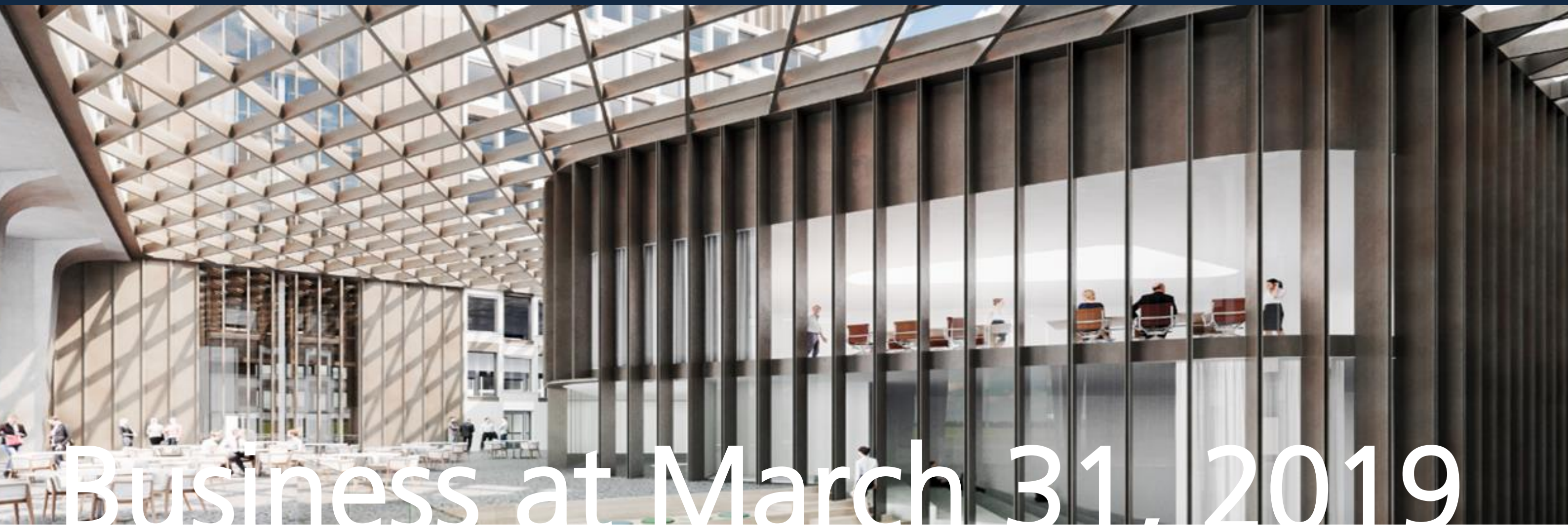
Press release
April 17, 2019



Business at March 31, 2019

Rental income up +2.3% like-for-like to €164.1m
(+10.6% factoring the impact of assets deliveries following redevelopment)
Market still buoyant in Gecina's key sectors

Rental income reflecting Gecina's strategy and robust trends for the most central sectors

- Gross rental income up +2.3% like-for-like in total and +2.5% for offices
- Factoring in the impact of assets delivered following redevelopment, this performance climbs to +13.2% for offices (+10.6% overall)
- Rental income down -2.6% on a current basis due to sales
- Nearly €17m of rent from like-for-like growth and assets delivered in 2018 in Paris, the Western Crescent and Lyon, offsetting the loss of rent linked to sales

€149m of sales already completed or under preliminary agreements in the first quarter, with a +7% premium versus the appraisal values

Office market still buoyant, particularly in Paris

- Immediate supply down -7% for the Paris Region and -11% for Paris City, its lowest level to date. Vacancy rates continuing to contract as a result, with 5.3% for the Paris Region and 2.2% for Paris
- Trends for headline rents on letting still positive for the most central sectors (+7.5% for the Paris Region and +9% to +14% for the various sectors in Paris City)

Gecina reconfirms its 2019 guidance with confidence

- Restated for the impact of sales of non-strategic assets from Eurosic's scope, recurrent net income per share for 2019 is expected to grow by around +2% despite the significant volume of assets currently being redeveloped or to be launched for redevelopment shortly
- The projects from the pipeline are expected to generate additional net rental income - net of sales from 2018 - of +€130m to +€140m by 2024

Gross rental income In million euros	Mar 31, 18	Mar 31, 19	Change (%) Current basis	 Like-for-like
Offices	**133.8**	**129.6**	**-3.1%**	**+2.5%**
Traditional residential	26.5	26.4	-0.3%	+2.1%
Student residences	4.3	4.8	+12.8%	+1.4%
Other assets	3.9	3.3	-15.3%	ns
Total gross rental income	**168.5**	**164.1**	**-2.6%**	**+2.3%**
Hotels	8.8	9.2	4.2%	na
Finance leases	6.6	5.2	-21.8%	na
Total gross revenues	**183.9**	**178.5**	**-2.9%**	**na**

Rental income benefiting from recent deliveries, offsetting the impact of sales and redevelopments

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Total gross rental income	**168.5**	**164.1**	**-2.6%**	**+2.3%**
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Total gross revenues	**183.9**	**178.5**	**-2.9%**	**na**

On a current basis, rental income shows a slight contraction of -2.6%, primarily reflecting the impact of the **non-strategic assets sold (-€17.0m)** and the **redevelopment projects launched (-€4.4m)**, partially offset by **deliveries of assets (+€13.8m)** and like-for-like growth (+€3.0m).

Like-for-like, the performance came to +2.3% at end-March 2019. This improvement is linked to an **increase in indexation (+1.7%)**, as well as the **positive impact of rental reversion (+0.4%) on both offices and residential**. This performance also benefits from a slightly positive impact for the reduced financial vacancy rate, primarily for the residential portfolios, and to a lesser extent offices.

Note that this like-for-like performance does not include the impacts of lettings for assets delivered following redevelopment operations. Including these assets, this rate rises to +10.6%.

Offices: positive trends for offices in the most central sectors

Gross rental income - Offices In million euros	Mar 31, 18	Mar 31, 19	Change (%) Current basis	 Like-for-like
Offices	**133.8**	**129.6**	**-3.1%**	**+2.5%**
Paris City	**64.6**	**69.6**	+7.8%	+2.5%
Western Crescent - La Défense	40.4	43.3	+7.3%	+2.1%
Other Paris Region	14.7	12.0	-18.6%	+3.8%
Other regions	14.1	4.7	-66.9%	+2.2%

On a current basis, rental income from offices is down slightly with -3.1% **(-€4.2m)**, despite the high volume of sales completed in 2018 (€1.5bn) and assets transferred to the pipeline, thanks to the significant volume of assets delivered in 2018.

This performance reflects:

- Rental income from the **buildings delivered** in 2018 **(+€13.2m)**: five fully-let buildings in Paris (Ville l'Evêque, Le France, Le Jade, Guersant and Penthemont 1), one building in the Western Crescent with 81% let (Octant-Sextant) and the SKY 56 building in Lyon (95% let),
- The temporary loss of rent from assets with strong value-creation potential that have been **transferred to the pipeline (-€4.3m)**, primarily including two buildings in Paris' central business district and one building in La Défense,
- **The impact of sales** of non-strategic or mature assets **(-€15.7m)**, located primarily outside of Paris, including the Regional portfolio sold in 2018.

Like-for-like, office rental income is up +2.5%, benefiting from higher **indexation (+1.9%)** and **rental reversion** reflecting the good level of Gecina's core markets, secured through renewals, renegotiations and relettings **(+0.5%)**. Over the quarter, the "vacancy" effect remained positive **(+0.1%)**. However, this effect could be negative over the full year since certain assets in peripheral Paris locations could be partially vacated, generating temporary replacement vacancies.

Note that this rental reversion reflects a positive incoming-outgoing differential for headline rents on new lets. Although the volume was still limited for the first quarter, this differential is particularly strong at the heart of Paris.

Moreover, this like-for-like performance does not include the impacts of the letting of the assets delivered following redevelopment operations. Including these assets, this rate represents +13.2%.

Market trends still positive, particularly at the heart of Paris (source: Immostat)

While **take-up** in the Paris Region is down -23% from the first quarter of 2018, **it is still high**, close to its long-term average, and this volume was never recorded for a first quarter between 2012 and 2016, **while the level of immediate supply is at an all-time low**, revealing a solid performance on the rental markets despite a shortage of immediate supply. **Immediate supply levels show a further contraction (-7.4% year-on-year).**

The market is still **very positive for the most central sectors**, as shown by the theoretical timeframe for immediate supply to be consumed based on the current take-up rate per area, which is close to **just five months for Paris City**, 16 to 17 months for the Western Crescent and Inner Rim, and over four years for the Outer Rim.

As a result, **rents on new leases are up +7.5% year-on-year** (+1.3% over three months), with a clear **outperformance by Paris City** (+9.0% for the CBD, +13.6% for the rest of Paris City over one year). Positive trends can also be seen in the Western Crescent and La Défense, while they are negative for the rest of the Paris Region (Inner and Outer Rims).

These positive trends are continuing to drive growth in values per square meter for investment transactions for the whole region excluding the Outer Rim.

Residential portfolios: improvement in organic performance

For the **traditional residential portfolio**, rental income is up +2.1% like-for-like. This performance reflects the impact of the strategy rolled out aiming to capture reversion potential and reduce the effects of rental vacancies by accelerating turnaround times for lettings. Over the quarter, the **rent differential secured between new and old tenants came to +7.4%**, contributing +0.2% to this portfolio's like-for-like rental performance. Alongside this, the reduction in the vacancy rate contributed +0.8% to this performance, thanks to the shorter letting times achieved with the new operational strategy deployed.

On a current basis, the contraction in rental income came to -0.3%, factoring in the progress made with the program rolled out by the Group in the past few years to sell apartments on a unit basis when they become vacant.

Rental income from **student residences** is up like-for-like (+1.4%), linked primarily to the improved performance by a residence in Marseille. On a current basis, the +12.8% increase also factors in the delivery of a residence during the third quarter of 2018 in Puteaux-La Défense.

Group occupancy rate still high

The Group's **average financial occupancy rate** was still very high at end-March 2019, with 94.7%, down -90bp year-on-year linked primarily to the delivery of the "Be Issy" building, for which the leases signed at the end of 2018 and early 2019 will come into effect from mid-2019.
For the office portfolio, the financial occupancy rate is down -80bp over 12 months, primarily due to the "Be Issy" building in the Southern Loop of Paris' Western Crescent. Like-for-like, this rate is up +20bp to 96.6%.

For the **student residence** portfolio, the financial occupancy rate is down to 87.3% year-on-year, linked to the ramping up of two residences delivered recently (particularly in Puteaux-La Défense). Excluding these two residences, the occupancy rate is up 100bp.

For the **traditional residential** portfolio, the financial occupancy rate is stable year-on-year at 97.6%.

Average financial occupancy rate	Mar 31, 18	Jun 30, 18	Sep 30, 18	Dec 31, 18	Mar 31, 19
Offices	**95.3%**	**95.4%**	**94.9%**	**94.7%**	**94.5%**
Traditional residential	97.6%	97.6%	97.5%	97.5%	97.6%
Student residences	92.5%	88.7%	87.6%	87.0%	87.3%
Other commercial assets	97.8%	97.3%	97.4%	97.5%	96.4%
Group total	**95.6%**	**95.6%**	**95.1%**	**94.9%**	**94.7%**

€149m of sales already completed or secured, with a +7% premium versus the appraisal values

During the first quarter, Gecina carried out or secured **€149m of sales**, with **€74m completed** (€15m of offices, €14m of vacant unit-based residential sales and €45m of various commercial assets). Alongside this, a further **€75m** of sales were covered by **preliminary sales agreements** at March 31.

Overall, these sales completed over the first three months of the year and covered by preliminary sales agreements at end-March show a premium of around +7% compared with the latest appraisals.

Progress with the share buyback program

By end-March 2019, Gecina had acquired nearly **335,200 shares** through its share buyback program, for an average price of around **€129.8 per share**. This volume represents **29% of the total program** launched on February 20, 2019, with close to €43,4m.

Gecina reconfirms its 2019 guidance with confidence

The project deliveries completed in 2018 and scheduled for 2019 are expected to offset to a great extent the impacts of the sales carried out in 2018, the expected loss of rent on assets transferred or to be transferred to the pipeline, and the reduction in capitalized financial expenses. **Excluding the impacts of the sales carried out on Eurosic's previous scope following its acquisition, recurrent net income (Group share) per share is expected to increase by around +2% in 2019** (excluding potential impacts of acquisitions or sales not committed to at end-2018), representing around **€5.70 to €5.75 per share**.

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