competing companies in the spotlight and compensate those achieving the best results. Gecina aligned itself with this event in 2014 together with three of its tenants, Banque de France, Ipsos and Page Group. This initiative is supported by the French Green Building Plan.

Gecina also got involved with the ESSEC Alumni association by renewing its support for the 2014-2015 Renewable Energy and Energy Efficiency Trophy set up by the ESSEC Energy and Sustainable Development club. The awards ceremony took place in February 2014 under the aegis of Gecina Lab, who was an awards panel member.

In 2015, Gecina plans to strengthen its Gecina Lab strategy by basing its activities and priorities on the company's primary CSR issues, namely:
- **establishing green leases**: Gecina Lab will increase its support, dialogue and exchange activities with customer-tenants. As part of this effort, Gecina Lab will continue to implement a steering and dialogue tool relating to green leases;
- **responsible buildings**: a program of encounters with tenants and external personalities will be determined based on the 12 responsible building themes;
- **the building of tomorrow**: Gecina hopes to set up a specific working group that will develop its forward-looking vision of the building of tomorrow and make this a factor that sets its buildings and its new development projects apart.

7.6.2.3. IN-DEPTH RELATIONSHIP WITH INVESTORS

7.6.2.3.1. A PRIVILEGED RELATIONSHIP WITH INDIVIDUAL SHAREHOLDERS

Gecina maintains a privileged relationship with all its shareholders through its registered shareholding format. All shareholders are identified in the company's registers and get personalized treatment and free custody and management services as their account is held by the Securities and Market department, which is part of the Financial Communication Department.

In addition, remaining close to our shareholders means getting out and meeting them and Gecina has understood this. In addition to the General Meeting, which is a major event, the Financial Communications team set up three visits to properties in 2014, during which nearly 60 participants had the opportunity to visit eight sites in all, located in Paris and the Paris region.

The Financial Communications team also went to Marseille where it gave a presentation of the company to 300 individual investors during a conference-debate set up by Le Revenu. This event gave rise to a rich exchange of views.

Gecina also offers a certain number of additional services to its shareholders:
- a seasoned Shareholders Relations team that responds to all questions related to the General Meeting, account management, taxes, etc.;
- a dedicated space in the company's website www.gecina.fr from which all publications of the company may be received by electronic mail – Letters to shareholders, press releases on results and Group news – and through which registration to visits of properties may be done;
- a toll-free number from France (+33 (0) 800 800 976);
- a specific e-mail address: actionnaire@gecina.fr

7.6.2.3.2. A TRUST BASED RELATIONSHIP WITH INSTITUTIONAL INVESTORS AND FINANCIAL ANALYSTS

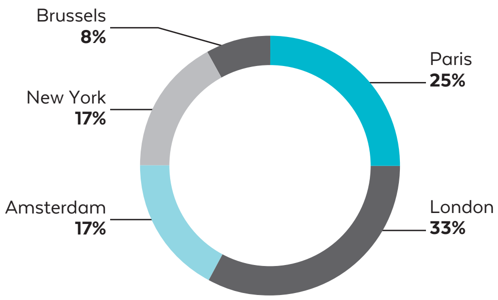
The Financial Communications team acts as a link between the Chairman and Executive Management of Gecina and market players. It informs and communicates regularly with institutional investors and financial analysts on company results as well as news and strategy.

In 2014, outside of the standard annual and half-yearly results meetings, Gecina met with more than 260 investors and financial analysts in conferences and road shows in France and abroad (see graph below) and in individual meetings and visits to properties as well.

In addition the Financial Communications team occasionally organizes an Investors day, an opportunity for participants to meet and discuss with Gecina management regarding current issues relating to the real estate market in general and to the company in particular. This event proves to also be the occasion to show some of the more emblematic properties in Gecina's portfolio to investors and analysts.

The Chairman, Gecina's Executive Management and the Financial Communications team attach special importance to relations with institutional investors and financial analysts, encouraging constructive exchanges of view and promoting a climate of trust.

GEOGRAPHIC BREAKDOWN OF ROAD SHOWS IN 2014



Gecina participated in two non-financial roadshows in 2014 and met 28 ISR investors during individual (as Mirova, Amundi or APG) or collective meetings.

The table below synthesizes all the elements of the roadshows and meetings with investors:

	2009	2010	2011	2012	2013	2014
Number of financial roadshows completed	9	18	21	14	11	12
Number of investors met	169	274	282	204	178	261
Number of non-financial roadshows completed	0	1	2	0	2	2
Number of ISR investors met	0	4	30(4)	3	20	28
Existence of an individual shareholders committee and number of committee meeting	no	no	no	no	no	no
Number of individual shareholders meetings	4	6	5	7	5	5

7.6.2.4. EMPLOYEE RELATIONS

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. Staff representatives and Works Council members were elected for initial terms of office of two years, extended by two additional years through to March 8, 2016. The Health, Safety and Working Conditions Committee, whose members were also elected in March 2012, held new elections on December 18, 2014. This election, held during a Works Council meeting, brought in two new committee members for a term of two years.

These bodies have the task of representing all of the company's employees and defending their interests vis à vis the employer during periodic meetings or organized negotiation sessions set up by the employer.

To accomplish this, each body elected has standing and alternate To accomplish this, each elected body has standing and alternate members, who in 2014 broke down as follows:

	Standing members	Alternates
Employee representatives	6	6
Executive Committee members	6	5
Health and Safety and Working Conditions Committee	6	2

Union representatives are appointed by their union and have no alternates.

Their role is to negotiate company agreements (Prospective Management of Jobs and Skills, incentive plan, working hours, etc.).

In 2014, 100% of the expiring collective bargaining agreements were renewed in the negotiations. They are mentioned in the social agenda (see section 7.5.3.3. "Staff cohesion and dialogue").

The total number of complaints brought before Management during monthly meetings with staff representatives came to 16 for the year, while of the twelve meetings, seven of them raised no issues whatever.

The Works Council was consulted eleven times about projects related to organizational changes such a restructuration, outsourcing, etc.

In addition, each year the Group sets aside an amount equal to 1.6% of employee expenses to finance the Works Council's operating budget and social actions.

In 2014, the CE's overall budget received €486,000 in allocations.

During the last quarter 2014, the HR department studied the opportunity to deploy an employees' satisfaction survey, social barometer to be launched at the first quarter 2015.

7.6.2.5. ACTIVE PARTICIPATION IN REPRESENTATIVE BODIES AND THINKI TANKS

Gecina participates in different think tanks that deal especially with sustainable development issues. In addition to monitoring the issues, this involvement contributes ideas and techniques that facilitate experimentation with new practices, boost innovation, and augment the development of employee skills.

The Group is also an active member of organizations that represent the construction and real estate businesses. This participation helps Gecina to stay abreast of the issues, anticipate the future requirements of its business sector and act accordingly in order to implement best practices.

The Group does not provide financing to these representative bodies and think tanks, apart from contributions for functioning, and it engages in no direct or indirect lobbying activities.

REPRESENTATIVE BODIES AND THINK TANKS IN WHICH GECINA PARTICIPATES

Sector	Name and type of think-tank or representative body	Details of Gecina's involvement
Real estate	***Grenelle Building Plan (2007-2012) / Green Building Plan (2012-2017)*** This group is attached to the DGALN (Directorate of Planning, Housing and Nature), which federates a network of construction and real estate entities aiming to achieve energy efficiency targets. 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.	• Active member of four working groups and co-steered the "Marks of Quality" group (Yves Dieulesaint) in 2012 • Involvement in the actions undertaken in the 2013 General Meetings, contributed to the drafting and signature of the energy efficiency in commercial buildings charter in November, 2013 • Co-steering the "Biodiversity and buildings" group (Yves Dieulesaint) started in 2014
	France Green Building Council (France GBC) France GBC is an association whose purpose is to lead a movement nationally to federate public and private sectors in developing sustainable construction and planning, to defend the French position at the ***World Green Building Council*** (WGBC) and to contribute to strengthening the offering of French companies.	• Founding member and member of the Board of Directors of France GBC • Participation in its Communications Committee (Yves Dieulesaint) and Technical Committee (Stéphane Carpier) • Annual contribution to the "World Green Building Week" through the organization of conferences: in 2014, three conferences were organized on the intangible value, biodiversity and measuring the energy performance that brought together more than one hundred people
	Sustainable Real Estate Observatory (OID) An independent association of public and private commercial real estate professionals whose objective is to promote sustainable development in the real estate industry both on the market and among its members by promoting progress in environmental issues, integrating sustainable development into real estate strategies and exchanging best practices.	• Contribution ***to*** the annual benchmark • Participation in information-sharing meetings and the SIMI conference
	French Federation of Real Estate and Property Development Companies (FSIF) The purpose of the FSIF is to review, promote and represent collective and professional interests of its members, to research and apply all its resources in their favor and to assist in any subject of direct or indirect interest to members.	• Federation member • Contribution to the work carried out by the Sustainable Development Committee
	Green Rating Alliance A non-profit association 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.	• Member of the association since 2013 • Participation in the Board of Directors (Vincent Moulard) and the Executive Board (Éric Saint-Martin) • Representation in the Technical Committee (Stéphane Carpier – 5 meetings)
	HQE Association An association whose mission is to bring together concerned entities to reflect on sustainable construction and planning, contribute to developing excellence in localities and defend the general interests of entities in the sector by recommending changes to the reference framework and by carrying out actions on operational work and planning.	• Member since 2012 • Participation in the "Air Quality" and "Biodiversity" working groups (Joanna Rebelo attending 7 meetings in 2014) • Signatory of the HQE® Performance Charter.

Sector	Name and type of think-tank or representative body	Details of Gecina's involvement
	Apogée Association Apogée is a grouping of organizations in the real estate sector that seek to improve their management of real property, to identify and to promote best practices.	• Active member since 2002 • Regular presentations in meetings and conferences in the "Housing" and "Offices" permanent groups, the Apogée Tuesdays and debates or conferences on current affairs (25 staff members from various operational and functional departments of Gecina)
	The International Council on Biodiversity and Real Estate (CIBI) A non-profit association made up of representative institutions for various trades including investors, developers, property companies, design offices, builders, equipment suppliers and landscapers, who seek to enhance best practices in the area of urban biodiversity during planning, design and operation phases for built up areas, in France and worldwide, primarily through the BiodiverCity™ label.	• Founding member and participation in the Board of Directors • Participation in the Communications Committee (Yves Dieulesaint) and Technical Committee (Stéphane Carpier), including four meetings in 2014
	Sustainable Building Alliance (SB Alliance) An organization that endeavors to develop common metrics that can be used to compare environmental performance internationally, particularly for the six essential indicators of carbon, energy, water, waste, air quality and thermal comfort.	• Participation in the "Pilot test on common metrics" task force (Stéphane Carpier) led by CSTB, tasked with defining common labels
	Certivéa A subsidiary of CSTB that assists through certification in the performance improvement processes of construction sector companies.	• Stéphane Carpier, technical director of Gecina, is also an auditor for Certivea (NF HQE® Commercial Property and NF HQE® Planning)
	Construction 21 A collaborative European platform dedicated to construction professionals and the sustainable city, intended to exchange information and experiences, develop networks and share knowledge among specialists on subjects of current interest.	• Membership (14 Gecina staff members belong to the network) • Participation in the Editorial Committee
Sustainable development	***(Global Compact)*** International initiative of corporation – citizens who seek to promote social legitimacy of companies and to commit to aligning their operations and strategies on ten universally accepted principles relating to human rights, work standards, the environment and the fight against corruption.	• Membership since 2013 and public confirmation of its adherence to the ten universal principles of the initiative in 2014 • Active member of the GC Advanced Club (Aurélie Rebaudo-Zulberty and Anh Tran) that offers a forum for dialogue, reflection and collective learning on the way to attain the 21 criteria of the Global Pact required to reach GC Advanced level
	Urbanism, Built Structures and Biodiversity Club A club for exchanging perspectives led by the LPO (Bird Protection Society) assembling the major actors of the area to develop an approach to urbanism that integrates biodiversity, urban nature and ecological connectivity in the construction and planning processes of localities.	• Founding member participating in the Board of Directors (Stéphane Carpier) • Participation in information-sharing work (Joanna Rebelo – 4 meetings in 2014)
	The HR Forward Planning Society Club made up of Human Resources directors and experts in forward planning and innovation, who seek to promote awareness among its participants of the culture and methods of anticipating forward, working on changes that will impact organizations, management and cultures in upcoming years.	• Participation in the development of the RH forward planning compendium dedicated to thinking about new ways of working, organization and management in socially responsible companies (Aurélie Rebaudo-Zulberty – 8 meetings in 2014)
	Agrion An international network dedicated to sustainable development and energy, bringing together companies, organizations, schools, laboratories, public institutions and other stakeholders concerned by energy, clean technologies, raw materials, mobility, urban management and sustainable development.	• Membership (Stéphane Carpier and Aurélie Rebaudo-Zulberty) and participation in 4 conferences in 2014
	Agora CSR French communities of Agora Fonctions enabling decision makers who exercise the same function within a large company to establish a forum for exchange of views and shared experience to pool their expertise and find better solutions jointly.	• Member for several years • Participation in the organization's life through visits, exchanges of ideas and debate events in 2014

7.6.3. GOVERNANCE AND BUSINESS ETHICS

Governance and business ethics
KPIs: Number of criminal convictions (excluding traffic fines)
Objective: 0

It is important to note that:

- 2014 is a year of strong evolution of the shareholding and the Board of Directors;
- The provisions taken by the Board of Directors at the end of 2014 are a strong sign of the evolution of the governance of Gecina (search for an independant Board member, a number of Board members reduced to 10, the budget reduces, Board members of the main shareholders not perceiving attendance fees, 50% of independant Board members, among whom the presidents of the Audt and Governance committees and 40% of women[32]).

All elements describing the exercise and organization of governance, the internal control process and information on compensation and benefits are detailed in Chapter 5 "Corporate Governance". A summary of these elements is provided below.

Operation of management bodies

	2008	2009	2010	2011	2012	2013	2014	2014 Reference Document page
Number of Board members (at 31/12/N)	18	15	18	14	13	13	9	135
% of independent Board members	61%	40%	39%	36%	38%	38%	44%	135
Definition of independence in accordance with the Afep-Medef Code	yes							
% of women on the Board of Directors	6%	7%	11%	14%	23%	23%	33%	137
AFEP/MEDEF correspondence table			-	information in Reference Document		Table in compliance		135
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	4	138
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	1 incoming / 8 outgoing	136
Directors' compensation	€1,785,850	€1,921,400	€1,750,000	€1,750,000	€1,360,000 (1)	€1,360,000	€1,360,000 (1)	171
Director's compensation voted at GM							yes	172
Number of Board of Directors meetings	10	10	12	12	9	12	13	147
Board meetings attendance rate	95%	95%	95%	98%	94%	98%	94.12%	147
Board of Directors evaluation	-	-	yes external	yes external	yes external	yes external	yes external	151
Number of independent Board committees	5	5 then 3	3	3	3	3(2)	3(2)	148
Number of Board committee meetings	24	33	34	34	31	28	28	147
Board committee meetings attendance rate	91%	94%	92%	98%	96%	98%	96.64%	147

(32) The Board of Directors of Gecina decided to propose the appointment of an independent member to the General Meeting called to approve the financial statements for the year ending December 31,2014. Subject to the vote of the shareholders, the feminine proportion will reach 40%.

		2008	2009	2010	2011	2012	2013	2014	2014 Reference Document page
Corporate officer	Separation of the duties of Chairman of the Board of Directors and Chief Executive Officer	no	yes	yes	no	no	yes	yes	145
	Effective separation of roles	yes, Deputy CEO	yes	yes	no	no	yes	yes	145
	Organization of the succession of the CEO	no	no	no	no	yes	yes	yes	
	Compensation of the CEO voted at GM	no	no	no	no	no	no(3)	no(3)	164
Shareholder democracy	Publication of the detailed breakdown of company capital	yes							-
	Publication of bylaws				-	yes(4)	yes(4)	yes(4)	-
	Voting rights	1 share = 1 vote ; no double vote							-
	Anti-takeover actions	no	no	no	no	no	no	no	-
	Voter turnout /quorum	80.96%	82.96%	78.46%	81.56%	57.22%(3)	81.76%	73.91%	-
	Number of resolutions submitted	27	35	24	38	14	23	20	-
	% 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%	Y : 96.08% N : 3.83% A : 0.05%	-
	Number of resolutions submitted by minority shareholders	0	6	1	0	0	3	0	-
	Number of regulated agreements presented at GM	2	2	4	3	3	1	1	-
	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%	Y : 92.32% N : 7.54% A : 0.14%	-
	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				-

(1) The envelope of attendance fees was used in the amount of €1,292,179 for 2012 and up to €929,667 in respect of 2014.
(2) The Board of Directors has formed, during fiscal 2013, two ad hoc committees. He ended the mission of one of these committees in September 2014.
(3) Consultative vote.
(4) Website.
(5) No presence in quorum of one of the Group's major shareholders.

Section 5.1.9.2. "Internal control system" sets out the system and good practices implemented in the Group and with regard to stakeholders to guarantee the respect of the best ethical principles concerning transparency, corruption and business ethics (for example, the implementation of a whistle-blowing system). The conditions for implementing the Ethics Charter and for raising awareness of the fight against money laundering and financing terrorism are also laid down.

All awareness, prevention and control mechanisms implemented by Gecina guarantee compliance with good ethical practices by Group employees in carrying out their functions and with regard to the various stakeholders, as Gecina has maintained a status of no criminal convictions for breaking the law since 2008 and again in 2014, excluding traffic fines. Any complaints brought to its attention in the area of the environment and impact on the society will shortly be analyzed by the Group for 2014.

07

7.6.4. RESPONSIBLE PURCHASING

Responsible purchasing
KPIs: % of suppliers whose CSR performance have been evaluated
2016 objective: 50%

Gecina is aware of the breadth of its responsibilities regarding its value chain, particularly with regard to its suppliers and has recognized that responsible purchasing is a priority issue in its CSR policy (see 7.1.3.2. "Gecina's CSR policy"). In 2011, Gecina set up a working group to focus on the issue and to formalize a responsible purchasing strategy based on four commitments:

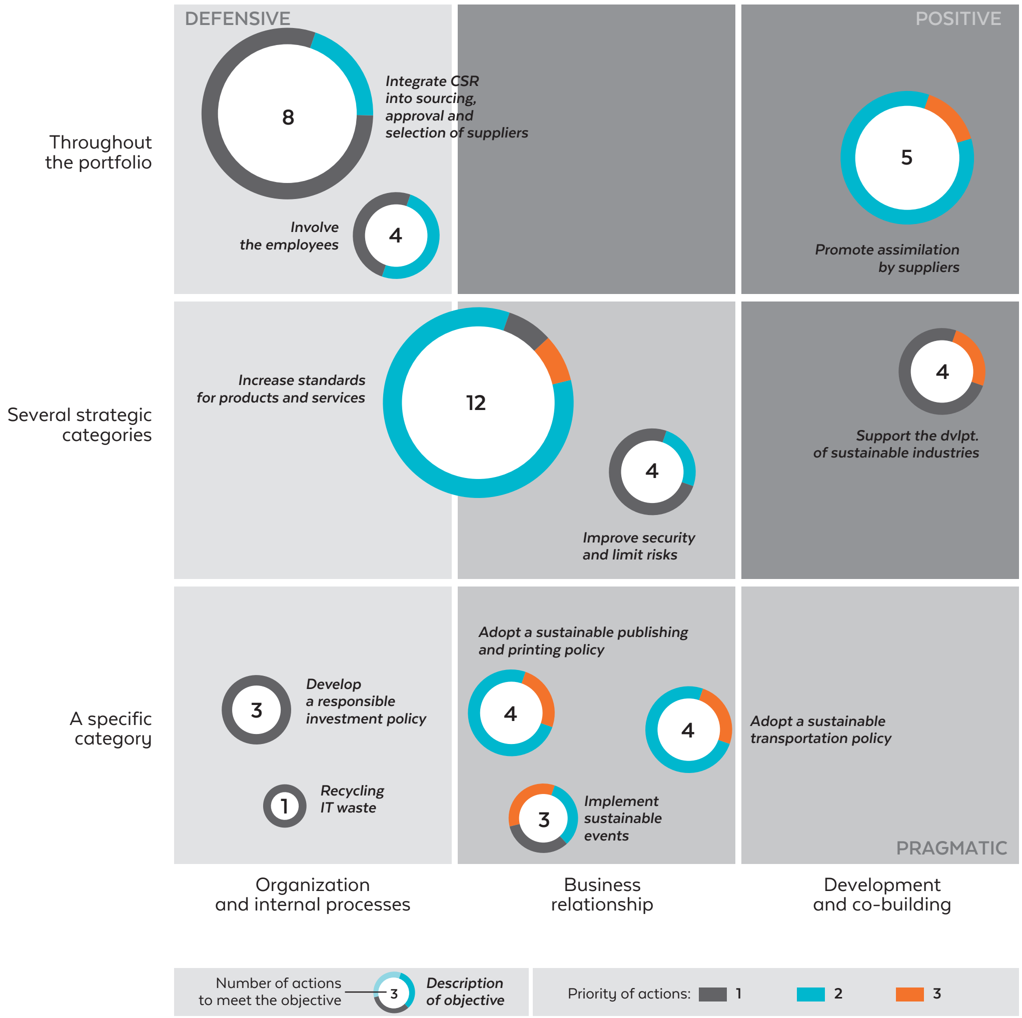
- **train stakeholders and promote their awareness about CSR issues** in the construction and operation of buildings;
- **base purchasing practices on the best standards of quality and traceability** for products and services;
- **build partnership relationships with our suppliers** in the field of CSR;
- **raise awareness and involve users** to ensure optimal impact of the responsible purchasing process;

Action plans were determined for each of the twelve priority categories of purchasing identified subsequent to an analysis of 92% of purchases carried out in 2011. This analysis is described accurately in the 2013 Reference document (see section 7.6.4.1.3. "Prioritization of purchasing categories" on page 307), as well as the action plans that were decided on (see section 7.6.4.1. "Gecina's responsible purchasing process" on page 307):

- investments (pre-construction projects or property development contract purchases of new or existing buildings and delivery of turnkey projects);
- **construction work** (finishing, technical equipment and shell);
- **operation and maintenance** (maintenance with a maintenance contract, fittings and finishing, ongoing maintenance and small repairs, cover and façade and fittings and finishes of private areas);
- **services and small equipment** (lights, electrical equipment such as light bulbs, neon lights and batteries, electrical and electronic equipment such as PCs and printers, telephones, screens and accessories);
- **intellectual services** (communication, marketing, legal and human resources).

In 2014, following the structural changes that occurred within the Group (see section 7.1.4.3. "Operational teams that integrate CSR in their jobs"), these action plans were revised with the new key persons in the various operational and functional departments, with the assistance of the Utopies firm. Over the five priority purchasing categories, 52 actions have been identified and grouped into 11 macro-objectives. These actions may be cross-functional through one or several areas or specific and monitoring of them is carried out in each steering body of the departments concerned in order to ensure the greatest degree of consistency with the organization implemented in 2014.

BREAKDOWN OF 52 ACTIONS OF THE RESPONSIBLE PURCHASING PROCESS



7.6.4.1. INCORPORATION OF CSR CRITERIA IN SPECIFICATIONS AND INVESTMENTS

Gecina has developed a **sustainable investment scoring matrix** in order to assess the performance of an existing asset on the various responsible building themes (see section 7.1.3.3. “A systematic approach: the responsible building in sustainable areas”). The 14 projects submitted to the Investment Committee concerning existing assets were analyzed using this tool. In this context, Gecina grants as much importance to building performance with regard to these various themes as to its potential for creating sustainable value. By investing in assets whose potential in various responsible building themes requires development, Gecina sets the conditions for future value creation for the company, its shareholders and society.

In addition to the signature of the Responsible Purchasing Charter for Sale Before Completion Transactions or Real Estate Promotion Contacts acquisitions (see section 7.6.4.2. “Gecina’s actions and performance in the area of responsible purchasing”), during the course of the year, Gecina prepared a specific responsible purchasing clause that it will include in the deeds of existing buildings. This clause orients the company’s counterparties toward a better assimilation of its CSR process. As investments undertaken for this type of asset in 2014 were done prior to the finalization of this clause, it could not be included in the corresponding deeds.

Project development assets managed by Gecina require the signing of the Responsible Purchasing Charter and specifications describing the standards inherent in each of the sustainable building themes (performance program). Depending on the potential of the building and the asset management strategy used, a target level is determined for each asset in terms of their environmental and social aspects. The performance programs established for office buildings and student residences are available on the Group’s website (www.gecina.fr – Responsability headings)

7.6.4.2. GECINA'S ACTIONS AND PERFORMANCE IN THE AREA OF RESPONSIBLE PURCHASING

Part of the actions in the updated Responsible Purchasing Action Plan are included in section 7.1.3.4. "CSR action plans", as well as in the diagram below.

The **Gecina Responsible Purchasing Charter**, launched at the end of 2013, is a key element of:

- raising awareness among suppliers, in particular VSEs and SMEs, about CSR issues;
- sharing out the common definitions, values and commitments needed to build partnership relationships with suppliers;
- involvement of suppliers and service providers in practices and implementation of sustainable products.

Details concerning the drawing up of this charter appear in the 2013 Reference document (section 7.6.4.2. "Gecina actions and performance in the area of responsible purchasing" on page 309). The charter is also available on the Gecina website.

Getting suppliers to sign this charter was a key action in 2014, supported by the dialogue and persuasion efforts of numerous Gecina employees involved in supplier relations. Of the 332 suppliers identified as contractors at the end of 2013, 288 proved to be recurring contractors and 93% of these signed the charter. Another 327 suppliers who were not identified in 2013 as recurring suppliers or who only recently began working with Gecina met the requirements for signing the charter in 2014, which are stated below. Of these suppliers, 87% signed the charter.

CRITERIA FOR SIGNING THE RESPONSIBLE PURCHASING CHARTER

1. Suppliers operating on construction projects or developers carrying out Sale Before Completion Transactions or Real Estate Promotion Contacts projects.
2. Technical or Fees-based suppliers whose services were invoiced for amounts superior to €45,000.
3. Non-technical or Fees-based suppliers who took an order higher or equal to €10,000 or an estimated amount of expenditures over or equal to €20,000 per year.

In all, 557 suppliers out of the 615 targeted, or 91% of suppliers, signed the Responsible Purchasing Charter. Details regarding the number of charters signed in the purchasing area appear in the table below.

BREAKDOWN OF SIGNATURE OF CHARTERS BY PURCHASING AREA

	Number of companies			
Purchasing area	**Signed**	**Did not sign**	**Total**	**Rate of signatures**
Construction	44	3	47	94%
Operations and maintenance	353	12	365	97%
Overheads and IT	70	20	90	78%
Intellectual services	91	23	114	80%
Total	**558**	**58**	**616**	**91%**

Specific efforts have been made to adapt the charter to certain trades, as with the Statutory Auditors, who are subject to strict confidentiality rules. The two companies, Mazars and PricewaterhouseCoopers hired for that by Gecina thus signed the charter.The same work is currently underway with multinational companies that manufacture electric appliances such as Apple or Dell, who are also committed to overall sector CSR processes.

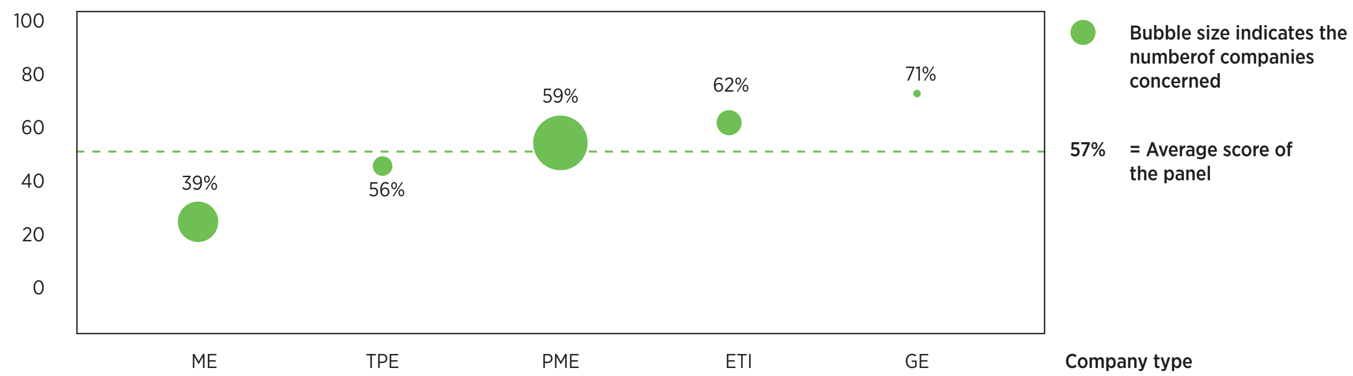
In parallel, the charter was integrated into contracts signed for two VEFA investments for which payments will be made in 2015. An internal audit will be conducted beginning in early 2015 to verify the proper inclusion of the Responsible Purchasing Charter into the Gecina supplier and service provider consultation process.

As a complementary tool to assist suppliers and service providers in implementing commitments taken by signing the Responsible Purchasing Charter, Gecina has produced an **evaluation questionnaire** intended to:

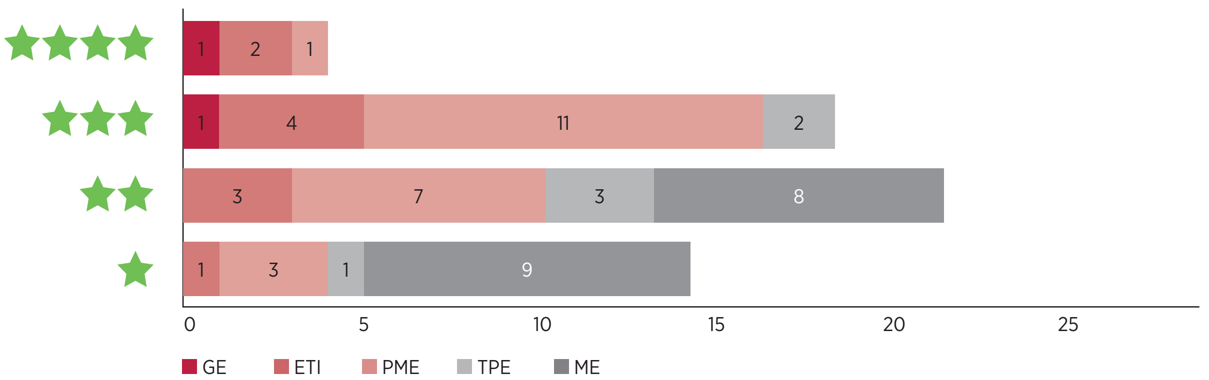
- assess the maturity of its panel of suppliers in terms of CSR in analyzing risks and opportunities;
- evaluate the individual performance of suppliers as well as by purchasing categories and structure type;
- adapt measures and identify action paths by supplier and by purchasing category as a function of the results of co-establishing progress plans if necessary, and/or programming sector actions by channel, for example in collaboration with federations.

This questionnaire was accessible from an internet platform for easier use and initially contained some twenty questions. The questionnaire was given to a representative sample of 117 suppliers in the first quarter of 2014. The responses and feedback of the 49% of suppliers who participated in this campaign highlighted areas for improvement such as comprehension of the questionnaire, its use, analysis and comparability of results. The responses of 57 suppliers are presented in the graph below.

AVERAGE SCORES (%) BY COMPANY TYPE (EXCLUDING COMPANIES APPEARING ON A NON-FINANCIAL INDEX – SCORE ESTIMATED AT > 80%



BREAKDOWN OF COMPANIES BY SCORE CATEGORY



Legend:

Score > 80% → Consider a partnership

Score < 80%

Score < 60% → Request suppliers to recommend progress plans in areas identified

Score < 40% → Co-create progress plans with suppliers in identified areas

Score < 20% → Consider whether pursuing the business relationship is possible

Areas for improvement in suppliers identified by company size are as follows:

- SMEs: the societal process and commitment to communities;
- microenterprises: company organization methods/societal process and commitment to communities.

Areas for improvement in suppliers identified by purchasing category are as follows:

- operations and maintenance: company organization methods/societal process and commitment to communities;
- services and small equipment: company organization methods/societal process and commitment to communities;
- intellectual services: company organization methods/environmental process/societal process and commitment to communities.

The suppliers for whom areas of progress were identified as having scores lower than 60% received a summary of this study and a sheet recapitulating their performance. The actions implemented depend on the scores obtained by suppliers. The 14 suppliers who scored between 20% and 40% will be contacted during the first half of 2015 and the 21 suppliers with scores between 40% and 60% will be requested to contact Gecina with progress paths for the identified areas of improvement.

New campaigns will be launched to achieve 50% of suppliers whose performance was analyzed *via* the questionnaire at the end of 2016.

With a view to bolstering its action to combat illegal work, in July 2014 Gecina implemented a new **approval procedure for suppliers and service providers.** Articles L. 8222-1 and L. 8254-1 of the French Labor Code require all principals to verify every six months that their contractors are up to date with their social and tax declaration obligations, throughout the duration of the contract and the contractor's work provided as part of it. The management of this documentation is extremely cumbersome. Gecina, wishing to ensure compliance with the Labor Code, contracted Actradis.fr, the leading collaborative platform for exchanging mandatory documents, to collect and manage the documents required by law from suppliers who invoice in excess of €3,000 including tax to Gecina, to include:

- proof of registration with tax and social services;
- attestations of social declarations and payment of social security contributions from the Urssaf social security administration;
- a nominative list of foreign employees that are required to have work permits as stipulated by article L. 5221-2 of the Labor Code, showing date of hire, nationality and the type and number of their work permit.

Actradis.fr handles the collection, verification, online publication and archiving of these documents. Gecina suppliers and service providers can then allow access to this platform to all of their other customers requiring this information, thus reducing the number of emails and letters and their communications efforts expended in compliance with the law.

Three training sessions were offered to all Gecina employees involved in the orders process in October 2014 to adapt to this new approval process. A total of 155 persons were trained and over 500 suppliers have already recorded their data on the platform since July 2014. Around 100 suppliers whose sales to Gecina were under €3,000 excluding tax were approved outside of the platform as a complementary action.

The **General Conditions of Contract (GCC)** regarding technical activities that sets out the expectations and relationships between Gecina and its suppliers was revised at the end of 2013. It was signed by all the technical suppliers who invoiced over €100,000 in 2014. In 2015, the GCC will be revised to adapt to all services provided to Gecina.

In 2014, the **technical specifications** that determine standards for new construction and major renovations and that describe the performance requirements for commercial buildings and specifications for students residences were revised to include new energy performance criteria, biodiversity and the impact of materials on air quality. This revision applies to 60% of the specifications for Gecina projects. In 2015, the specifications for operations services will be revised to include these same criteria.

In order to encourage the hiring of people with disabilities, Gecina has committed to **support adapted and protected work environments** through its responsible purchasing and disabilities policy. Objectives were set in terms of revenue and beneficiary (disabilities-equivalent) units (BUs) through to 2016, as indicated in the table below.

USE OF COMPANIES EMPLOYING PEOPLE IN ADAPTED AND PROTECTED WORK ENVIRONMENTS

		2013	2014	2015	2016
Objective	EXPENDITURE	€ 15,00	€ 19,00	€ 38,00	€ 45,00
	Beneficiary units	**0.8**	**1**	**2**	**3**
Actual / estimated	EXPENDITURE	€ 10,70	€ 20,60	€ 39,40	-
	Beneficiary units	**0.57**	**1.1**	**2.1**	**-**

A training and awareness mechanism was implemented to improve performance and achieve 2014 objectives (see sections 7.5.2.5. "Training" and 7.5.4.2. "Disabilities policy and hiring people with disabilities"). A training session on awareness at the workplace about adapted and protected work environments brought together 13 employees from the various departments concerned and two visits to ESAT (*Établissements et Services d'Aide par le Travail* – Work Assistance Services) structures took place involving a dozen persons. Contracts signed with companies employing people in adapted and protected work environments for processing headquarters building waste and D3E waste (Electronic and electrical equipment waste) thus generated 1.1 Beneficiary Unit in 2014. At the same time, workshops were set up with technical departments in collaboration with the specialized disabilities agency, Handiréseau, to identify potential action areas for portfolio properties. Effective from the second half of 2014, a specific requirement was included in the calls for tenders, beyond the pale of environmental criteria. Site maintenance for a property will be attributed directly to the ESAT "The workshop companions", and four companies will subcontract a portion of the awarded contract services to people in adapted and protected work environments. In all, 10.4% of the contract will be allotted to companies employing people in adapted and protected work environments and this process will generate one BU in 2015.

The Responsible Purchasing Action Plan called for **training consecrated to responsible purchasing** for all key managers involved in supplier relationships. Nonetheless, in view of the impact of the new organizational structure (see section 7.1.4.3. "Operational teams that integrate CSR in their jobs") and the efforts demanded of employees as part of the approval process and the implementation of the Responsible Purchasing Charter, training in this area has been put bac

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 of the XXI[st] century of building cities and the living areas therein. It is the place where policy makers, bearers of the city, theorists, investors and builders come together to work at inventing the city of tomorrow. The Foundation works directly with those who have or will have the responsibility of building the city by creating the required support tools for reflection (institutes), setting up relays (center for the future) and anticipating issues (research). The working method used is to bring about encounters between leaders and experts, students and business lines, as well as doctorate candidates and operational personnel.

In 2014, with the support of Gecina, the Palladio Foundation was able to develop in particular:

- for leaders and decision-makers: the third annual cycle of the Palladio Institute of Advanced Studies on real estate and the City (focus on the theme What will the city of tomorrow be used for? Sponsored by Jean-Louis Borloo, former Minister and legislator from the Nord region), the Actes 2014 (achievements of the work cycle and the 28 auditors including Vincent Moulard, Director of Asset Management), published in November, 2014 rounding off the Collection begun in 2012). "What will be the values of the city of tomorrow?", is the theme of the 2015 cycle sponsored by Alain Juppé, Mayor of Bordeaux and President of the Urban Community of Bordeaux;
- for students: all of the Palladio Center for the Future tools (including the twelve grants distributed to student-researchers and amounting to an overall distribution of €100,000), the SIMI Junior Prize for Real Estate, the AREIM Prize, sponsored for the seventh and fourth consecutive years respectively, the third Real Estate Industry Career Fair (with 43 exhibitors and 1,500 visitors) and the SIMI Training Program (featuring 19 training courses put on by 11 institutions). The Palladio University year featured 29 Master's degrees from 18 universities and top-ten engineering/ business schools;
- for doctorate and post-doctorate candidates, the action programs of the Palladio Research Center are: The Palladio Dossiers, which publish articles written by the Foundation's doctoral fellowship holders, the third International Congress on Urban Real Estate and Construction Research (on the subject New tools for urban real estate development). The eight fellowship recipients in 2013 gave presentations on their work to the leaders and decision-makers. Participative design and the major project or co-production were assimilated as new tools.

In 2014, Gecina was especially involved in the following:

- the governance of the Palladio Foundation: through the Board of Directors;
- communications of the Palladio Foundation: the Gecina Marketing and Communications department relayed news of the Foundation and distributed invitations to its events;
- the Palladio Center for the Future: Bernard Michel is Chairman of the Palladio Grants Committee and Gecina hosted a stand at the Real Estate Industry Career Fair;
- the Palladio Institute: Vincent Moulard was auditor of the 2014 cycle;
- the Palladio Research Center: Gecina hosted the Research Congress, participated in its organization and Bernard Michel gave a presentation.

7.6.5.2 HELP FOR SOCIAL REHABILITATION THROUGH HOUSING

For several years, Gecina has initiated partnerships with three associations active in the field of rehabilitation through housing (Solidarités nouvelles pour le Logement (New Solidarities for Housing) – SNL Paris, Habitat and Humanism and Coallia). The Group rents out some of their apartments to these associations at preferential rates below market value, such as almost 20% for accommodation located on rue A. Mouchez in the 13th arrondissement of Paris.

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 difficult to access for low-income families, while access to conventional social housing is hampered by the shortage of such housing. Based on the UK model, Gecina rents out, to these three partner associations, seven apartments in various residences in Paris (three located in the 20th arrondissement, two in the 13th arrondissement and one in the 12th arrondissement) and the Paris region (two in Ville-d'Avray in the department of Hauts de Seine).

Candidates are chosen by the associations, which forward requests from the Paris City Council or from the prefecture. Rents are capped and the lease proposed by the associations is temporary. The tenants are people in distressed circumstances, mostly couples or single women with one or two children. A total of 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, they are then re-housed. All avenues are considered in the best interest of the tenants, their constraints and their aspirations.

Most of the apartments trusted by Gecina to these associations 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. MOBILIZING EMPLOYEES FOR THE GECINA FOUNDATION

Sponsorship and partnerships
KPIs: % employees actively involved in one or more actions of the Foundation
2016 objective: 20%

The Gecina Foundation is presided over by Mr. Bernard Michel, Chairman of the Gecina's Board of Directors. The Board of Directors comprises eight members:

- five of whom represent the founder and have operational jobs within the Group;
- three qualified members who provide expert advice on disabilities and environmental issues.

COMPOSITION OF THE BOARD OF DIRECTORS

Gecina representatives

- Bernard Michel, Chairman of the Gecina's Board of Directors.
- Jacques Craveia, Director of Operations – Real Estate Holdings department.
- Loïc Hervé, Director of Real Estate Holdings.
- Viviane Liotta-Carbognani, Accounting Manager Assistant.
- Philippe Valade, General Secretary.

Qualified members

- Dominique Legrain, former Inspector-General for the Environment.
- Ryadh Sallem, elite athlete, Director of Cap Sport Art Aventure Amitié (Cap SAAA), a non-profit organization.
- Anne Voileau, Director of the radio station Vivre FM and Editor-in-Chief of the magazine *Être Handicap Information*.

During the 2014 fiscal year, the Board met twice to approve 13 programs undertaken with employees. The year was marked by a significant and diversified mobilization of employees, solidifying commitments voted for in 2013.

Over 2014, the amount paid for by the Foundation was €204,057 as a result of the €200,000 annual allocation and the previous fund balances.

TWO AVENUES FOR UNIFIED DEPLOYMENT IN LINE WITH CSR

The Gecina Foundation has been structuring corporate philanthropic activities regarding disability and protecting the environment since 2008, and does not seek to support commercial initiatives such as sponsoring.

It supports general interest projects connected with the following:

- the improvement of living conditions and accessibility for people with disabilities;
- the protection of nature through preservation or rehabilitation actions at natural sites and of biodiversity in urban settings.

The Foundation is part of a process of openness by Gecina to the issues facing civil society that go beyond business commitments. It involves Group employees, and nourishes and enriches the company's consideration of societal issues while participating in the development of a unified company culture.

To complement 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 SOURCE ACTION PLAN OF CITIZEN INVOLVEMENT FOR THE COMPANY AND ITS EMPLOYEES

The Group's employees are at the core of the projects supported by the Foundation. They participate through volunteering and charity work by means of participation mechanisms:

- partnership for contributing expertise;
- project sponsorship;
- collective mobilization on specific and intermittent support actions.

A total of 107 employees were employed in 2014 from around 30 partners across all proposed measures (sponsorship, partnerships, collective action, coaching, hosting a radio broadcast). This reveals the strong mobilization of employees, since 22.6% were mobilized by one or more Foundation projects this year compared to 16% in 2013.

The share of skills-based sponsorship increased to 125 days for 2014, out of a total of 250 days devoted to the general interest projects by employees. Skills-based sponsorship is increasing sharply (46%), as the number of days was only 85.5 in 2013.

Depending on the type of project, they may or may not be carried out during working hours. The valuation of working hours amounts to €55,812 and forms part of a contribution by the company of the participation of volunteer employees and volunteers.

The strong involvement of employees was made possible by the extension of institutional partnerships with the ONF, the LPO and the Conservatoire du littoral (the French coastal protection agency) by the Foundation.

The impact of mankind and the artificialization of natural areas were discussed in terms of maintaining biodiversity and a scholarship involving accessibility and environmental issues. The employees were involved in urban, suburban, forest and coastal areas such as the Domaine du Rayol (83), the nature reserve of Lilleau des Niges (14) and the forest massif of Melun Sénart (91), as well as in urban areas in Paris and the surrounding region.

Employees also heavily invested in disability throughout the year, alongside the three partners:

- The Cap SAAA association, as part of the professionalization of the France team of wheelchair rugby players by participating in awareness projects at national and international sports events.
- The NGO Ashoka, as part of the accompanying "Impact Handicap program" on social entrepreneurship. Ten social entrepreneurs were accompanied over a six-month period by Ashoka coaches in tandem with Gecina employees. The program, complemented by training modules, mobilized around a dozen employees who advised and monitored 10 project leaders throughout their business plan. A total of 66 consulting days were devoted to these new structures. At the end of this program, a jury awarded two prizes of €5,000 each, one to the association Learn Enjoy, which works to integrate children with autism, and the other to Club House Paris, a network of reception centers for people with mental disabilities.
- The association ANPHI received around 10 associations supported by the Foundation *via* its radio program "Construire ensemble" (Building together) to attest to their news, progress and contributions from support received. Giving the associations the floor once a month has been useful for re-engaging in mutual dialog.

The 11 collective projects proposed by the Foundation mobilized half of employees in 2014. Over a shorter term, these operations controlled with committed volunteer employees provide a testing ground for "living together" with partners and colleagues from different services.

This measure boosts the membership of employees who can commit to longer sponsorship projects. The projects undertaken in 2014 include:

- making culture accessible with the *Opéra-Comique*;
- adopting sorting practices with the association *Clayes Handisport*;
- conditioning and offering products for isolated seniors with the association *Dons Solidaires*;
- planting old varieties of fruit trees in a conservatory orchard with the ONF;
- developing nesting islands for nesting water birds in marshes;
- raising funds for Christmas sales for the associations *Handichiens* and *Mécénat Chirurgie Cardiaque*.

COMBINED BALANCE SHEET

Since its establishment in 2008, the Foundation has supported 80 projects with some 30 partners.

A total of 179 Gecina employee volunteers have been involved at different levels since the Foundation began.

At December 31, 2014 and since its establishment, the total resources of the Foundation (including gifts received).

7.7. APPENDICES

7.7.1. REPORTING PROCESS AND METHODOLOGY

7.7.1.1. REPORTING PROCESS AND DATA QUALITY

REPORTING PROCESS

Since the reorganization in 2014 and with a desire to integrate CSR, the indicators are directly followed up by the relevant operational departments which collect information and calculate some of the data.

Each indicator is subject to a review for consistency and validation review by a hierarchical superior.

The information is then consolidated at CSR management level, which shall:

- ensure compliance with regulatory, sector and international reporting standards and to update the Gecina reporting protocol with the operational standard;
- initiate and coordinate the various phases of the reporting campaign;
- accompany employees;
- centralize and check the consistency of information;
- analyze the results with all department managers;
- propose action plans and initiatives in relation to these developments;
- communicate information consolidated in this way internally and externally.

DATA SOURCES

The CSR data measured, collected and analyzed by Gecina come from different sources: invoices, certificates, topographic surveys, Météo France databases, manual or automated metering, building permits, surveyor statements, 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.

DATA MANAGEMENT AND RESPONSIBILITIES

Before being centralized at CSR management level, a non-financial indicator is subject to a number of audit and control operations at various levels.

Operational employees are the persons who own the data and information to be reported. They are responsible for collecting and compiling the data and entering them into the appropriate reporting tools.

Their role entails:

- collecting data for the monitored indicator;
- consolidating the indicator's data on the scope for which he or she is responsible;

- checking data reliability by conducting required consistency checks (consistency year N/N-1, consistency between sites, audit ratios).

A contact person is appointed for each business line, most frequently the employee's hierarchical superior. Their responsibilities include:

- 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 employee;
- checking the right justification for changes in scope observed since the prior period and any discrepancies with the reporting methodology defined in the protocol.

7.7.1.2. METHODOLOGY INFORMATION

DETAILS ON CLIMATE VARIATION HYPOTHESES

The whole of the commercial property and, since 2013, a part of the residential property has taken real consumption into account.

In this way, 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 (compared with 2008 consumption), implies adjusting the data obtained to reflect climate changes.

Year after year, due to harsher/less harsh winters and/or hotter/cooler summers, the primary energy consumption from real bills does not directly reflect the work to improve the performance of assets, which has been ongoing since 2008. To correct this value, an approximation with climate data, "UDDs" (Unified Degree Days) from the national databases of Météo France, is calculated using the COSTIC method.

In 2010, Gecina decided to determine the impact of climate change on the consumption and emission levels of its property portfolio assisted by its advisor Cap Terre, which has been analyzing the thermal behavior of the Group's commercial properties since 2008.

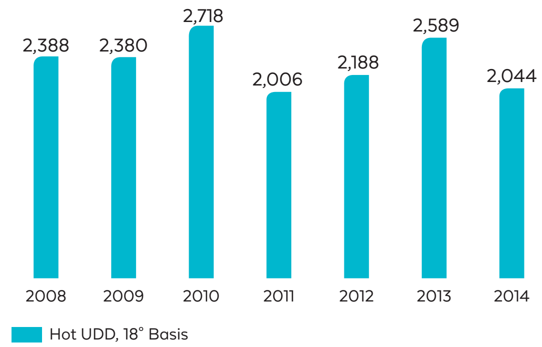
Although direct proportions of heating consumption and hot UDDs were confirmed – heating occurs because it is cold outside – simulations carried out on nine new HVAC-equipped office buildings of different types showed that the same could not be true for the "cold" UDDs. In fact, we cool a room because it is hot outside, but also because of other indoor sources of heat. The relative percentage of air conditioning due to each of these two causes changes according to the energy performance of the building. Thus, after an initial study, Gecina had decided to correct only part of consumption, the part directly related to the climate by retaining UDDs beyond 23°C as a working basis.

In 2011, for the behavior during mid-season directly impacting consumption associated with the production of cold, after further analysis of the behavior of buildings and the wider consultation of experts working on mounting energy performance contracts or developing thermal regulations, Gecina changed its methodology by retaining a correction value impacting all cooling consumption in view of the need to ensure the level of comfort required by our tenants.

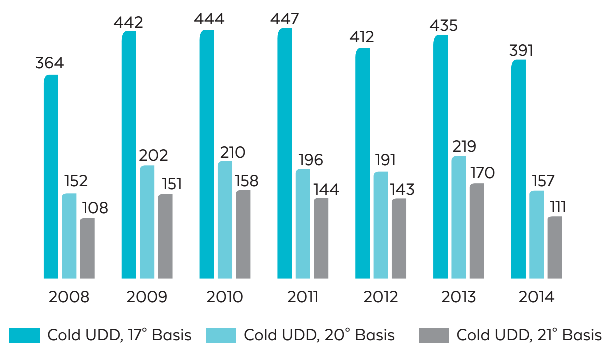
In this way, the methodology was changed to:

- 100% of heating consumption by taking into account the evolution of the hot UDDs calculated at 18 °C for the full year with the Météo France methodology;
- 100% of consumption associated with the production of cold by taking into account the evolution of cold UDDs calculated from a different value depending on the type of assets for the full year with the Météo France methodology:
  - 20 °C for properties built before 1930 (family 1),
  - 21 °C for properties built between 1930 and 1975 (family 3),
  - 20 °C for properties built between 1975 and 1990 (family 5),
  - 17 °C for properties built after 1990 (> family 7),
  - no corrections for families 2, 4 and 6 and non-air-conditioned properties.

HOT UDD EVOLUTION SINCE 2008



COLD UDDS EVOLUTION SINCE 2008



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 office, 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 office 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:
  - office properties:
    - premises may be occupied 24 hours a day, 7 days a week,
    - type of usage: multi-tenant property, headquarters, etc.,
    - intensity of the activity: administrative, consultancy, call-center, trading desk, etc.,
    - services associated with the building's use: sports hall, restaurant facilities, etc.,
    - retail activity with longer or shorter opening hours (open or not on Sundays) and of different types (shop, showroom, etc.),
  - healthcare properties:
    - the intensity of the activity impacts consumption levels: accommodation (retirement home); research center and laboratory; medical activity (re-education, spa therapy, operating theaters, etc.).

CHARACTERISTICS AND MEASUREMENT OF THE INFLUENCE OF PARAMETERS ON ENERGY EFFICIENCY

	Scope		
	Offices	**Healthcare**	**Residential**
Reference surface area	GLA: gross leasable area	GLA: gross leasable area	NFA: net floor area
Calculation method	Actual, calculated based on invoice analysis and adjusted for climate impact	Actual, calculated based on invoice analysis	Actual, for assets with collective heating EPC, conventional calculation for assets with individual heating
Distribution of energy supply	Energy consumption is broken down by supply sources (electricity, gas, fuel oil, heating network, cooling network, etc.) by distinguishing the share paid by Gecina from that paid by the tenant		
Influence of work carried out	The impact on consumption and emissions is simulated before starting the work and actually measured post delivery		
Influence of vacancy rate	The Y/Y+1 variations of the consumption and emission levels are analyzed with regard to the occupation rates of the buildings		Not applicable as the EPD calculation is made using comfort temperature and the regulatory occupancy rate
Climate impact	Measured impact	These impacts are not currently subject to detailed measurement	
Influence of operations management	Measured impact		
User behavior	The impact is not currently subject to detailed measurement		
Influence of the business			

7.7.1.3. EXTERNAL VERIFICATION AND INDEPENDENT THIRD PARTY REPORT

For 2014, Mazars, an audit, accounting and consulting firm accredited by the COFRAC, was appointed by the Chief Executive Officer as an independent party to audit the social, environmental and societal information disclosed in the Gecina management report as for the fiscal year ended December 31, 2014, pursuant to Article 225 of the Grenelle 2 law.

This service is directly related to Mazars's assignment as the Statutory Auditor of the Gecina Group.

The audit engagement covering topics defined by Article R. 255-105-1 the French Commercial Code is composed of two parts:

- the review of the completeness of the information disclosed;
- the review of the fairness of the information disclosed.

In the context of the audit conducted by the independent party, indicators can be reviewed at different levels:

- reasonable: the highest level of assurance, it attests to the fact that the relevant indicators were established fairly in all material aspects, in accordance with the reference source;
- moderate: this level of assurance attests that the information does not contain any material misstatement likely to call into question their fairness;
- review of consistency: this level of assurance attests to the consistency of information disclosed.

Consistency and completeness of the information disclosed under Article 255 in addition to the level of audit of used indicators are summarized in the cross-reference table with Article 225 of the Grenelle 2 law (see section 7.7.2.1. "Correspondence table with Article 225 of the Grenelle 2 law").

At the end of this audit, the independent third party issues a report that is published in the Management Report (see 9.2.2.5. "Statutory auditors' independent third-party report on consolidated social, environmental and societal information published in the management report"), which includes:

- an attestation of completeness of the disclosed information;
- an opinion on the fair presentation of the disclosed information;
- the audit procedures used in the assignment.

7.7.2. CORRESPONDENCE TABLE

7.7.2.1 CORRESPONDENCE TABLE FOR ARTICLE 225 OF THE GRENELLE 2 LAW

GRENELLE 2 COMPLIANCE

Information: 0= no information or exclusion / not material 1 = qualitative information, 2 = quantitatives and qualitatives information

	Theme	Information 0 / 1 / 2	Indicator / Information	Level of verification by Independent Third Party[1]	Page
1.	Social data				
1.a	**Employment**				
	Total headcount and breakdown of employees by gender, age, and geographic region	2	- Total headcount by status - Total headcount by gender - Total headcount by age group - Total headcount by contract type	Reasonable Reasonable Reasonable Reasonable	291
	Hires and dismissals	2	- Changes in headcount through hires - % of jobs placed internally - Total number of departures of indefinite-term contracts (CDI), exits stated by reason for leaving and by population	Reasonable Detailed testing Detailed testing	292
	Remuneration and changes thereto	2	% of average individual raise (management vs. non-management) by status and by gender	Detailed testing	302
1.b	**Work organization**				
	Organization of working time	1	Organization of working time	Coherence	297
	Absenteeism	2	- Regulatory absenteeism rate for all absence types - Number of days of absence by type of absence - Absenteeism rate detailed by type of absence and by collective bargaining agreement (caretaker / administrative) - Number of employees off work at least once for a period of at least three days in the period»	Reasonable (level upgraded) Reasonable (level upgraded) Reasonable (level upgraded) Reasonable (level upgraded)	299
1.c	**Labor relations**				
	Organization of labor-management relations, especially procedures for informing the employees and consulting and negotiating with them	1	Organization of of labor-management relations	Coherence	301
	Overview of collective bargaining agreements	2	Number and overview of collective bargaining agreements	Coherence	301
1.d	**Health and secutity**				
	Health and safety conditions at work	2	Health and safety conditions at work	Coherence	298
	Overview of agreements signed with union organizations or employee representatives regarding health and safety at work	2	Number and overview of Hygiene, Safety and Working Conditions Committee agreements	Coherence	301
	Work accidents, especially their frequency and severity; occupational illnesses	2	- Frequency rate of work accidents - Rate of severity of work accidents	Reasonable (level upgraded) Reasonable (level upgraded)	300
1.e	**Training**				
	Training policies implemented	2	Training policy	Coherence	296
	Total number of training hours	2	Average number of hours of training per employee	Detailed testing	296
1.f	**Gender equality**				
	Measures taken to promote gender equality	2	- % of women recruited externally - Number of occupation classification levels for which wage gap between men and women > 3% (administrative personnel, excluding Comex)	Detailed testing Detailed testing	304
	Measures taken to promote employment and insertion of people with disabilities	2	Policy for employing people with disabilities	Coherence	303
	Anti-discrimination policy	2	Anti-discrimination actions	Coherence	303
1.g	**Promotion and respect of the the basic ILO conventions relating to :**				
	Respect for the right to freedom of association and the right to collective bargaining	1	Compliance with ILO agreements / human rights	Coherence	301
	The elimination of discrimination in respect of employment and occupation	1	Compliance with ILO agreements / human rights	Coherence	301
	The abolition of forced or compulsory labor	0	Exclusion (not material)		
	The abolition of child labor	0	Exclusion (not material)		

(1) Level of verification by Independent Third Party : See 9.2.2.5. Statutory auditors' independent third-party report on consolidated social, environmental and societal information published in the management report

	Theme	Information 0 / 1 / 2	Indicator / Information	Level of verification by Independent Third Party[1]	Page
2.	**Environmental data**				
2.a	**General environmental policy**				
	Organization of the company in assimilating environmental issues and, if appropriate, engaging in environmental assessment and certification processes	2	- Coverage rate of the Construction Management System in % of surface area - Coverage rate of the Operations Management System in % of surface area»	Reasonable Reasonable	257 262
	Approaches for training and informing employees regarding environmental protection	2	- Training and information on environmental protection (Sustainable Development Week, blog, etc.) - % of reduction in GHG emissions of employees in $TeqCO_2$/employee/year»	Coherence Reasonable	226 238
	Resources dedicated to the prevention of environmental risks and pollution	2	SME coverage rate	Reasonable	255
	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	0	Exclusion		
2.b	**Pollution and waste management**				
	Measures for the prevention, reduction or reparation of discharges into the air, water or ground that severely impact the environment	1	Information (even if Gecina 's activities do not affect seriously and directly the environment)	Coherence	279
	Measures for preventing, recycling and eliminating waste	2	- % of waste revalued / recycled (in mass-tons) - % of surface area renovated with a selective waste collection area»	Detailed testing Detailed testing	282
	Taking into account all noise and other forms of pollution specific to an activity	2	Taking into account noise pollution	Coherence	269
2.c	**Sustainable use of resources**				
	Consumption and supply of water depending on local restrictions	2	Water consumption (in m^3/sq.m)	Detailed testing	287
	Consumption of raw materials and measures taken to improve efficiency of use	2	Information	Coherence	279
	Consumption of energy, measures taken to improve energy efficiency, and use of renewable energies	2	- Energy consumption in kWH PE/sq.m at constant climate - Commercial - % of reduction in consumption since 2008 kWH EP/sq.m - Commercial - % of surface areas with an EPC certificate for energy A, B or C - Commercial - Energy consumption in kWH PE/sq.m at constant climate - Residential - % of reduction in consumption since 2008 kWH PE/sq. m - Residential - % of surface areas with an EPC certificate for energy A, B or C - Residential - Energy mix - % of production of renewable energies	Detailed testing Detailed testing Detailed testing Detailed testing Detailed testing Detailed testing Detailed testing Detailed testing	248 248 251 251 251 253 255 254
	Use of ground area	2	Information	Coherence	279

(1) Level of verification by Independent Third Party : See 9.2.2.5. Statutory auditors' independent third-party report on consolidated social, environmental and societal information published in the management report

	Theme	Information 0 / 1 / 2	Indicator / Information	Level of verification by Independent Third Party[1]	Page
2.d	**Climate change**				
	GHG emissions	2	- GHG emissions in kgCO_2/sq.m/year at constant climate - Commercial	Detailed testing	275
			- % of surface areas with an EPC certificate for climate A, B or C - Commercial	Detailed testing	276
			- GHG emissions in kgCO_2/sq.m/year at constant climate - Residential	Detailed testing	276
			- % of surface areas with an EPC certificate for climate A, B or C - Residential	Detailed testing	277
			- % of emissions reductions since 2008	Detailed testing	274
	Adapting to the consequences of climate change	2	Information	Coherence	273
2.e	**Protection of biodiversity**				
	Measures taken to preserve and improve biodiversity	2	- Biotope Area Factor - % of assets subjected to a biodiversity audit	Detailed testing Detailed testing	285
3.	**Societal data**				
3.a	**Economic, social and territorial impact of the company's business**				
	In the area of employment and regional development	2	Economic contribution	Reasonable (level upgraded)	307
	On local and adjacent populations	1	Information	Coherence	306
3.b	**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**				
	Terms regulating dialogue with these persons and organizations	2	- Client recommendation rate - Green lease rate - Stakeholders' dialogue process»	Detailed testing Detailed testing Coherence	310 364 309
	Partnership and sponsoring actions	2	- Number and % of employees mobilized for one or more actions (Foundation) - Foundation donation amount	Detailed testing Detailed testing	325
3.c	**Subcontractors and suppliers**				
	Inclusion of social and environmental issues in the purchasing policy	2	Number of charters signed by suppliers	Reasonable (level upgraded)	321
	Importance of subcontracting and consideration of supplier and subcontractor social and environmental responsibility in relations with these entities	2	Responsible purchasing policy	Coherence	318
3.d	**Constancy of practices**				
	Actions undertaken to prevent corruption	2	Risks and compliance policy	Coherence	154
	Measures taken to promote health and safety of consumers	2	Riks policy	Coherence	22
3.e	**Other actions taken to benefit human rights**				
	Other actions taken to benefit human rights	1	Commitment to Global Compact	Coherence	233

(1) Level of verification by Independent Third Party : See 9.2.2.5. Statutory auditors' independent third-party report on consolidated social, environmental and societal information published in the management report

07

7.7.2.2 G4 CORRESPONDENCE TABLE

COMPLIANCE G4 – CORE LEVEL

• **General standard disclosures**:
DMA: not applicable
Information: 0 = no data, 1 = data not exactly compliant with GRI standard, 2 = data fully compliant with GRI standard

• **Specific standard disclosures**:
Materiality: Yes / No / ND = no disclosure
DMA: 0 = no data 1 = disclosed, 2 = fully disclosed (policy, commitment, goals and target, responsibilities, ressources, specific actions)
Data: 0 = no quantitative data, 1 = quantitative data not exactly compliant with GRI standard, 2 = quantitative data fully compliant with GRI standard

• **Gecina's Materiality Analysis**: See 7.1.2. Key issues and materiality matrix
☑ External assurance: See. 9.2.2.5. Statutory auditors' independent third-party report on consolidated social, environmental and societal information published in the management report.

		Materiality YES / NO	DMA 0 / 1 / 2	Data: 0 / 1 / 2	Page	Comments
GENERAL STANDARD DISCLOSURES						
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			2	5	
COMPANY PROFILE						
G4-3	Name of the organization			2	368	
G4-4	Primary products and/or services and corresponding brands			2	16	
G4-5	Location of organization's headquarters			2	368	
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			2	368	
G4-7	Nature of ownership and legal form			2	178	
G4-8	Markets served including geographic breakdown, sectors served and types of customers or beneficiaries			2	16	
G4-9	Scale of the organization : number of employees, nimber of operations, net scales, total capitalization, quantity of products or services provided			2	10	
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			2	291	
G4-11	Percentage of employees covered by collective bargaining agreements			2	302	
G4-12	Organization's supply chain			2	202	
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			2	16	
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization			2	306	
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses			2	314	
G4-16	Membership in associations (such as industry associations) or national/international advocacy organizations			2	314	
IDENTIFIED MATERIAL ASPECTS AND BOUNDERIES						
G4-17	Identified material aspects and bounderies			2	14	
G4-18	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)			2	208	
G4-19	Process for defining report content			2	213	
G4-20	All the material aspects identified in the process for defining report content			2	213	
G4-21	Report of the Aspect Boundary within the organization			2	213	
G4-22	Report of the Aspect Boundary outside the organization			2	234	

		Materiality YES / NO	DMA 0 / 1 / 2	Data: 0 / 1 / 2	Page	Comments
G4-23	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)			2	234	
G4-24	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report			2	204	
G4-25	Engagement with stakeholders			2	205	
G4-26	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			2	204	
G4-27	Basis for identification and selection of stakeholders with whom to engage			2	206, 309	
G4-28	Approaches to such engagement including frequency of engagement by type and by stakeholder group			2	234	
G4-29	Reporting period (e.g., fiscal year, calendar year) for information provided			2	-	February 2014
G4-30	Date of most recent previous report published (if any)			2	234	
G4-31	Reporting cycle (annual, biennial, etc.)			2	335	
G4-32	Contact person for any questions regarding the report or its content (last page of report)			2	332	
G4-33	Table identifying the location of the standard disclosures in the report			2	328	
G4-34	Policy and current practice with regard to seeking external validation of the report			2	135	
G4-56	Governance structure of the organization, including committees under the highest governance body (board of directors or similar body) responsible for specific tasks				134	
	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics					

		Materiality YES / NO	DMA 0 / 1 / 2	Data: 0 / 1 / 2	Page	Comments
SPECIFIC STANDARD DISCLOSURES						
ECONOMIC						
	Economic performance	**OUI**	**2**		**307**	
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			2	306	
	Market presence	**NO**				
	Indirect economic impacts	**NO**				
	Procurement practices	**OUI**	**2**		**318**	
G4-EC9	Policy, practices and proportion of spending on locally-based suppliers at the main locations of operation			2	307	
ENVIRONNEMENT						
	Materials	**NO**				
	Energy	**YES**	**2**			
G4-EN6 ☑	Initiatives to reduce indirect energy consumption and reductions achieved			2	246	
CRE1	**Building energy intensity**			**2**	**248**	
	Water	**NO**				
	Biodiversity	**YES**	**2**		**283**	
G4-EN13 ☑	Habitats protected or restored			2	287	
	Emissions	**YES**	**2**		**273**	
G4-EN19 ☑	Initiatives to reduce greenhouse gas emissions and reductions achieved			2	274	
CRE 3	**Greenhouse gaz emissions intensity from buildings**			**2**	**274**	
	Effluents and waste	YES	1		282	Gecina does not have total operationnal control over all its assets in terms of waste management
G4-EN23 ☑	Total weight of waste by type and disposal method			2	282	

		Materiality YES / NO	DMA 0 / 1 / 2	Data: 0 / 1 / 2	Page	Comments
	Products and services	**YES**	**1**		**279**	New topic, in progress
G4-EN27 ☑	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation			2	279	
	Compliance	**NO**				
	Transport	**NO**				
	Overall	**NO**				
	Supplier environmental assesment	**YES**	**2**		**318**	
G4-EN32 ☑	Supplier environmental assesment			2	321	
	Environmental grievance mechanisms	**NO**				
SOCIAL						
	Employment	**OUI**	**2**		**290**	
G4-LA1 ☑	Workforce turnover by number of employees and rate by age group, gender and geographic region			2	291	
	Relations employeurs / empoyés	NO				
	Occupational health and safety	**YES**	**2**		**298**	
G4-LA6 ☑	Rate of workplace accidents, occupational illnesses, absenteeism, number of workdays lost and total number of work-			2	299	
CRE 6 ☑	**Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system**			**2**	**301**	
	Training and education	**YES**	**2**		**295**	
G4-LA9 ☑	Average hours of training per year per employee and by employee category			2	295	
	Diversity and equal opportunity	**NO**				
	Equal remuneration for women and men	**NO**				
	Investment and procurement practices	**YES**	**2**		**318**	
G4-LA14	Significant actual and potential negative environmental impacts for labor practices in the supply chain and actions			2	321	
	Labor practices grievance mechanisms	**NO**				
HUMAN RIGHTS						
	Investment and procurement practices	**NO**				
	Non-discrimination	**NO**				
	Freedom of association and right to collective bargaining	**NO**				
	Child labor	**NO**				
	Abolition of forced or compulsory work	**NO**				
	Security practices	**NO**				
	Indigenous rights	**NO**				
	Assessment	**NO**				

		Materiality YES / NO	DMA 0 / 1 / 2	Data: 0 / 1 / 2	Page	Comments
	Supplier human rights assessment	**YES**	**1**		**232**	New topic, in progress
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken			0	203	Qualitative information
	Human rights grievance mechanisms	**NO**				
SOCIETY						
	Local communities	**NO**				
	Anti-corruption	**YES**	**2**		**154**	
G4-SO4	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices; outcomes			2	154	
	Public policy	**NO**				
	Anti-competitive behavior	**NO**				
	Compliance	**NO**				
	Supplier assessment for impacts on society	**YES**	**1**		**202**	New topic, in progress
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken			2	203	
	Grievance mechanisms for impacts on society	**NO**				
PRODUCT RESPONSIBILITY						
	Consumer health and safety	**NO**				
	Product and service labeling	**YES**	**2**		**255**	
G4-PR5 ☑	Practices related to customer satisfaction, including results of survey measuring customer satisfaction			2	310	
CRE 8 ☑	**Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment**			**2**	**255**	
	Marketing communications	**NO**				
	Compliance	**YES**	**2**		**34**	
G4-PR9	Amount of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			2	225	

For more information, contact: Yves Dieulesaint, Head of CSR.

7.7.2.3 GLOBAL PACT COMMUNICATION ON PROGRESS

THE GLOBAL COMPACT

Network France

ATTESTATION OF EXTERNAL ASSESSMENT

December 11, 2014

This document certifies that GECINA proceeded to the external assessment of its Communication on progress (COP) 2014 for the United Nations Global Compact. The assessment took the shape of a peer review, organized by the Global Compact Network France within the framework of the "GC Advanced" Club. The peer review session has also been the subject of a report identifying areas for improvement. The COP of GECINA meets the self-assessment question n°2 of the Global Compact Advanced level for 2014.

Participants of the peer review signatures:

SAB2I	MODENCIA	RTE	GLOBAL COMPACT FRANCE
Mrs Anne-Rose LE GALLO	Mrs Lauriane-Rosalie QUINIOU	Mrs Sophie PELLETAN-COUDRON	Mrs Charlotte FREROT
Responsable développement durable	Coordinatrice développement durable	Reporting extra-financier	Project Manager

ARLeGallo

Association GLOBAL COMPACT France
14 boulevard de Douaumont, 75017 Paris • Tél. : +33 (0)1 80 48 90 71
SIRET: 488 898 511 00040 • Code APE : 9900Z

08

List of property Holdings

08

8.1. OFFICES

Address	Construction year	Year of last restructuration	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**									
10/12, place Vendôme	1750	1750	-	80	7,821	1,002	-	8,903	100.00%
1, boulevard de la Madeleine	1890	1996	6	542	1,488	716	-	2,747	100.00%
Paris 2e									
35, avenue de l'Opéra – 6, rue Danielle-Casanova	1878	1878	5	593	1,003	591	-	2,187	100.00%
26/28, rue Danielle-Casanova	1800	1800	2	145	1,117	283	-	1,545	100.00%
Central Office – 120/122, rue Réaumur – 7/9, rue Saint-Joseph	1880	2008	-	-	4,642	-	-	4,642	100.00%
16, rue des Capucines	1970	2005	-	-	7,241	-	-	7,241	100.00%
Le Building – 37, rue du Louvre – 25, rue d'Aboukir	1935	2009	-	-	6,586	654	-	7,240	100.00%
64, rue Tiquetonne – 48, rue Montmartre	1850	1850	52	4,717	2,963	1,923	-	9,604	100.00%
31/35, boulevard des Capucines	1992	1992	-	-	4,136	1,548	-	5,684	100.00%
5, boulevard Montmartre	1850/1900	1996	18	1,418	3,938	2,579	-	7,935	100.00%
29/31, rue Saint-Augustin	1996	1996	6	447	4,744	259	-	5,450	100.00%
4, rue de la Bourse	1750	1993	10	802	3,186	773	-	4,760	100.00%
3, place de l'Opéra	1870	1870	-	-	4,617	868	-	5,486	100.00%
Paris 8e									
26, rue de Berri	1971	1971	-	-	1,926	920	-	2,846	100.00%
151, boulevard Haussmann	1880	1880	13	1,264	2,372	-	-	3,635	100.00%
153, boulevard Haussmann	1880	1880	15	798	4,194	-	-	4,991	100.00%
155, boulevard Haussmann	1880	1880	9	705	4,078	-	-	4,783	100.00%
22, rue du Général-Foy	1894	1894	4	323	2,434	-	-	2,758	100.00%
43, avenue de Friedland – rue Arsène-Houssaye	1867	1867	-	-	1,459	227	-	1,685	100.00%
38, avenue George-V – 53, rue François-1er	1961	1961	-	-	583	704	-	1,286	100.00%
41, avenue Montaigne – 2, rue de Marignan	1924	1924	2	136	1,523	625	-	2,284	100.00%
162, rue du Faubourg-Saint-Honoré	1953	1953	-	-	1,812	125	-	1,937	100.00%
169, boulevard Haussmann	1880	1880	8	735	746	268	-	1,749	100.00%
Magistère – 64, rue de Lisbonne – rue Murillo	1987	2012	-	-	7,405	-	-	7,405	100.00%
Parkings Haussmann	1880	1880	-	-	-	-	-	-	100.00%
44, avenue des Champs-Élysées	1925	1925	-	-	2,781	2,242	-	5,023	100.00%
66, avenue Marceau	1997	2007	-	-	4,858	-	-	4,858	100.00%
Parkings – 45/45, rue Galilée	-	-	-	-	-	-	-	-	100.00%
30, place de la Madeleine	1900	1900	2	337	816	983	-	2,137	100.00%
Parkings – Parc Haussmann-Berry	1990	1990	-	-	-	-	-	-	100.00%
9/15, avenue Matignon	1890	1997	35	2,684	5,269	3,810	-	11,763	100.00%

Address	Construction year	Year of last restructuration	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
24, rue Royale	1996	1996	-	-	1,747	1,150	-	2,897	100.00%
18/20, place de la Madeleine	1930	1930	-	-	2,902	648	-	3,549	100.00%
101, avenue des Champs-Élysées	1995	2006	-	-	4,300	3,885	-	8,185	100.00%
Parkings George-V	1977	1977	-	-	-	-	-	-	100.00%
8, avenue Delcassé	1988	2007	-	-	9,316	510	-	9,826	100.00%
17, rue du Docteur-Lancereaux	1972	2002	-	-	5,428	-	-	5,428	100.00%
20, rue de la Ville-l'Évêque	1967	1967	-	-	5,575	-	-	5,575	100.00%
27, rue de la Ville-l'Évêque	1962	1962	-	-	3,172	-	-	3,172	100.00%
5, rue Royale	1850	1850	1	129	2,172	153	-	2,454	100.00%
32-34 rue Marbeuf	1930/1950-1970	2005/2007	-	-	9,633	2,331	-	11,965	100.00%
Paris 9e									
21, rue Auber – 24, rue des Mathurins	1866	1866	-	10	1,256	422	-	1,687	100.00%
Mercy-Argenteau – 16, boulevard Montmartre	1820	2012	22	1,422	2,459	412	-	4,293	100.00%
1/3, rue de Caumartin	1780	1780	4	284	1,648	1,041	-	2,973	100.00%
32, boulevard Haussmann	1850	2002	-	-	2,385	287	-	2,672	100.00%
Paris 12e									
Parkings – 58/62, quai de la Rapée	1990	1990	-	-	-	-	-	-	100.00%
Tour Gamma – 193, rue de Bercy	1972	1972	-	-	14,790	548	-	15,338	100.00%
Paris 13e									
Le France – 190-198, avenue de France	2001	2001	-	-	17,860	248	-	18,108	100.00%
Paris 14e									
11, boulevard Brune	1973	1973	-	-	2,593	234	-	2,827	100.00%
37/39, rue Dareau	1988	1988	-	-	4,724	-	-	4,724	100.00%
Paris 15e									
Tour Mirabeau – 39, quai André-Citroën	1972	1972	-	-	36,497	-	-	36,497	100.00%
Paris 16e									
58/60, avenue Kléber	1992	1992	-	-	4,297	588	-	4,885	100.00%
Paris 17e									
63, avenue de Villiers	1880	1880	8	415	2,964	98	-	3,476	100.00%
Le Banville – 153, rue de Courcelles	1991	1991	-	-	19,442	1,138	-	20,579	100.00%
32/34, rue Guersant	1970	1992	-	-	12,789	-	-	12,789	100.00%
Paris 20e									
Le Valmy – 4/16, avenue Léon-Gaumont	2006	2006	-	-	27,234	-	-	27,234	100.00%
Total buildings in operation in Paris			**222**	**17,984**	**290,918**	**34,792**	**-**	**343,694**	
78 **78140 Vélizy-Villacoublay**									
Crystalys – 6, avenue Morane-Saulnier – 3, rue Paul-Dautier	2007	2007	-	-	24,059	-	-	24,059	100.00%
78180 Montigny-le-Bretonneux									
6, avenue Ampère	1981	1981	-	-	3,204	-	-	3,204	100.00%
91 **91220 Brétigny-sur-Orge**									
ZI Les Bordes	1975	1975	-	-	15,646	-	-	15,646	100.00%

	Address	Construction year	Year of last restructuration	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
92	**92100 Boulogne-Billancourt**									
	Khapa – 65, quai Georges-Gorse	2008	2008	-	-	17,889	427	-	18,315	100.00%
	L'Angle – 4, cours de l'île-Seguin	2008	2008	-	-	10,089	341	-	10,430	100.00%
	Anthos – 63/67, rue Marcel Bontemps – 26/30, cours Émile-Zola	2010	2010	-	-	8,681	230	-	8,910	100.00%
	Le Cristallin – 122, avenue du Général-Leclerc	1968	2006	-	-	10,348	3,033	-	13,381	100.00%
	Tour Horizons – Rue du Vieux-Pont-de-Sèvres	2011	2011	-	-	32,381	1,027	-	33,408	100.00%
	92120 Montrouge									
	Park Azur – 97, avenue Pierre-Brossolette	2012	2012	-	-	21,110	-	-	21,110	100.00%
	92150 Suresnes									
	1, quai Marcel Dassault	2003	2003			12,257	-		12,257	100.00%
	92200 Neuilly-sur-Seine									
	159/161, avenue Achille-Peretti – 17, rue des Huissiers	1914	1914	-	-	3,407	-	-	3,407	100.00%
	157, avenue Charles-de-Gaulle	1959	1959	-	-	5,487	232	-	5,720	100.00%
	159, avenue Charles-de-Gaulle	1970	1970	-	-	3,573	243	-	3,816	100.00%
	96/104, avenue Charles-de-Gaulle	1964	2012	-	-	9,154	-	-	9,154	100.00%
	12/16, boulevard du Général-Leclerc	1973	1973	8	541	14,432	-	-	14,973	100.00%
	6 bis/8, rue des Graviers	1959	1959	-	-	4,559	-	-	4,559	100.00%
	163/165, avenue Achille-Peretti	1970	1970	-	-	2,495	-	-	2,495	100.00%
	92230 Gennevilliers									
	Pointe Métro 2 – 1-17, rue Henri-Barbusse	2012	2012	-	-	13,332	351	-	13,683	100.00%
	92250 La Garenne-Colombes									
	Newside – 41, avenue de Verdun	2012	2012	-	-	15,765	-	-	15,765	100.00%
	92300 Levallois-Perret									
	2/4, quai Michelet	1996	1996	-	-	34,156	-	-	34,156	100.00%
	55, rue Deguingand	1974	2007	-	-	4,682	-	-	4,682	100.00%
	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	100.00%
	92500 Rueil-Malmaison									
	Vinci 1 – Cours Ferdinand-de-Lesseps	1992	1992	-	-	22,418	-	-	22,418	100.00%
	Vinci 2 – Place de l'Europe	1993	1993	-	-	8,871	916	-	9,787	100.00%
	92700 Colombes									
	Portes de La Défense – 15/55, boulevard Charles-de-Gaulle – 307 rue d'Estienne-d'Orves	2001	2001	-	-	42,387	-	-	42,387	100.00%
	Défense Ouest – 420/426, rue d'Estienne-d'Orves	2006	2006	-	-	51,768	-	-	51,768	100.00%
93	**93400 Saint-Ouen**									
	Docks en Seine – 1-5, rue Paulin-Talabot	2013	2013	-	-	15,999	-	-	15,999	100.00%
94	**94110 Arcueil**									
	13, rue Nelson-Mendela – Bât. A – B – C	2006	2006	-	-	42,175	714	-	42,889	100.00%

	Address	Construc-tion year	Year of last restructu-ration	Num-ber of housing units	Resi-dential surface area *(sq.m)*	Office surface area *(sq.m)*	Retail surface area *(sq.m)*	Acti-vities surface area *(sq.m)*	Total surface area *(sq.m)*	% of interests
	94250 Gentilly									
	1, parvis Mazagran	2004	2004	-	-	12,519	562	-	13,081	100.00%
	94300 Vincennes									
	5/7, avenue de Paris	1988	1988	-	-	3,507	-	-	3,507	100.00%
	9, avenue de Paris	1971	2003	-	-	1,969	-	-	1,969	100.00%
	Total buildings in operation in the Paris Region			**8**	**541**	**477,045**	**8,076**	**-**	**485,662**	
	Total buildings in operation in Paris and its Region			**230**	**18,525**	**767,963**	**42,868**	**-**	**829,356**	
69	**69003 Lyon 3e**									
	Le Velum – 106, boulevard Vivier-Merle	2013	2013	-	-	13,032	-	-	13,032	100.00%
	Total buildings in operation in other regions			**-**	**-**	**13,032**	**-**	**-**	**13,032**	
Other countries	**28050 Espagne (Madrid)**									
	118, avenida Burgos – 2, avenida Manoteros(1)	2004	2004	-	-	12,096	-	-	12,096	100.00%
	Total buildings in operation in other countries			**-**	**-**	**12,096**	**-**	**-**	**12,096**	
	TOTAL BUILDINGS IN OPERATION			**230**	**18,525**	**793,091**	**42,868**	**-**	**854,484**	
	Land reserves									
69	**69007 Lyon 7e**									
	ZAC Gerland	under development	under development	-	18,070	9,530	-	-	27,600	100.00%
	ZAC des Girondins	under development	under development	-	14,854	29,727	4,073	-	48,654	100.00%
75	**75015 Paris 15e**									
	51 à 53, quai de Grenelle (Mercure 2)	1975	1975	-	-	3,286	-	-	3,286	75.00%
78	**78140 Vélizy-Villacoublay**									
	Square – 8/10, avenue Morane-Saulnier	1979	1980	-	-	6,331	-	-	6,331	100.00%
	78180 Montigny-le-Bretonneux									
	1, avenue Niepce	1984	1984	-	-	4,050	-	-	4,050	100.00%
	5/9, avenue Ampère	1986	1986	-	-	5,068	233	-	5,301	100.00%
	4, avenue Newton	1978	1978	-	-	4,398	-	-	4,398	100.00%
Other countries	**28050 Espagne (Madrid)**									
	16, calle del Puerto Somport	under development	under development	-	-	6,606	-	-	6,606	100.00%
	10, calle del Puerto Somport	under development	under development	-	-	9,310	-	-	9,310	100.00%
	TOTAL LAND RESERVES				**32,924**	**78,306**	**4,306**	**-**	**115,536**	
	Assets under development									
69	**69007 Lyon 7e**			-						
	75, rue de Gerland	under development	under development	-	-	21,160	-	-	21,160	60.00%
75	**75008 Paris 8e**									
	55, rue d'Amsterdam	1996	under development	-	-	10,318	984	-	11,302	100.00%
92	**92100 Boulogne-Billancourt**									
	Bât. B – 122, avenue du Général-Leclerc	1968	under development	-	-	7 807	-	-	7,807	100.00%
	TOTAL ASSETS UNDER DEVELOPMENT			**-**	**-**	**39,285**	**984**	**-**	**40,268**	
	GRAND TOTAL OFFICES(2)			**230**	**51,449**	**910,682**	**48,158**	**-**	**1,010,289**	

(1) Asset sold on January 23, 2015
(2) Surfaces excluding miscellaneous premises (around 69,500 sp.m)

SUMMARY OF THE OFFICE PROPERTY PORTFOLIO

	Office surface area *(sq.m)*	Commercial surface area *(sq.m)*
Paris	**298,781**	**56,890**
Commercial portion of predominantly residential assets	7,863	22,098
Commercial portion of predominantly commercial assets	290,918	34,792
Paris Region	**477,990**	**13,545**
Commercial portion of predominantly residential assets	945	5,469
Commercial portion of predominantly commercial assets	477,045	8,076
Other regions	**13,032**	**933**
Commercial portion of predominantly residential assets	0	933
Commercial portion of predominantly commercial assets	13,032	0
Other countries	**12,096**	0
Commercial portion of predominantly residential assets	0	0
Commercial portion of predominantly commercial assets	12,096	0
Commercial portfolio in operation as at December 31, 2014	**801,899**	**71,368**
Unit-by-unit sale programs	**249**	**145**
Commercial portion of predominantly residential assets	249	145
Commercial portion of predominantly commercial assets	0	0
Programs under construction and land reserves	**117,591**	**8,926**
Commercial portion of predominantly residential assets	0	3,636
Commercial portion of predominantly commercial assets	117,591	5,290
TOTAL COMMERCIAL PROPERTY HOLDINGS AS AT DECEMBER 31, 2014	**919,739**	**80,438**
Commercial portion of predominantly residential assets	9,057	32,281
Commercial portion of predominantly commercial assets	910,682	48,158

8.2. RESIDENTIAL

Address	Construction year	Year of last restructuration	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	100.00%
Paris 3e								
7/7 bis, rue Saint-Gilles	1987	1987	42	2,713	-	116	2,829	100.00%
Paris 6e								
1, place Michel-Debré	1876	1876	14	955	-	231	1,186	100.00%
Paris 9e								
13/17, cité de Trévise	1998	1998	44	2,766	-	-	2,766	100.00%
Paris 11e								
8, rue du Chemin-Vert	1969	1969	42	2,200	-	713	2,913	100.00%
Paris 12e								
18/20 bis, rue Sibuet	1992	1992	63	4,423	73	-	4,496	100.00%
9/11, avenue Ledru-Rollin	1997	1997	62	3,055	-	177	3,232	100.00%
25, avenue de Saint-Mandé	1964	1964	82	3,625	-	141	3,766	100.00%
25/27, rue de Fécamp – 45, rue de Fécamp	1988	1988	33	2,511	-	181	2,692	100.00%
220, rue du Faubourg-Saint-Antoine	1969	1969	125	6,485	-	1,019	7,504	100.00%
24/26, rue Sibuet	1970	1970	158	9,708	85	-	9,793	100.00%
Paris 13e								
20, rue du Champ-de-l'Alouette	1965	1965	53	3,886	570	369	4,825	100.00%
53, rue de la Glacière	1970	1970	53	646	-	99	745	100.00%
49/53, rue Auguste-Lançon – 26, rue de Rungis -55/57, rue Brillat-Savarin	1971	1971	40	3,413	-	-	3,413	100.00%
2/12, rue Charbonnel – 53, rue de l'Amiral-Mouchez – 65/67, rue Brillat-Savarin	1966	1966	181	12,007	-	491	12,498	100.00%
22/24, rue Wurtz	1988	1988	67	4,405	-	248	4,653	100.00%
75, rue du Château-des-Rentiers (student residence)	2011	2011	183	4,168	-	-	4,168	100.00%
Paris 14e								
26, rue du Commandant-René-Mouchotte	1966	1966	317	21,137	-	-	21,137	100.00%
3, villa Brune	1970	1970	108	4,689	-	-	4,689	100.00%
Paris 15e								
18/20, rue Tiphaine	1972	1972	80	4,877	1,897	177	6,951	100.00%
37/39, rue des Morillons	1966	1966	37	2,212	212	312	2,736	100.00%
6, rue de Vouillé	1969	1969	588	28,216	730	1,147	30,093	100.00%
199, rue Saint-Charles	1967	1967	58	3,234	-	-	3,234	100.00%
159/169, rue Blomet – 334/342, rue de Vaugirard	1971	1971	320	21,517	-	7,475	28,992	100.00%
76/82, rue Lecourbe – Rue François-Bonvin	1971	1971	247	13,875	-	480	14,355	100.00%

Address	Construction year	Year of last restructuration	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
76/82, rue Lecourbe – Rue François-Bonvin (student residence)	1971	2014	103	2,674	-	-	2,674	100.00%
10, rue du Docteur-Roux – 189/191, rue de Vaugirard	1967	1967	222	13,035	2,755	-	15,790	100.00%
74, rue Lecourbe	1971	1971	93	8,042	186	4,213	12,441	100.00%
22/24, rue Edgar-Faure	1996	1996	85	6,774	-	301	7,075	100.00%
89, rue de Lourmel	1988	1988	23	1,487	-	245	1,732	100.00%
39, rue de Vouillé	1999	1999	84	6,292	-	135	6,427	100.00%
168/170, rue de Javel	1962	1962	85	5,817	135	-	5,952	100.00%
148, rue de Lourmel – 74/86, rue des Cévennes – 49, rue Lacordaire	1965	1965	316	21,980	190	612	22,782	100.00%
85/89, boulevard Pasteur	1965	1965	260	16,434	-	-	16,434	100.00%
27, rue Balard	1995	1995	64	5,798	-	-	5,798	100.00%
Paris 16e								
6/14, rue de Rémusat – Square Henri-Paté	1962	1962	185	16,038	-	1,022	17,060	100.00%
46 bis, rue Saint-Didier	1969	1969	42	2,056	-	670	2,726	100.00%
Paris 17e								
10, rue Nicolas-Chuquet	1995	1995	54	3,159	-	460	3,619	100.00%
Parkings – 169, boulevard Péreire	1882	1882	-	-	-	-	-	100.00%
Paris 20e								
59/61, rue de Bagnolet	1979	1979	57	3,227	-	101	3,328	100.00%
44/57, rue de Bagnolet	1992	1992	30	1,926	-	308	2,234	100.00%
162, rue de Bagnolet	1992	1992	32	2,305	79	55	2,439	100.00%
42/52 et 58/60, rue de la Py – 15/21, rue des Montibœufs	1967	1967	142	8,004	488	-	8,492	100.00%
19/21, rue d'Annam	1981	1981	56	2,866	-	-	2,866	100.00%
Total buildings in operation in Paris			**4,941**	**295,604**	**7,863**	**22,098**	**325,565**	
77 **77420 Champs-sur-Marne**								
6, boulevard Copernic (student residence)	2010	2010	135	2,659	-	-	2,659	100.00%
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	100.00%
92 **92100 Boulogne-Billancourt**								
Rue Marcel-Bontemps – Îlot B3 – Lot. B3abc – ZAC Séguin – Rives-de-Seine	2011	2011	68	4,452	-	-	4,452	100.00%
94/98, rue de Bellevue	1974	1974	63	4,474	-	-	4,474	100.00%
59 bis/59 ter, rue des Peupliers – 35 bis, rue Marcel-Dassault	1993	1993	37	2,945	-	79	3,024	100.00%
108, rue de Bellevue – 99, rue de Sèvres	1968	1968	322	24,759	-	-	24,759	100.00%
92350 Le Plessis-Robinson								
25, rue Paul-Rivet	1997	1997	132	11,265	250	-	11,515	100.00%
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	100.00%
8/12, rue Pierre-Lhomme	1996	1996	96	5,344	-	-	5,344	100.00%
43, rue Jules-Ferry – 25, rue Cayla	1996	1996	58	3,574	-	-	3,574	100.00%
3, place Charras	1985	1985	67	4,807	-	-	4,807	100.00%

	Address	Construction year	Year of last restructuration	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
	92410 Ville-d'Avray								
	14/18, rue de la Ronce	1963	1963	159	15,902	-	-	15,902	100.00%
	1 à 33, avenue des Cèdres – 3/5, allée Forestière – 1, rue du Belvédère-de-la Ronce	1966	1966	550	40,243	-	1,095	41,338	100.00%
93	**93200 Saint-Denis**								
	29,33, rue Proudhon – Avenue Georges-Sand	2010	2010	115	8,130	-	487	8,617	100.00%
	Saint-Denis-Pleyel – Rue Anatole-France (student residence)	2014	2014	183	4,282	-	268	4,550	100.00%
	93350 Le Bourget								
	5, rue Rigaud (student residence)	2008	2008	238	4,648	-	-	4,648	100.00%
94	**94410 Saint-Maurice**								
	1/5, allée des Bateaux-Lavoirs – 4, promenade du Canal	1994	1994	87	6,382	-	-	6,382	100.00%
	Total buildings in operation in the Paris Region			**2,705**	**172,072**	**945**	**5,469**	**178,486**	
	Total buildings in operation in Paris and its Region			**7,646**	**467,676**	**8,808**	**27,567**	**504,051**	
01	**01280 Prevessin-Moens**								
	"La Bretonnière" – Route de Mategnin – Le Cottage – Mail du Neutrino	2010	2010	133	10,460	-	-	10,460	100.00%
13	**13778 Fos-sur-Mer**								
	Les Jardins	1966	1966	36	2,967	-	-	2,967	100.00%
33	**33000 Bordeaux**								
	26/32, rue des Belles-Îles (student residence)	1994	1994	99	2,034	-	-	2,034	100.00%
	33400 Talence								
	36, rue Marc-Sangnier (student residence)	1994	1994	132	2,740	-	-	2,740	100.00%
	11, avenue du Maréchal-de-Tassigny (student residence)	2000	2000	150	3,621	-	933	4,554	100.00%
	33600 Pessac								
	80, avenue du Docteur-Schweitzer (student residence)	1995	1995	92	1,728	-	-	1,728	100.00%
59	**59000 Lille**								
	Tour V Euralille – Avenue Willy-Brandt (student residence)	2009	2009	190	4,738	-	-	4,738	100.00%
69	**69007 Lyon 7e**								
	7, rue Simon-Fryd (student residence)	2010	2010	152	3,258	-	-	3,258	100.00%
	Total buildings in operation in other regions			**984**	**31,546**	**-**	**933**	**32,479**	
	TOTAL BUILDINGS IN OPERATION			**8,630**	**499,222**	**8,808**	**28,500**	**536,530**	
	Buildings on unit-by-unit sale								
75	**Paris 7e**								
	262, boulevard Saint-Germain	1880	1880	2	215	-	-	215	100.00%
	266, boulevard Saint-Germain	1880	1880	2	362	-	-	362	100.00%
	Paris 8e								
	80, rue du Rocher	1903	1903	5	567	-	-	567	100.00%
	165, boulevard Haussmann	1866	1866	6	619	-	-	619	100.00%
	3, rue Treilhard	1866	1866	7	584	-	-	584	100.00%

Address	Construction year	Year of last restructuration	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
Paris 13e								
82, boulevard Massena (Tour Ancone)	1972	1972	-	-	60	25	84	100.00%
84, boulevard Massena (Tour Bologne)	1972	1972	-	-	189	120	309	100.00%
Paris 14e								
83/85, rue de l'Ouest	1978	1978	4	279	-	-	279	100.00%
8/20, rue du Commandant-René-Mouchotte	1967	1967	1	42	-	-	42	100.00%
Paris 15e								
12, rue Chambéry	1968	1968	17	497	-	-	497	100.00%
22, rue de Cherbourg – 25, rue de Chambéry	1965	1965	1	40	-	-	40	100.00%
191, rue Saint-Charles – 17, rue Varet	1960	1960	75	5,320	-	-	5,320	100.00%
3, rue Jobbé-Duval	1900	1900	3	122	-	-	122	100.00%
Paris 16e								
8/9, avenue Saint-Honoré-d'Eylau	1880	1880	1	158	-	-	158	100.00%
Paris 17e								
169/183, boulevard Péreire – 7/21, rue Faraday – 49, rue Laugier	1882	1882	9	830	-	-	830	100.00%
28, avenue Carnot	1882	1882	9	1,016	-	-	1,016	100.00%
30, avenue Carnot	1882	1882	6	426	-	-	426	100.00%
32, avenue Carnot	1882	1882	4	448	-	-	448	100.00%
169/183, boulevard Péreire – 7/21, rue Faraday – 49, rue Laugier	1882	1882	19	1,860	-	-	1,860	100.00%
Paris 18e								
40, rue des Abbesses	1907	1907	21	1,430	-	-	1,430	100.00%
Paris 19e								
104/106, rue Petit – 16, allée de Fontainebleau	1977	1977	1	66	-	-	66	100.00%
Total buildings on unit-by-unit sale in Paris			**193**	**14,879**	**249**	**145**	**15,272**	
78 **78000 Versailles**								
7, rue de l'Amiral-Serre	1974	1974	34	2,594	-	-	2,594	100.00%
78100 Saint-Germain-en-Laye								
17, rue Félicien-David	1966	1966	3	346	-	-	346	100.00%
78600 Maisons-Laffitte								
21/31, rue des Côtes	1982	1982	2	137	-	-	137	100.00%
56, avenue de Saint-Germain	1981	1981	4	341	-	-	341	100.00%
91 **91380 Chilly-Mazarin**								
5, rue des Dalhias	1972	1972	1	94	-	-	94	100.00%
92 **92160 Antony**								
254/278, rue Adolphe-Pajeaud	1972	1972	2	73	-	-	73	100.00%
92190 Meudon								
7, rue du Parc – 85, rue de la République	1966	1966	19	1,907	-	-	1,907	100.00%
92200 Neuilly-sur-Seine								
163/165, avenue Charles-de-Gaulle	1967	1967	1	65	-	-	65	100.00%
47/49, rue Perronet	1976	1976	8	655	-	-	655	100.00%

	Address	Construction year	Year of last restructuration	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
	92210 Saint-Cloud								
	9/11, rue Pasteur	1964	1964	3	243	-	-	243	100.00%
	92290 Chatenay-Malabry								
	148, rue d'Aulnay	1973	1973	10	643	-	-	643	100.00%
	97, avenue Roger-Salengro	1972	1972	1	64	-	-	64	100.00%
	92300 Levallois-Perret								
	136/140, rue Aristide-Briand	1992	1992	33	2,222	-	-	2,222	100.00%
	92400 Courbevoie								
	6, rue des Vieilles-Vignes	1962	1962	23	1,188	-	-	1,188	100.00%
	3/6, square Henri-Regnault	1974	1974	59	3,842	-	-	3,842	100.00%
	92600 Asnières								
	46, rue de la Sablière	1994	1994	16	1,060	-	-	1,060	100.00%
94	**94000 Créteil**								
	1/15, passage Saillenfait	1971	1971	2	126	-	-	126	100.00%
	Total buildings on unit-by-unit sale in the Paris Region			**221**	**15,598**	**-**	**-**	**15,598**	
13	**13008 Marseille**								
	116, avenue Cantini – Quartier Le Rouet	2010	2010	29	1,906	-	-	1,906	100.00%
	Total buildings on unit-by-unit sale in other regions			**29**	**1,906**	**-**	**-**	**1,906**	
	TOTAL BUILDINGS ON UNIT-BY-UNIT SALE			**443**	**32,383**	**249**	**145**	**32,777**	
	Buildings under development								
75	**Paris 13e**								
	Rue Auguste-Lançon (student residence)	under development	under development	60	1,465			1,465	100.00%
	Paris 15e								
	3-9, rue de Villafranca	under development	under development	14	543		156	698	100.00%
91	**91120 Palaiseau**								
	Plateau de Saclay (student residence)	under development	under development	145	3,002			3,002	100.00%
92	**92410 Ville-d'Avray**								
	Éco-quartier – 20, rue de la Ronce	under development	under development	129	9,000		3,000	12,000	100.00%
	92800 Puteaux								
	Rose de Cherbourg (student residence)	under development	under development		7,379		100	7,479	100.00%
	Bagnolet								
	16-18, rue Sadi-Carnot – 2-4, avenue Henriette (student residence)	under development	under development	163	3,745		381	4,126	100.00%
13	**13002 Marseille 2e**								
	1, rue Mazenod (student residence)	under development	under development	179	3,742			3,742	100.00%
33	**33000 Bordeaux**								
	Rue Blanqui – Rue de New York (student residence)	under development	under development	159	3,800			3,800	100.00%
	TOTAL BUILDINGS UNDER DEVELOPMENT			**849**	**32,676**	**-**	**3,636**	**36,312**	
	GRAND TOTAL RESIDENTIAL			**9,922**	**564,281**	**9,057**	**32,281**	**605,619**	

08

SUMMARY OF THE RESIDENTIAL PROPERTY PORTFOLIO

	Nb of housings units	Residential surface area *(sq.m)*
Paris	**5,163**	**313,588**
Residential portion of predominantly residential assets	4,941	295,604
Residential portion of predominantly commercial assets	222	17,984
Paris Region	**2,713**	**172,613**
Residential portion of predominantly residential assets	2,705	172,072
Residential portion of predominantly commercial assets	8	541
Other regions	**984**	**31,546**
Residential portion of predominantly residential assets	984	31,546
Residential portion of predominantly commercial assets	0	0
Residential portfolio in operation as at December 31, 2014	**8,860**	**517,747**
Unit-by-unit sale programs	**443**	**32,383**
Residential portion of predominantly residential assets	443	32,383
Residential portion of predominantly commercial assets	0	0
Programs under construction and land reserves	**849**	**65,600**
Residential portion of predominantly residential assets	849	32,676
Residential portion of predominantly commercial assets	0	32,924
TOTAL RESIDENTIAL PROPERTY HOLDINGS AS AT DECEMBER 31, 2014	**10,152**	**615,730**
Residential portion of predominantly residential assets	9,922	564,281
Residential portion of predominantly commercial assets	230	51,449

8.3. LOGISTICS

	Adress	Construction year	Year of the last reconstruction	Logistics surface area *(sq.m)*	Activities surface area *(sq.m)*	Total surface area *(sq.m)*	% of interests
Other countries	Warsaw (Poland)						
	Księcia Ziemowita Street No.59 – Warsaw	2000	2000	24,653	-	24,653	100.00%
	Total buildings in operation			**24,653**	**-**	**24,653**	
	GRAND TOTAL LOGISTICS			**24,653**	**-**	**24,653**	

8.4. HEALTHCARE

	Adress	Construction year	Year of last reconstruction	Healthcare surface area (sq.m)	Type of facility	Number of beds	Total surface area (sq.m)	% of interests
75	**Paris 20e**							
	Résidence MAPI – 20, rue des Cendriers	1990	1990	4,954	Nursing home	124	4,954	100.00%
77	**77400 Saint-Thibault-des-Vignes**							
	Eleusis Saint-Thibault – 5, rue Marc-Chagall	1990	1990	2,892	Nursing home	90	2,892	100.00%
	77640 Jouarre							
	Clinique du Château de Perreuse	1873	1873	5,139	PSY	96	5,139	100.00%
78	**78125 Vieille-Église-en-Yvelines**							
	Clinique d'Yvelines – Route de Rambouillet	1939	1997	6,042	PSY	120	6,042	100.00%
	78130 Chapet							
	Clinique Bazincourt – Route de Verneuil	1910	1984	7,100	SCR	90	7,100	100.00%
	78300 Poissy							
	Eleusis Poissy – 11, rue Saint-Barthélémy	1990	1990	3,072	Nursing home	85	3,072	100.00%
	Résidence MAPI – 52, rue de Villiers	1989	1989	5,122	Nursing home	124	5,122	100.00%
	78400 Chatou							
	Résidence MAPI – 8, square Debussy	1990	1990	4,936	Nursing home	115	4,936	100.00%
92	**92130 Issy-les-Moulineaux**							
	Laboratoire Diderot – 30/32, rue Diderot	1985	1985	211	LABO	-	211	100.00%
	92150 Suresnes							
	Résidence Chevreul – 1/3, rue de Saint-Cloud	1989	2011	9,665	Nursing home	116	9,665	100.00%
	Korian Suresnes – 36, rue Carnot	2001	2001	4,613	Nursing home	100	4,613	100.00%
	92230 Gennevilliers							
	Villa Caroline – 22, rue Jeanne-d'Arc	1960	1960	2,658	Nursing home	76	2,658	100.00%
	92290 Chatenay-Malabry							
	Résidence Jean Rostand – 6/8, avenue du Bois	1989	1989	5,086	Nursing home	80	5,086	100.00%
	92500 Rueil-Malmaison							
	Résidence MAPI – 31, bd Solferino	1992	1992	4,608	Nursing home	103	4,608	100.00%
	92700 Colombes							
	Résidence Azur Colombes – 27/29, rue Youri-Gagarine	1996	1996	2,124	Nursing home	70	2,124	100.00%
93	**93110 Rosny-sous-Bois**							
	Résidence MAPI – 16, rue Marcelin-Berthelot	1986	1986	4,297	Nursing home	114	4,297	100.00%
	93250 Villemomble							
	EHPAD de Villemomble – 36, rue de la Montagne-Savart	2008	2008	5,206	Nursing home	116	5,206	100.00%
	93604 Aulnay-sous-Bois							
	Clinique Aulnay – 11, avenue de la République	1934	1998	11,567	MSO	191	11,567	100.00%
95	**95200 Sarcelles**							
	Résidence MAPI – Avenue de la Division-Leclerc	1989	1989	6,697	Nursing home	156	6,697	100.00%
	95460 Ezanville							
	Eleusis Ezanville – 6, Grande-Rue	1991	1991	2,874	Nursing home	90	2,874	100.00%

	Adress	Construction year	Year of last reconstruction	Healthcare surface area *(sq.m)*	Type of facility	Number of beds	Total surface area *(sq.m)*	% of interests
	95600 Eaubonne							
	Korian Eaubonne – 2, rue Henri-Barbusse	1997	1997	3,941	Nursing home	103	3,941	100.00%
	Total buildings in operation in the Paris Region			**102,803**		**2,159**	**102,803**	
01	**01000 Bourg-en-Bresse**							
	Clinique Convert – 62, route de Jasseron	1974	2003	17,550	MSO	164	17,550	100.00%
06	**06400 Cannes**							
	Tiers Temps Cannes – 6, rue Monti – Impasse Bellevue	1989	1989	4,530	Nursing home	115	4,530	100.00%
07	**07500 Guilherand-Granges**							
	Clinique Pasteur Valence – 294, boulevard du Général-de-Gaulle	1968	1998	17,276	MSO	199	17,276	100.00%
09	**09270 Mazères**							
	Résidence Gaston de Foix – Faubourg du Cardinal-d'Este	1987	1987	3,306	Nursing home	80	3,306	100.00%
11	**11000 Carcassonne**							
	Clinique Montréal – 84, route de Montréal	1953	2006	12,000	MSO	148	12,000	100.00%
13	**13008 Marseille 8e**							
	Clinique Monticelli – 88, rue du Commandant-Rolland	1950	1996	4,069	MSO	42	4,069	100.00%
	Clinique Rosemont – 61/67, avenue des Goumiers	1964	2000	6,702	SCR	117	6,702	100.00%
	13009 Marseille 9e							
	CHP Clairval – 317, boulevard du Redon	1990	1990	31,035	MSO	289	31,035	100.00%
	13012 Marseille 12e							
	Provence Santé (Beauregard) – 12, impasse du Lido	1950	1991	20,698	MSO	326	20,698	100.00%
	13781 Aubagne							
	Clinique La Bourbonne – Route de Toulon	1968	1972	9,249	SCR	120	9,249	100.00%
14	**14050 Caen**							
	CHP Saint-Martin Caen – 18, rue des Roquemonts	1993	1993	36,631	MSO	167	36,631	100.00%
17	**17300 Rochefort**							
	Le Clos des Fontaines – 2 bis, rue du 14-Juillet	1989	1989	2,989	Nursing home	71	2,989	100.00%
22	**22310 Plancoët**							
	Clinique Maison de Velleda – Clinique Bran de Fer – Rue Velleda	1971	1971	5,970	SCR	105	5,970	100.00%
	22430 Erquy							
	Les Jardins d'Erquy – 37, rue Saint-Michel	1920	1992	2,821	Nursing home	58	2,821	100.00%
27	**27100 Le Vaudreuil**							
	Résidence Les Rivalières – 1, rue Bernard-Chédeville	1989	1989	4,139	Nursing home	98	4,139	100.00%
31	**31270 Frouzins**							
	Les Terrasses de Mailheaux – 25, chemin de Mailheaux	2003	2003	3,775	Nursing home	80	3,775	100.00%
	31470 Saint-Lys							
	Scimar Joie de Vivre – 835, route de Toulouse	1970	1970	3,075	Nursing home	95	3,075	100.00%
	31700 Blagnac							
	Scimar Blagnac – 20, rue Pablo-Picasso	1990	1990	3,667	Nursing home	80	3,667	100.00%
	31770 Colomiers							
	Scimar Lesplanes – 4, chemin des Cournaudis	1972	1972	3,159	Nursing home	95	3,159	100.00%

	Adress	Construction year	Year of last reconstruction	Healthcare surface area (sq.m)	Type of facility	Number of beds	Total surface area (sq.m)	% of interests
32	**32410 Castera-Verduzan**							
	EHPAD de Castéra-Verduzan – Lieu-dit «Au Conte»	2009	2009	4,150	Nursing home	84	4,150	100.00%
33	**33000 Bordeaux**							
	Clinique Tourny – 54, rue Huguerie	1850	1980	6,277	MSO	55	6,277	100.00%
	Résidence Bordelaise Agréable – 27, rue Ségalier	1850	1850	4,436	Nursing home	59	4,436	100.00%
	Korian Bordeaux – 1, rue Jean-Dandicolle	1993	1993	3,744	Nursing home	107	3,744	100.00%
	33608 Pessac							
	Clinique Saint-Martin Pessac – Allée des Tulipes	1976	1995	16,527	MSO	185	16,527	100.00%
34	**34094 Montpellier**							
	Clinique Rech – 10, rue Hyppolyte-Rech	1850	2003	13,930	PSY	182	13,930	100.00%
35	**35171 Bruz**							
	Clinique du Moulin – Carcé	1850	1995	5,147	PSY	72	5,147	100.00%
44	**44046 Nantes**							
	Clinique Sourdille – 3, place Anatole-France	1928	2000	7,057	MSO	50	7,057	100.00%
45	**45500 Gien**							
	Clinique Jeanne d'Arc – 2 ter, avenue Jean-Villejean	2010	2010	11,556	MSO	142	11,556	100.00%
47	**47000 Agen**							
	Clos Saint-Jean – 2, avenue du Général-de-Gaulle	1990	1990	3,618	Nursing home	76	3,618	100.00%
53	**53810 Changé**							
	Clinique Notre Dame de Pritz – Route de Niafles	1965	1996	1,978	PSY	50	1,978	100.00%
59	**59000 Lille**							
	Résidence Saint-Maur – 15, avenue Saint-Maur	1862	1862	7,555	Nursing home	142	7,555	100.00%
	59553 Esquerchin							
	Clinique de l'Escrebieux – 984, rue de Quiery	1997	1997	3,405	PSY	75	3,405	100.00%
60	**60200 Compiègne**							
	Tiers Temps Compiègne – 9, rue de Bouvines	1991	1991	2,363	Nursing home	60	2,363	100.00%
	60350 Pierrefonds							
	Clinique Eugénie – 1, sente des Demoiselles	1998	1998	2,161	PSY	42	2,161	100.00%
62	**62320 Rouvroy**							
	Clinique du Bois-Bernard – Route de Neuvireuil	1974	1998	22,170	MSO	186	22,170	100.00%
63	**63830 Durtol**							
	Clinique Grand Pré – Lieu-dit «Les Chaves»	1976	1999	7,500	PSY	144	7,500	100.00%
64	**64000 Pau**							
	Résidence Les Lilas – 5, avenue des Lilas	1600	1600	3,436	Nursing home	65	3,436	100.00%
69	**69000 Lyon**							
	Tiers Temps Lyon – 40, rue des Granges	1988	1988	2,743	Nursing home	91	2,743	100.00%
	Résidence Saison Dorée – 8, rue Antoine-Péricaud	1995	1995	4,316	Nursing home	108	4,316	100.00%
	69134 Écully							
	Clinique Mon Repos – 11, chemin de la Vernique	1820	1991	5,028	PSY	98	5,028	100.00%
	69280 Marcy-l'Étoile							
	Résidence Marcy-l'Étoile – 248, rue des Sources	1993	1993	2,948	Nursing home	90	2,948	100.00%

	Adress	Construc-tion year	Year of last reconstruction	Healthcare surface area *(sq.m)*	Type of facility	Number of beds	Total surface area *(sq.m)*	% of interests
71	**71100 Châlon-sur-Saône**							
	Clinique Sainte-Marie – 4, allée Saint-Jean-des-Vignes	1988	1988	9,539	MSO	197	9,539	100.00%
	71400 Autun							
	La Pinède – Résidence Sainte-Anne – 14, rue Lauchien-le-Boucher	1877	1877	5,118	Nursing home	80	5,118	100.00%
73	**73100 Aix-les-Bains**							
	Tiers Temps Aix-les-Bains – 26, rue Victor-Hugo	1988	1988	2,466	Nursing home	54	2,466	100.00%
74	**74100 Annemasse**							
	Hopital Privé Savoie Nord – 17-19, avenue Mendès-France	2012	2012	23,662	MSO	250	23,662	100.00%
76	**76600 Le Havre**							
	Hôpital Privé de l'Estuaire – 505, rue Irène-Joliot-Curie	2010	2010	33,388	MSO	356	33,388	100.00%
79	**79500 Melle**							
	Château de Chaillé – 5, allée de Chaillé	1850	1850	5,668	Nursing home	112	5,668	100.00%
81	**81100 Castres**							
	Résidence Les Grands Chênes – 14, chemin des Amoureux	1989	1989	2,295	Nursing home	69	2,295	100.00%
85	**85000 La Roche-sur-Yon**							
	EHPAD La Roche-sur-Yon – 96, boulevard des Belges et 32, rue Abbé-Billaud	2009	2009	3,750	Nursing home	75	3,750	100.00%
	RPA La Roche-sur-Yon – 96, boulevard des Belges et 32, rue Abbé-Billaud	2009	2009	1,961	Nursing home	35	1,961	100.00%
	Total buildings in operation in other regions			**422,533**		**5,840**	**422,533**	
	TOTAL BUILDINGS IN OPERATION			**525,336**		**7,999**	**525,336**	
	Buildings under development							
64	**64100 Bayonne**							
	Capio Bayonne – Chemin de Campagne	under development	under development	29,594	MSO	254	29,594	100.00%
84	**84100 Orange**							
	Capio Orange – Route du Parc	under development	under development	4,797	MSO	60	4,797	80.00%
	TOTAL BUILDINGS UNDER DEVELOPMENT			**34,391**		**314**	**34,391**	
	GRAND TOTAL HEALTHCARE			**559,727**		**8,313**	**559,727**	

SUMMARY OF THE HEALTHCARE PROPERTY PORTFOLIO

	Number of beds	Total surface area *(sq.m)*
Paris Region	2,159	102,803
Other regions	5,840	422,533
Other countries	0	0
Healthcare portfolio in operation as at December 31, 2014	**7,999**	**525,336**
Programs under construction and land reserves	314	34,391
TOTAL HEALTHCARE PROPERTY HOLDINGS AS AT DECEMBER 31, 2014	**8,313**	**559,727**

09

Additional Information

09

9.1. REFERENCE DOCUMENT CONTAINING AN ANNUAL FINANCIAL REPORT

9.1.1. PUBLIC DOCUMENTS

This financial report is available free of charge on request from Gecina's Financial Communication 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

Samuel Henry-Diesbach: +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

9.1.2. 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, 2012: the Consolidated financial statements and the related Statutory Auditors' report included on pages 53 to 94 and 276 of the Reference Document filed with the AMF on February 27, 2013 under reference D. 13-0086;
- for the fiscal year ended December 31, 2013: the Consolidated financial statements and the related Statutory Auditors' report included on pages 69 to 112 and 344 of the Reference Document filed with the AMF on February 26, 2014 under reference D. 14-0089.

These documents are available on the AMF and Gecina websites:
www.gecina.fr
www.amf-france.org

9.1.3. 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, 2014 presented in this document is the subject of reports by the Statutory Auditors, which appear on pages 359 to 361 of this document. The report on the Consolidated financial statements for the year ended December 31, 2014 is presented on page 359 of this document. The Consolidated financial statements for the year ended December 31, 2013, presented in the Reference Document filed with the AMF under number D. 14-0089 on February 26, 2014, are the subject of a report by the Statutory Auditors, which appears on page 344 of that 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."

Philippe Depoux
CEO

9.1.4. CORRESPONDENCE TABLE FOR THE REFERENCE DOCUMENT

Headings refer to Annex 1 of European Regulation 809/2004		Pages
1	**Persons responsible**	354
2	**Statutory Auditors**	358
3	**Selected financial information**	10-11
4	**Risk factors**	22-47
5	**Information about the issuer**	
5.1.	History and development of the company	12-16
5.2.1.	Investments during the year	50-53
5.2.2.	Future investments	69
6	**Business overview**	
6.1.	Principal activities	16-20
6.2.	Principal markets	16-20
6.3.	Exceptional events	79-80
6.4.	Dependency on patents, licenses and contracts	371
6.5.	Competitive position	26
7	**Organization chart**	
7.1.	Group structure and list of subsidiaries	14-16
7.2.	Business and earnings of the main subsidiaries	65-67
8	**Property, plant and equipment**	
8.1.	Group property, plant and equipment	337-352
8.2.	Environmental issues	199-336
9	**Review of financial position and earnings**	
9.1.	Earnings and financial position	49-71
9.2.1.	Main factors impacting performance	21, 70-71
9.2.2.	Major changes impacting revenues	50-53
9.2.3.	Appraised property portfolio values	58-65
10	**Treasury and capital resources**	
10.1.	Issuer's share capital	77, 178-192
10.2.	Source and amount of cash flows	78
10.3.	Financing	54-58
10.4.	Restriction on the use of capital	57, 94, 123
10.5.	Expected sources of financing	54-58
11	**Research and development, patents and licenses**	371
12	**Trend information**	
12.1.	Recent developments	69, 112, 129
12.2.	Future outlook	69
13	**Profit forecasts or estimates**	69
14	**Administrative management, supervisory bodies and corporate officers**	133-173
14.1.	Structure of management and supervisory bodies	133-173
14.2.	Conflicts of interest	152-153
15	**Remuneration and benefits**	111, 163-173
15.1.	Remuneration and benefits paid	111, 163-173
15.2.	Remuneration and benefits: amount of provisions	173

9.1.5. 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

MANAGEMENT REPORT

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 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

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information presented below is the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Financial year ended December 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Gecina SA;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of Gecina SA as of December 31, 2014, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823.9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 3.5.4.6., 3.5.5.12. and 3.5.9.3. of the Notes to the consolidated financial statements describe, on the one hand, certain transactions and/or commitments in Spain and, on the other hand, the alleged issuing of four promissory notes and letters of guarantee by Gecina. We have been made aware, as applicable, of the developments on this subject during the financial year and/or the specific procedures and analyses conducted by the company. We have also examined the corresponding documentation and assessed the appropriateness of the resulting accounting treatment.
- The portfolio properties are subject, at each reporting date, to evaluation procedures by independent property appraisers according to the terms described in Note 3.5.3.1. of the notes to the financial statements. We have assessed the appropriateness of these evaluation methods and their application. We have also confirmed that the determination of the fair value of investment properties and properties for sale as presented in the consolidated statement of financial position and Notes 3.5.5.1. and 3.5.5.5. of the notes to the financial statements were carried out on the basis of these external expert reviews. We have also verified that the amount of impairment losses recorded for property measured at historical cost was sufficient relative to these external expert reviews. As indicated in Note 3.5.3.14. of the notes to the financial statements, the evaluations performed by independent property appraisers rely on estimates and it is therefore possible that the value at which the portfolio properties could be sold differs significantly from their evaluation at the reporting date.
- As indicated in Notes 3.5.3.8. and 3.5.5.11.2. of the notes to the financial statements, Gecina SA has access to derivative instruments recognized at their fair value in the consolidated statement of financial position. To determine this fair value, the company uses evaluation techniques based on market parameters. We have examined the data and assumptions on which these estimates are based and reviewed the calculations performed by the company. As indicated in Note 3.5.3.14. of the notes to the financial statements, 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 settled differs significantly from their evaluation at the reporting date.
- As indicated in Notes 3.5.3.2.2. and 3.5.3.2.3. of the notes to the financial statements, equity securities are evaluated at their fair value and impairment losses are recognized on other financial fixed assets in the event of lasting impairment. To determine the fair value of equity securities and the potential for lasting impairment of other financial fixed assets, the company examines

the specific circumstances of each asset and uses assumptions and forecasts. We have examined these elements and assessed the evaluations performed by the company. As indicated in Note 3.5.3.14 of the notes to the financial statements, the evaluations performed by the company are based on estimates and it is therefore possible that the value at which these assets could be sold differs significantly from their evaluation at the reporting date.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and thus contributed to the opinion we formed which is expressed in the first part of this report.

3. SPECIFIC VERIFICATION

As required by French law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to their fair presentation and consistency with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine February 19, 2015

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Julien Marin-Pache	Jean-Pierre Bouchart
Partner	Partner

9.2.2.2. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information presented below is the audit opinion on the (consolidated) financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as to provide separate assurance on individual account balances, transactions or disclosures.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Financial year ended December 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying annual financial statements of Gecina SA;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of Gecina SA as of December 31, 2014, and of the results of its operations for the year then ended in accordance with French accounting principles.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823.9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- The applicable accounting policies for portfolio properties and financial fixed assets are described in Notes 4.3.3.1. and 4.3.3.2., respectively, of the notes to the annual financial statements. We have assessed the appropriateness of these estimating methods and their correct application.
- Note 4.3.3.7. «Hedging Instruments» of the notes to the annual financial statements describes the accounting policies related to the recognition of financial instruments. We have examined the control system related to their accounting classification and the determination of the parameters used to measure financial instruments.
- Note 4.3.6.1 of the notes to the annual financial statements describes the alleged issuing of four promissory notes and letters of guarantee by Gecina SA. We have been made aware, as applicable, of the developments on this subject during the financial year and/or the specific procedures and analyses conducted by the company. We have also examined the corresponding documentation and assessed the appropriateness of the resulting accounting treatment.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and thus contributed to the opinion we formed which is expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders on the financial position and the annual financial statements.

As regards the information provided pursuant to Article L. 225-102-1 of the French Commercial Code on compensation and benefits paid to corporate officers and commitments made in their favor, we have verified the consistency of this information with the information given in the annual financial statements or with the data used to prepare these financial statements, and, if applicable, with the information received by your company from the companies which control it or which are controlled by it. On the basis of this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Courbevoie and Neuilly-sur-Seine February 19, 2015

The Statutory Auditors

Mazars	**PricewaterhouseCoopers Audit**
Julien Marin-Pache	Jean-Pierre Bouchart
Partner	Partner

9.2.2.3. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

General Meeting called to approve the financial statements for the year ended December 31, 2014

To the Shareholders,

In our capacity as Statutory Auditors of Gecina, we hereby report to you on regulated 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 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 corresponds with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

We hereby inform you that we have not been advised of any agreement or commitment authorized during the past year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

Pursuant to the provisions of Article R.225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, approved by the General Meeting in prior financial years, remained in force during the past year.

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 of Directors' 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 2014 with regard to the following point:

- The retention by Mr. Christophe Clamageran of the benefit of stock options granted to him by the Board of Directors' 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 grants, while the other payment terms in these plans remain unchanged.

The total number of stock options granted to Mr. Christophe Clamageran under these plans is 61,368.

This agreement was approved by the General Meeting of May 17, 2012.

2. Awarding of severance compensation to Mr. Philippe Depoux in the event of termination as Chief Executive Officer subject to performance-related conditions

Officer involved: Mr. Philippe Depoux

The Board of Directors' 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**: six months of total gross compensation (fixed and variable) for the position as CEO. This provision lapsed on June 3, 2014, when the CEO had one year of seniority.
  - **Seniority between one and two years**: 100% of the total gross compensation (fixed and variable) for the position as CEO. The payment of this benefit is subject to performance-related conditions as described in the table below.
  - **Seniority of more than two years**: 200% of the total gross compensation (fixed and variable) for the position as CEO. The payment of this benefit is subject to performance-related conditions as described in the table below.

Performance-related conditions for seniority of more than one year:

The benefit will only be paid if the recurring income in the last 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 income amounts will be compared taking into account changes in the scope of the company's assets during the relevant years, as indicated below:

Conditions de performance	Severance pay
Recurring income in year N excluding fair value adjustments > average recurring income for the years (N-1 + N-2)	100%
Recurring income in year N excluding fair value adjustments < 4% of the average recurring income for the years (N-1 + N-2)	80%
Recurring income in year N excluding fair value adjustments < 8% of the average recurring income for the years (N-1 + N-2)	50%
Recurring income in year N excluding fair value adjustments < 12% of the average recurring income for the years (N-1 + N-2)	No severance pay

It is the duty of the Board of Directors to check that these performance-related criteria are satisfied, with the understanding that the Board of Directors may take into account exceptional items that occurred during the year.

This agreement was approved by the Shareholders' General Meeting of April 23, 2004.

Courbevoie and Neuilly-sur-Seine, February 19, 2015

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Julien Marin-Pache	Jean-Pierre Bouchart
Partner	Partner

09

9.2.2.4. STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF GECINA SA'S BOARD OF DIRECTORS

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

Financial year ended December 31, 2014

To the Shareholders,

In our capacity as Statutory Auditors of Gecina and in accordance with Article L. 225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company for the financial year ended December 31, 2014 in accordance with Article L. 225-37 of the French Commercial Code.

It is the Chairman's responsibility to prepare and submit to the Board of Directors' for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsability:
- To report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- To attest that the report sets out the other information required by Article L. 225-37 of the French Code of Commerce, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the procedures to assess the fairness of the information provided in the Chairman's report regarding the internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures mainly consisted of:
- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairman's Report is based, and the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information that we may have identified in the course of our work are properly discribed in the Chairman's report.

On the basis of our work, we have no matters to report on the information regarding the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information set out in the report of the Chairman of the Board of Directors, prepared in accordance with Article L. 225-37 of the French Commercial Code.

We draw your attention to the paragraph "Guarantee commitments made in Spain" in Section 5.1.9 of the report of the Chairman of the Board of Directors. This paragraph mentions the identification of commitments made in spite of the internal control system, as well as the implementation of procedures by the Group in this context.

Other information

We hereby attest that the Chairman's report sets out the other information required in Article L.225-37 of the French Commercial Code.

Courbevoie and Neuilly-sur-Seine February 19, 2015

The Statutory Auditors

Mazars	**PricewaterhouseCoopers Audit**
Julien Marin-Pache	Jean-Pierre Bouchart
Partner	Partner

9.2.2.5. STATUTORY AUDITORS' INDEPENDENT THIRD-PARTY REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in French, and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France

Financial year ended December 31, 2014

To the Shareholders,

As independent third-party, members of Mazars' network, statutory auditor's of Gecina, whose accreditation was accepted by COFRAC under the number 3-1058, 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, 2014, (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[1] of the French Commercial Code, in accordance with the reporting criteria of the company (hereafter the "Reporting Criteria") and available on request to the society headquarter.

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 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 Independent Third Party
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 of the CSR Information);
- 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.

Our work was carried out by a team of 6 people between December 2014 and February 2015, for a period of about 8 weeks.

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, in accordance with ISAE 3000[2].

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 to the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission of some consolidated information, we checked that explanations were provided in accordance with the third paragraph of the article R. 225-105 of the French Commercial Code.

We checked 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 twenty persons responsible for the preparation of CSR Information from the 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 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.

1 *Decree of 13 May 2013 establishing the methodology according to which the independent third party conducts its mission*
2 *ISAE 3000 – Assurance engagements other than audits or reviews of historical 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;
- 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 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 would lead 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.

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 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, 18 February 2015

The Independent Third Party

Mazars SAS

Julien Marin-Pache	Emmanuelle Rigaudias
Partner	Sustainable developement Partner

3 ***Social information****: global workforce and breakdown by gender, age, type of contract and category, number of recruitments, total number of departures (permanent contracts), percentage of employees promoted internally, absenteeism rate, 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, percentage of average individual increase manager versus non manager (by category and gender), number of level of occupational classification for which the pay gap M/W greater than 3% (administrative staff, except Comex), percentage of women in external recruitments, average hours of training per employee.*

Environmental information*: GMS (General Management System) coverage rate - building and renovating (in % of surface), GMS coverage rate - Exploitation (in % of surface), EMS (Environmental Management System) coverage rate, percentage of reduction in the level of employee greenhouse gas emissions in tCDE/employee/p.a, percentage of recovered / recycled waste, percentage of equipped surface areas in a room outfitted for selective sorting of waste, average water consumption and percentage of reduction in water consumption, percentage of reduction in primary energy consumption per,sqm/p.a - Offices and Residential, Percentage reduction in final energy consumption per,sqm/p.a – Offices and Residential, percentage of properties with an EPD (Environmental Product Declaration) energy label of A, B or C – Offices and Residential, energy mix, percentage of renewable energy produced, greenhouse gas emission level in kg*CO_2*/sqm/p.a. – Offices and Residential, percentage of reduction in emissions since 2008, percentage of properties with an EPD climate label of A, B or C – Offices and Residential, biotope area factor, percentage of assets having undergone a biodiversity audit.*

Societal information*: coverage green leases (in % of surface), customer recommendation rate, economic contribution, number of charters «responsible purchasing» signed with suppliers, number of days devoted to one or more projects (Foundation), number and percentage of employees involved in one or more projects (Foundation), amounts of donations from the 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.

Design and creation:
makheia sequoia

14-16, rue des Capucines – 75002 Paris – Tel: + 33 (0) 1 40 40 50 50
Adress: 16, rue des Capucines – 75084 Paris Cedex 02
www.gecina.fr

Bien plus que des mètres carrés

16, rue des Capucines
75084 Paris Cedex 02
Tel: 33 (0) 1 40 40 50 50
www.gecina.fr