Press release
February 19, 2020

2019 full-year earnings

Consolidate, Transform, Perform

Total return of **+12.2%** over 12 months supported by a strong operational performance
Dividend up **+1.8%** to **€5.60** per share

Consolidating our positioning

A particularly dynamic year, with over 200,000 sq.m let or pre-let (165,000 sq.m in 2019 with **headline reversion of +16% in Paris CBD and 5-6-7**, and **44,000 sq.m** since the **start of 2020)**

- First leases signed in the CBD at **€900/sq.m** at the start of 2020
- **Reversion** potential of around **+10%** on average for the portfolio, which is expected to deliver like-for-like rental growth on offices of around **+3% in 2020**
- **15 projects delivered** in two years, generating nearly **€780m of net value creation** since their launch
- **Pipeline topped up** with **six new operations** launched, increasing it to **€3.7bn**, with €2.9bn committed or "to be committed", delivering a yield of **5.6%**
- Ongoing **portfolio rationalization**: **€1.2bn** of sales completed or covered by preliminary agreements **(+12% premium)**

Transforming our model

- **Subsidiarization of the residential business:** building on the robust development achieved since 2017 by positioning the business to invest in the residential sector in the Paris Region or diversify in certain leading regional cities, in order to benefit from economies of scale, while maintaining the target capital allocation (80% offices, 20% residential)
- Gecina is further strengthening its strategic **total return and centrality** approach with the deployment of a **service-driven approach** focused on its clients. The Group is moving forward with its **transformation around YouFirst and digitalizing:** deployment of YouFirst launched with YouFirst Collaborative, electronic signatures introduced for leases, new CRM rolled out for all YouFirst clients, partnership set up with GarantMe to facilitate access to housing for students, investment in a Fifth Wall fund focused on urban innovation

Performing sustainably

- **Securing long-term operational and financial performance**, with sustainable commitments positioning the environment, people and life at the heart of the city as core features of its ambitions for the future
- **Environmental commitment** built around four pillars (wellbeing, circular economy, biodiversity and low carbon), recognized with very strong sustainability ratings (CDP: A, GRESB: 92/100, MSCI: AAA, Sustainalytics: 88/100)
- **Commitment for people** to ensure gender diversity and pay equality (92/100 on the gender pay equality index), guaranteeing long-term performance, drawing on its company foundation
- **Commitment and tangible actions for an inclusive and desirable city**
- In 2020, Gecina formalizes the review into its "Purpose" with UtilesEnsemble

Solid results for 2019…

- **EPRA NAV of €175.8** per share, up **+9%** year-on-year, generating a **total return** of **12.2%** over 12 months
- **Recurrent net income** per share up **+6%** (excluding the impact of non-strategic assets sold in 2018 from the Eurosic scope), exceeding the Group's initial expectations, with **€5.95 per share** (vs. €5.80 to €5.85 expected)
- LTV including duties of 34.0% (vs. 36.2% at end-2018)

…inspiring confidence for the future

- **2020** will be marked by the impacts of the **portfolio's realignment** (€1.2bn of sales completed in 2019 or under preliminary agreements), the **topping up of the pipeline** with strong value creation potential (six operations launched), and the ramping up of **project deliveries** supported by a favorable market in Gecina's preferred sectors
- **Recurrent net income** (Group share) per share expected to be **up +2.0% in 2020**[1] **restated for the impact of sales completed in 2019**, representing a limited contraction of -2.5% without being restated
- **Additional rental potential of around €130m to €140m** from the pipeline by 2025

Key figures

In million euros	Dec-18	Dec-19	Change (%)	Like-for-like
Offices	540	548	+1.5%	+2.5%
Traditional residential	105	106	+0.7%	+2.3%
Student residences	17	20	+16.7%	+2.2%
Gross rental income	**662**	**673**	+1.8%	+2.4%
Recurrent net income (Group share)[2]	437	438	+0.2%	
Per share (in euros)	5.93	5.95	**+0.3%** (+5.7% excluding the impact of non-strategic assets sold from the Eurosic scope)	
LTV (excluding duties)	38.4%	36.0%		
LTV (including duties)	36.2%	34.0%		
EPRA NAV in euros per share (block)	161.6	175.8	**+8.8%**	
EPRA NAV in euros per share (unit)	168.0	182.4	+8.6%	
Dividend per share (euros)	5.50	5.60[3]	+1.8%	
EPRA NAV per share growth		+€14.2		
Dividend paid		+€5.5		
2019 total return		+€19.7	**+12.2%** in 2019	

[1] This performance will be revised up or down in line with the portfolio's potential acquisitions and sales in 2020.
[2] EBITDA restated for net financial expenses, recurrent tax, minority interests, income from associates and certain non-recurring costs (agreement with CaixaBank, costs relating to the subsidiarization of the residential business, and mortgage repayment costs)
[3] Subject to AGM approval

Robust trends for rental income like-for-like (+2.4%)

Gross rental income totaled €673.5m in 2019, with a moderate increase of +1.8%, linked primarily to the impact of deliveries from the development project pipeline offsetting the impact of sales. The like-for-like performance shows an improvement compared with the previous quarters, with growth of +2.4%, significantly outperforming indexation, thanks in part to positive rental reversion.

On a current basis, the overall contribution by the assets delivered in 2018 and 2019 offset the loss of rent resulting from the sales completed during this same period. The +1.8% increase reflects the impact of sales of non-strategic assets in 2018 and 2019 (for almost -€44m), primarily in regions other than Paris, as well as the impact of the buildings delivered in 2018 and 2019, net of transfers to the pipeline (+€41m).
This performance also benefits from **like-for-like growth of +2.4%,** factoring in a slight increase in indexation to +1.8% and the positive reversion achieved across all the Group's activities.

Growth on a current basis, as well as like-for-like, shows sequential improvements for the figures reported in 2019.

Gross rental income	2018	2019	Change (%)	
In million euros			Current basis	Like-for-like
Offices	**540.0**	**548.2**	**+1.5%**	**+2.5%**
Traditional residential	104.9	105.7	+0.7%	+2.3%
Student residences	16.8	19.7	+16.7%	+2.2%
Total gross rental income	**661.7**	**673.5**	**+1.8%**	**+2.4%**

Annualized rental income

Annualized rental income (IFRS) is up slightly (+€11m) from December 31, 2018 to €665m, with +€32m linked to the impact of six deliveries during the year (Ibox, MAP, Penthemont 2, Pyramides, Carré Michelet and Friedland) and the progress made with letting Be Issy following its recent delivery. The robust like-for-like performance (+€14m, with around €8m for indexation) also helped offset the loss of rent resulting from the sales and acquisitions completed since the start of the year (-€16m) and the departures of tenants from buildings to be redeveloped (-€19m).

Note that this annualized rental income includes €29m from assets intended to be vacated shortly for redevelopment, and €9m from buildings currently subject to preliminary sales agreements.

Annualized rental income (IFRS)		
€m	Dec 31, 18	Dec 31, 19
Offices	531	539
Traditional residential	105	106
Student residences	18	20
Total	**654**	**665**

Offices: positive trends in the most central sectors

Like-for-like, office rental income is up +2.5%, with +2.7% excluding the impact of the temporary change in the vacancy rate, due to certain tenants vacating buildings located in secondary sectors with longer reletting times than for the most central sectors. **The performance achieved exceeded the Group's initial expectations**, because one year ago Gecina was forecasting like-for-like rental growth excluding the impact of vacancies of +1.7% to +2.0% for 2019.

This increase reflects an **improvement in indexation (+1.9%), as well as the positive reversion achieved** and some early departures negotiated, offsetting the slight increase in the vacancy rate for the office portfolio.

Once again in 2019, **the most central sectors benefited from a stronger "reversion" effect than the other sectors**. For example, the leases signed in 2019 show **a headline reversion rate of around +16% for the CBD and Paris 5/6/7**, compared with **zero for the Western Crescent** and a negative rate of **-6% for the Paris Region's other sectors** where Gecina has very limited exposure.

For 2020, the positive trends seen for the Paris Region's most central markets enable Gecina to forecast **office rental income growth of around +3% like-for-like**.

On a current basis, rental income from offices is up **+1.5%**. More specifically, this change reflects the impact of the non-strategic assets sold in 2018 (-€35.9m) and 2019 (-€6.6m) and the assets with strong value creation potential freed up for redevelopment (-€9.8m). However, this loss of rent is fully offset by the impact of the delivery of eight buildings in 2018 and another six in 2019, with 88% let[4], located primarily in Paris City, as well as the Western Crescent and La Défense.

Gross rental income - Offices	Dec 31, 18	Dec 31, 19	Change (%)	
In million euros			Current basis	Like-for-like
Offices	**540.0**	**548.2**	**+1.5%**	**+2.5%**
Paris City	**269.9**	**290.6**	+7.7%	+1.7%
- Paris CBD & 5-6-7 - Offices	140.3	141.0	+0.5%	+1.1%
- Paris CBD & 5-6-7 - Retail	36.3	36.8	+1.4%	+1.7%
- Paris - Other	93.2	112.8	+20.9%	+2.8%
Western Crescent - La Défense	**164.1**	**182.7**	**+11.3%**	**+3.8%**
Paris Region - Other	**61.4**	**53.7**	**-12.5%**	**+3.2%**
Other French regions / International	**44.6**	**21.1**	**-52.6%**	**+0.1%**

Traditional residential: positive organic trends, benefiting from the strategy rolled out

Like-for-like, rental income for traditional residential properties is up **+2.3%, compared with organic growth of just +0.6% in 2017 and +2.0% in 2018**.
This performance takes into account indexation of +1.5% and the improvement in the occupancy rate (+0.4%), as well as the positive reversion achieved (+0.4%) on the apartments relet since January 1, 2019 at around +7.4% higher than the previous tenant's rent on average.

This significant reversion reflects the effects of the Residential Division's reorganization, delivering a clear outperformance compared with the average reversion of +1.9% recorded between 2014 and 2017 (+5.6% in 2018).

On a current basis, rental income is up slightly to €105.7m, with organic trends offsetting the impacts of the ongoing vacant unit-based sales program.

Student residences

Rental income from student residences shows a significant increase on a **current basis** (+16.7%), reflecting the impact of the delivery of the new "Rose de Cherbourg" residence in La Défense for the start of the 2018 academic year, as well as the ramping up of residences delivered for the start of the 2017 academic year.

Like-for-like, the good rental trends reflect the positive consequences of the operational turnaround of two residences in Lille and Paris.

Market trends still favorable in Gecina's preferred sectors

The Paris Region's office real estate market trends were once again marked by a **solid performance in terms of rental transactions, with a growing supply-side shortfall,** especially at the heart of Paris. While the volume of rental transactions is lower than 2018, it is still slightly higher than the long-term average, while immediate supply is close to an all-time low, particularly in Paris, where it represents a stock of just 372,000 sq.m, one of the lowest levels on record, equivalent to just five months of lettings at current rates.

For Paris City, the vacancy rate is still around 2%, stable compared with end-2018 and close to an all-time low.

As a result, **rents are trending up**. Cushman & Wakefield reports positive trends for new or redeveloped offices for virtually all sectors (including +5% for Paris City and +8% for the Western Crescent). **The upwards trend for rents on existing properties is also significant (+5% on average), particularly in the most central sectors preferred by Gecina, especially Paris City (+11% year-on-year)** and the Western Crescent (+3%), compared with stable trends for the Inner and Outer Rims, where the Group's presence is however relatively limited.

There is a clear **supply-side shortfall in Paris**, because Paris accounts for 40% of take-up, but just 14% of immediate supply, with this ratio reversed for the Paris Region's other sectors.

[4] At February 19, 2020

The shortage in terms of immediate supply for Paris is **therefore supporting pre-lettings** upstream from deliveries, as well as **reversion potential**, which is growing, especially at the heart of Paris.

These market trends make it possible to see a spread between current market rents and the rents in place in our portfolio of around +10%, primarily due to the portfolio's most central sectors and particularly Paris City (e.g. +23% for the Paris CBD).

The residential market trends are also still particularly favorable for Gecina, in markets affected by a persistent structural residential supply-side shortfall, especially in Paris City, where immediate supply levels are not covering rental demand at the heart of the city.

In a persistently low rate environment, residential sales are significantly higher than the levels from the "high period" of 1997-2007, with year-on-year growth of almost +11% at end-October 2019. After climbing +3.1% in the Paris Region in 2018, average property prices increased by +3.6% for the 12 months to end-September 2019, reflecting the market's strong trends, driven by both consumers and institutional investors, whose appetite for this sector is growing. **This trend can be seen particularly clearly in Paris City, where the average price of a vacant residential property is now over €10,000/sq.m, up +6.1% for the 12 months to end-September 2019.**

This positive trend is expected to continue in 2020, unless there is a downturn in consumer confidence or a deterioration in lending conditions.

Robust rental activity and promising outlook for reversion at the heart of the most central sectors

Over 200,000 sq.m let since the start of 2019

Since the start of 2019, **Gecina has let, relet or renegotiated over 200,000 sq.m, including 165,000 sq.m of offices** in 2019 (over 7% of the Paris Region rental market), representing **almost €64m of annualized headline rental income**, reflecting both the positive trends on the Paris market and the Group's commitment to anticipating its letting challenges. Among the main lettings secured, Gecina has signed leases with EDF for Park Azur, PepsiCo for Portes de la Défense, BCG for Live and NovoNordisk for Carré Michelet.

The performance levels achieved once again show a clear rental outperformance for the Paris Region's most central sectors and especially Paris City.

- This performance has been driven by the capital's core, with **+16% headline reversion in the CBD and the 5th, 6th and 7th arrondissements**, and **+9% for the rest of Paris**, where levels of incentives have fallen significantly. For reference, 63% of Gecina's office portfolio is located in Paris City.
- There was zero reversion for La Défense in 2019, while the Paris Region's other sectors continued to see a negative reversion rate.

These performance levels, achieved through tenant rotations, confirm the Group's strategic focus on the most central sectors.

Theoretical reversion potential close to +10% on average

Gecina previously identified reversion potential (difference between the theoretical market headline rents and the levels of rent in place) of around +8.6% on average across its portfolio, based on an estimate for market rents mid-2019. Based on these same estimates, this potential has now been raised to 9.8%, reflecting the impact of asset sales focused on non-strategic sectors where reversion potential is generally lower than in Paris City.

This theoretical potential is being driven primarily by Paris City, and especially the CBD, where this spread represents +23% on average (+10% for the rest of Paris), benefiting from the clear rental market upturn seen in the last few years, while the Western Crescent and the rest of the Paris Region show lower or even negative spreads.

This potential performance will be gradually delivered over the coming years as the current leases come to an end.

Occupancy rate still high, but down slightly due to recent deliveries of buildings that are currently being let

The average financial occupancy rate for 2019 was 94.1%, down -80bp year-on-year and -50bp over six months. This contraction is linked primarily to the impact of the recent deliveries of partially vacant buildings, which have now been let, including Be Issy, Ibox and Carré Michelet, with the leases signed recently impacting the average financial occupancy rate from the last quarters of 2019 or even in 2020, which therefore temporarily had a negative impact on the average financial occupancy rate for 2019.

For student residences, the increased occupancy rate reflects the gradual ramping up of two residences in Marseille and Puteaux (La Défense), offsetting the ongoing drive to improve the rental position of the Le Bourget residence. **Excluding these three residences, the average financial occupancy rate for student residences comes out at nearly 95%,** highlighting the solid performance by the mature residences.

Average financial occupancy rate	Dec 31, 18	Mar 31, 19	Jun 30, 19	Sep 30, 19	Dec 31, 19
Offices	**94.7%**	**94.5%**	**94.4%**	**94.2%**	**93.8%**
Traditional residential	97.5%	97.6%	97.7%	97.7%	97.6%
Student residences	87.0%	87.3%	84.9%	85.4%	88.0%
Other commercial assets	97.5%	96.4%	-	-	-
Group total	**94.9%**	**94.7%**	**94.6%**	**94.4%**	**94.1%**

Recurrent net income (Group share) reflecting the significant changes in scope

Recurrent net income (Group share) is up +0.2% (+0.3% per share) despite the high volume of sales completed in 2018 and 2019 (€1.3bn in 2018 and €0.9bn[5] in 2019), as well as the temporary loss of rental income from buildings with strong potential freed up for redevelopment. **Restated for the non-strategic divestments from Eurosic's scope, this rate is up +5.7%** per share, **higher than initially expected by the Group,** which was forecasting an increase of over +3% for this scope.

Moreover, the change in the rate of growth for recurrent net income (Group share) during the various quarters in 2019 shows the ramping up of deliveries of buildings from the project pipeline. For reference, recurrent net income was down -5% in the first half of 2019.

Portfolio rotation: -€42m net change in rental income

This change reflects the impact of the portfolio's rotation in 2018 and 2019 (i.e. €2.2bn of sales over two years and €359m of acquisitions over the same period). More than half of this change is linked to the sale of the portfolio of buildings located outside of the Paris Region, from Eurosic's scope, with the rest of the sales concerning hotel assets, logistics warehouses and office buildings that were mature or not located in Gecina's preferred sectors. In the last two years, Gecina has finalized the acquisition of two buildings in Neuilly ("8-Graviers" in 2018 and "Carreau de Neuilly" in the fourth quarter of 2019).

Operations relating to the pipeline (deliveries and launch of redevelopment work): +€41m net change in rental income

The change in recurrent net income (Group share) also reflects the impact of **operations relating to the pipeline**. The additional rental income generated by the recent deliveries of buildings under development represents over €51m (14 office buildings, including 10 in Paris City and three in the Western Crescent-La Défense, as well as a student residence). Alongside this, the buildings transferred to the pipeline in 2019 or to be transferred shortly account for a temporary drop in rental income of around -€10m compared with 2018. Six new projects were transferred to the pipeline at the end of 2019.

Optimization of the balance sheet and reduction in capitalized financial expenses

Financial expenses are up +€4.8m. This increase is linked mainly to the significant volume of projects delivered from the pipeline, and the resulting €10.4m reduction in capitalized financial expenses, which now represent €7.7m (versus €18.1m in 2018). In addition, Gecina was particularly active in terms of managing its balance sheet, increasing the average maturity of its debt to 7.5 years (versus 7.3 years at end-2018), with the average cost of debt down slightly to 1.0% (1.4% including undrawn credit lines).

In million euros	Dec 31, 18	Dec 31, 19	*Change (%)*
Gross rental income	**661.7**	**673.5**	***+1.8%***
Net rental income	**606.9**	**618.8**	***+1.9%***
Operating margin for other business	12.7	9.6	*-24.1%*
Services and other income (net)	3.5	5.4	*+55.6%*
Overheads	(86.9)	(90.4)	*+4.0%*
EBITDA	**536.1**	**543.5**	***+1.4%***
Net financial expenses	(93.7)	(98.5)	*+5.1%*
Recurrent gross income	**442.4**	**445.0**	***+0.6%***
Recurrent net income from associates	1.5	1.5	*-0.8%*
Recurrent minority interests	(1.7)	(1.7)	*+1.1%*
Recurrent tax	(5.0)	(6.6)	*+31.8%*
Recurrent net income (Group share)[6]	**437.2**	**438.2**	***+0.2%***
Recurrent net income (Group share) per share	**5.93**	**5.95**	***+0.3%***

The rental margin came to 91.9%, a slight improvement compared with end-2018 (+0.2pts), linked mainly to the residential portfolio due to the impact of a reduction in the level of expenses that cannot be transferred to tenants, offsetting the lower rental margin recorded on student residences, affected by the residences opened recently in La Défense (Rose de Cherbourg) and Marseille (Mazenod).

	Group	Offices	Residential	Student
Rental margin at Dec 31, 2018	91.7%	94.3%	81.9%	75.0%
Rental margin at Dec 31, 2019	91.9%	94.2%	82.9%	73.7%

[5] €1.2bn including the sales under preliminary agreements at end-December 2019

[6] EBITDA restated for net financial expenses, recurrent tax, minority interests, income from associates and certain non-recurring costs (agreement with CaixaBank, costs relating to the subsidiarization of the residential business, and mortgage repayment costs)

LTV reduced, average maturity of debt extended and historically low cost of debt

Gecina has continued to optimize its liabilities, further strengthening and optimizing its financial structure in a volatile but still positive environment. The Group successfully capitalized on favorable conditions to further extend the **average maturity of its debt and hedging to 7.5 and 7.6 years respectively**, while maintaining a **historically low cost of debt, with 1.0% for drawn debt** (and 1.4% including undrawn credit lines).

The main financing operations carried out in 2019 included:

- The raising of €1.7bn of new financing (with an average maturity of 9.3 years), including **a €500m 15-year bond issue with a coupon of 1.625%** and **€660m of new responsible credit agreements signed, increasing the percentage of facilities indexed against the Group's CSR performance to 20% of its overall bank debt**;
- The early repayment of €1.3bn of financing (with an average maturity of 2.6 years);
- The €0.5bn of liabilities that reached maturity.

At end-2019, **Gecina's LTV came to 34.0% including duties** (36.0% excluding duties), down -220bp year-on-year (-240bp excluding duties), further strengthening the sound foundations for the ratings achieved (S&P: A-, Moody's: A3).

Ratios	Covenant	Dec 31, 2019
Loan to value (block, excl. duties)	< 55% - 60%	36.0%
EBITDA / net financial expenses	> 2.0x	5.3x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	0.2%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0 - 8.0	20.1

€1.2bn of sales completed or secured in 2019, further strengthening the portfolio's centrality and the Group's balance sheet

Since the start of the year, Gecina has sold or secured **sales for almost €1.2bn of assets, achieving an average premium of around +12% versus their latest values from end-2018, with a loss of rental income of around 3.5%**. €893m have already been finalized, while €305m under preliminary agreements are expected to be finalized in the short term.

These sales aim to further strengthen the centrality of Gecina's portfolio and rationalize its composition by selling or planning to divest non-strategic assets (logistics, hotels), while reducing the Group's LTV.

€1.1bn of commercial assets sold in 2019 (or subject to preliminary agreements at end-2019)

The commercial sales completed (or under preliminary agreements) since the start of the year represent €1.1bn, achieving an average premium of +11.4%, with the following breakdown:

- €831m were finalized in 2019, with the remaining €300m to be completed in the short term;
- Nearly **33%** of the sales finalized **concern the divestment from real estate sectors that are not strategic** for Gecina (Logistics, Restaurants, Hotels);
- **More than half of the sales** concern assets located **outside of Paris City**;
- 32% of these sales concern assets from the previous Eurosic scope.

As a result of these sales, the office portfolio at the heart of Paris City represented 63% at end-2019 (versus 60% at end-2018 and 56% at end-2017), in line with the growing concentration of the Group's portfolio at the heart of the Paris Region's most central and promising sectors.

In addition, based on the appraisal values from end-2019, the **LTV is 34.0% (36.0% excluding duties)**. For reference, it was 36.2% (38.4% excluding duties) at the end of 2018.
Including the impact of sales under preliminary agreements at December 31, 2019, the proforma **LTV** comes to **33.0%** (including duties).

Nearly €66m of residential sales completed or secured at end-2019

Alongside this, Gecina completed or secured nearly €66m of residential sales on a vacant unit basis, **achieving an average premium of +23% versus the latest appraisals**.
Within the Group's portfolio, the portfolio of residential properties that could be sold as they are vacated by tenants represents nearly €319.

Residential portfolio: performance and launch of subsidiarization

Recap on Gecina's core residential strategies

Densification: capitalizing on the portfolio's centrality

In connection with the review of its residential portfolio since mid-2017, Gecina has identified several key areas for creating value on this portfolio.

In terms of **densification**: Gecina has identified potential for nearly **65,000 sq.m** of new builds on sites or buildings that are already owned by the Group, with building permits secured or currently being drawn up for 20,000 sq.m, primarily in Paris City. These operations would represent an investment outlay of around **€300m** (including certain student residence projects).

Extracting and maximizing reversion potential

Renovation of existing properties: Gecina is rolling out a program to renovate its portfolio with a view to improving the quality and appeal of its residential buildings. This program will help capitalize on rental reversion potential and position expected rents above median market levels, in line with regulations for Paris' residential market. These investments could represent a total future outlay of around €100m over seven years and will make it possible to maximize the Group's performance in terms of robust organic growth.

Refurbishment of vacated apartments: following the conclusive results achieved with the first operations benefiting certain apartments in Paris' 15th arrondissement, the Group is refurbishing apartments when they are vacated in order to maximize their rental potential. This program is expected to represent a **total investment volume of around €100m, with €70m to be paid out over the next five years**.

First impacts reducing the vacancy rate and capturing reversion

Compared with end-2018, the financial vacancy rate for the residential portfolio is down, contributing +0.4% to the organic growth rate. This performance follows on from the trend that began in 2018. In addition, the **reversion potential captured** in 2019 once again shows a significant improvement compared with previous years, with the new leases signed achieving **+7.4% higher rents on average** than the levels paid by the previous tenants. This reversion can be seen particularly clearly for apartments that have been refurbished, with a spread of +14.4% for these units. This performance compares favorably with the average reversion of +1.9% per year observed between 2014 and 2017, and even in 2018, when this differential already showed an improvement of +5.6%.
As a result, **organic growth in residential rental income came to +2.3%**, significantly outperforming indexation (+1.5%).

Launch of subsidiarization: a tool to position the Group to capitalize on potential value-creating opportunities for growth

At the end of 2019, the Group launched the proposed subsidiarization of its residential portfolio in order to give itself the means to capitalize on potential opportunities for growth and value creation, while being able to open up the vehicle's capital. The Group would retain control of the newly created subsidiary and would maintain its target capital allocation (with around 80% focused on offices).
This would position Gecina to capitalize on potential investment opportunities in order to achieve major synergies and launch new investments in sectors with strong value creation potential in the Paris Region or certain leading French cities that meet Gecina's requirements in terms of financial performance and operational risk.
The proposed transfer agreement allowing the subsidiarization of the residential portfolio was approved by Gecina's Board of Directors and the Chairman of the subsidiary benefiting from the transfer on February 19, 2020.
The transfer will be submitted for approval at the General Meetings of Gecina's shareholders and the sole partner of the subsidiary benefiting from the transfer, which will be held on April 23, 2020.
Ahead of Gecina's General Shareholders' Meeting, in accordance with the provisions applicable, Gecina plans to invite the holders of the bonds concerned to attend a General Meeting in order to deliberate on the proposed transfer.
The non-recurring costs for the implementation of this operation (tax, notary fees, legal advice, etc.) are expected to represent around €12m, with €2.6m of this total already recorded in 2019.

€3.7bn project pipeline, with €2.9bn underway or to be launched shortly

15 projects delivered in 2018 and 2019, including six in 2019, with total value creation of €780m

Gecina has delivered 15 projects in the last two years, including six in 2019. These projects represent a total of 250,000 sq.m. Concentrated primarily in Paris, these buildings are 88% let.
Since their launch, these **15 projects** have enabled the Group to achieve **net value creation** within its NAV of around **€780m (over +€10 per share), for €751m of capex invested.**

€2.9bn of projects committed or to be committed in the short term

€1.7bn of committed projects (deliveries for 2020-2023)
Nearly 63% of this committed pipeline is located in Paris City, with 23% in the Western Crescent's best business districts (Boulogne, Neuilly and La Défense) and the remaining 14% comprising a student residence, a residential program in the Paris Region and an office project in Montrouge. **In total, 14 projects are currently committed to and will be delivered between 2020 and 2023**, representing a total investment volume of €1.7bn, with €540m still to be paid out over the coming years. Six new projects were committed to at the end of December 2019 (three in Paris, two in the Western Crescent and one in Montrouge).

With an expected yield on cost of 5.5%, the committed pipeline represents a potential rental income volume of around €95m, which will be gradually integrated between 2020 and 2023 as the various assets are delivered. **The pre-letting rate is moderate to date (26%) since the majority of these programs were transferred to the pipeline in the last few months.** However, major negotiations are already underway for several projects that have been committed to and **could soon raise this rate to around 40%**.

At end-December, €540m o.w. €14m interest rates to be capitalized, were still to be invested on committed projects, with €204m by end-2020, €197m in 2021, and €139m in 2022 and 2023.

€1.2bn of "controlled and certain" projects to be launched over the coming half-year periods (deliveries in 2021-2024)
The pipeline of operations "to be committed", i.e. "controlled and certain", groups together the assets held by Gecina that are currently being vacated and for which a redevelopment project aligned with Gecina's investment criteria has been identified. These projects will therefore be launched over the coming half-year periods.
This pipeline includes **10 projects** that will be transferred to the committed pipeline when they are vacated by their current tenants. In 2019, €19m of rental income was received on these buildings, which are scheduled to be vacated before being redeveloped.
These projects are scheduled for delivery between 2021 and 2024, and **94% are located in Paris City and Neuilly-sur-Seine**, with an average expected **yield on cost of 5.6%**, representing nearly €67m of potential rental income.

€468m will be invested in these controlled and certain projects once they have been launched, expected for the coming half-year periods.

€0.8bn of "likely" controlled projects over the longer term (possible deliveries in 2023-2026)

The "likely" controlled pipeline covers the projects identified and owned by Gecina that may require pre-letting (for greenfield projects in peripheral locations within the Paris Region) or cases when tenant departures are not yet certain over the short term. The identification of these projects upstream is making it possible to achieve a **potential yield on cost of 5.3%** with a portfolio of potential projects **focused primarily on Paris City (75%)**. These projects will be launched as decided by Gecina in line with real estate market developments at the time of their potential launch. The greenfield operations will be able to be launched or sold based on the opportunities that arise.

Project		Location	Expected delivery date	Total space sq.m	Total investment (€m)	Already invested (€m)	Still to invest (€m)	Yield on cost (est.) (net)	Theoretical prime yields (BNPPRE)	Pre-let	Average rental entry date (on leases signed)
La Défense - Being		Western Crescent	Q1-20	12,200	97	90	7				
Paris - 7, Rue de Madrid		Paris CBD	Q2-20	11,100	107	100	7			100%	Jun 15, 2020
Boulogne - Anthos	New	Western Crescent	Q4-20	9,600	104	94	10				
Paris - Biopark	New	Paris	Q1-21	6,400	47	39	8				
La Défense - Sunside	New	Western Crescent	Q1-21	9,800	87	73	14				
Neuilly - 157 Charles de Gaulle		Western Crescent	Q2-21	11,200	108	68	39				
Paris - L1ve		Paris CBD	Q2-22	33,500	514	376	138			78%	H2-2022
Paris - Bancelles	New	Paris CBD	Q2-23	30,300	377	251	127				
Montrouge - Porte Sud	New	Inner Rim	Q3-23	18,700	136	50	86				
Total offices				**142,800**	**1,577**	**1,141**	**437**	**5.6%**	**3.1%**	**26%**	
Paris - St Mandé		Paris	Q2-20	700	4	2	2			na	
Paris - Glacière	New	Paris	Q2-20	300	2	0	2			na	
Ivry sur Seine - Ynov		Inner Rim	Q2-21	7,200	41	20	21			na	
Ville d'Avray		Inner Rim	Q3-21	12,300	57	4	53			na	
Paris - Porte Brançion		Paris	Q2-22	2,900	19	0	19			na	
Residential densification				1,704	6	0	6			na	
Total residential				**25,104**	**130**	**26**	**103**	**5.2%**	**3.7%**		
TOTAL committed pipeline			**2020-2023**	**167,904**	**1,707**	**1,167[7]**	**540**	**5.5%**	**3.1%**		
Controlled and certain: Offices				**93,500**	**1,088**	**688**	**400**	**5.7%**	**3.3%**		
Controlled and certain: Residential				**19,400**	**103**	**35**	**68**	**5.0%**	**3.4%**		
Total controlled and certain			**2021-2025**	**112,900**	**1,191**	**723**	**468**	**5.6%**	**3.3%**		
Total committed or to be committed			**2020-2025**	**280,804**	**2,898**	**1,890**	**1,008**	**5.6%**	**3.2%**		
"Likely" redevelopments				**89,100**	**749**	**519**	**229**	**5.2%**	**3.2%**		
Greenfield				**2,400**	**8**	**0**	**8**	**8.9%**	**5.0%**		
Total controlled and likely				**91,500**	**757**	**519**	**237**	**5.3%**	**3.3%**		
TOTAL PIPELINE				**372,304**	**3,655**	**2,409**	**1,246**	**5.5%**	**3.2%**		

Growth in real estate values reflecting centrality and rising rental values

The portfolio value (block) represents €20.1bn, up **+7.0% over 12 months** like-for-like, following a +3.4% increase over the full year in 2018, highlighting the good level of the investment markets.

On a like-for-like basis, for the office portfolio, the dominance of the most central sectors can be clearly seen once again. The increase in value came to **+7.4% over 12 months**, with **+10.3% for the Paris portfolio**, based on consistent trends for the two half-year periods (+5.0% for the second half of the year).
The trend is less strong for the other sectors, with valuations up +4.1% like-for-like in the Western Crescent and down for the Paris Region's other sectors.

Values driven by the upturn in rents for the most central sectors, with a "rent" effect that accounts for the majority of the increase in values observed.
The business plan effect or rent effect accounts for nearly 3/4 of the office portfolio's value growth, with this rate reaching 84% for Paris City.
These appraisals reflect a slight compression of capitalization rates for offices (-22bp) to 3.9% including retail units and **4.2% exclusively for offices**.

For the residential portfolio, the valuation retained is up **+4.9% like-for-like**. This performance has been driven by positive trends on the market for vacant properties, in a persistently low interest rate environment, and the growing appetite among institutional investors justifying a lower discount for the block values, as well as the **rollout of Gecina's new strategy on this asset class, with its first value creation effects** (more ambitious investment plans and rental reversion).

[7] At end-2019, the assets under development have an appraisal value of €1,359m. The value creation already integrated through the appraisal values therefore represents nearly €193m at end-December 2019.

gecina

Breakdown by segment *In million euros*	**Appraised values** **Dec 2019**	**Net capitalization rates** **Dec 2019**	**Dec 2018**	**Like-for-like change** Dec 2019 vs. Dec 2018	Dec 2019 vs. June 2019	**€/sq.m** **Dec 2019**
Offices (excl. retail units)	**14,713**	**4.2%**	**4.4%**	**+7.3%**	**+3.1%**	**9,531**
Offices (incl. retail units)	16,485	3.9%	4.2%	+7.4%	+3.2%	10,642
Paris City	**10,322**	**3.4%**	**3.6%**	**+10.3%**	**+5.0%**	**16,199**
Paris CBD / 5-6-7 - Offices	5,508	3.3%	3.6%	+9.5%	+5.2%	18,853
Paris CBD / 5-6-7 - Retail units	1,632	2.2%	2.2%	+8.1%	+4.3%	54,829
Paris - Other	3,182	4.1%	4.5%	+13.3%	+5.2%	10,178
Western Crescent - La Défense	**4,917**	**4.7%**	**4.8%**	**+4.1%**	**+1.3%**	**8,849**
Paris Region - Other	741	6.8%	6.6%	-6.1%	-6.3%	2,852
Other French regions / International	505	4.4%	4.8%	+7.4%	+2.6%	5,325
Residential	**3,431**	**3.3%**	**3.3%**	**+4.9%**	**+1.9%**	**6,767**
Traditional residential	3,075	3.1%	3.1%	+5.2%	+1.9%	7,049
Student residences	356	4.9%	5.0%	+2.7%	+1.9%	5,092
Hotels & finance leases	**135**	**-**	**-**	**-**	**-**	**-**
Group total	**20,051**	**3.8%**	**4.0%**	**7.0%**	**3.0%**	
Total value: unit appraisals	**20,539**			**6.9%**	**2.9%**	

EPRA NAV up +9% year-on-year to €175.8 per share

Diluted EPRA NAV (block) up to €175.8 per share, with year-on-year growth of nearly +9%.

Diluted EPRA NAV (unit) represents €182.4 per share, up by nearly +9% year-on-year, taking into account the residential portfolio's unit values.

Diluted EPRA triple net NAV (block) came to €172.3 per share, with growth of over +7.0% versus end-2018.

This performance benefited from a slight compression of capitalization rates for offices and a positive "rent" effect, as well as the impacts of Gecina's total return strategy, through the sales completed and the growth in value achieved for the portfolio under development.

EPRA NAV per share growth came to +€14.2, with the following breakdown:

- Dividend paid in 2019: - €5.50
- Recurrent net income: + €5.95
- Like-for-like value adjustment on Office assets: + €7.74
- Like-for-like value adjustment on Residential assets: + €1.63
- Net value increase for pipeline (incl. 2018 deliveries): + €4.68
- Net capital gains from sales completed or underway: + €1.01
- IFRS 16 - €1.40
- Other: + €0.13

In million euros	**Dec 31, 18** Amount / number of shares	€ / share	**Jun 30, 19** Amount / number of shares	€ / share	**Dec 31, 19** Amount / number of shares	€ / share
Fully diluted number of shares	74,375,424		73,622,597		73,656,339	
Shareholders' equity under IFRS	**11,722***		**11,985***		**12,699****	
+ Receivable from shareholders			201.6		0.0	
+ Impact of exercising stock options	4.0		4.0		1.7	
Diluted NAV	**11,726**	**€157.7**	**12,191**	**€165.6**	**12,701**	**€172.4**
+ Fair value reporting of assets at amortized cost	125.6		128.5		136.4	
+ Hotel business	53.1		37.7		0.0	
+ Optimization of transfer duties	116.4		118.4		135.1	
- Fair value of financial instruments	(2.9)		24.8		(20.9)	
- Deferred tax	0.5		0.0		0.0	
= Diluted EPRA NAV	**12,019**	**€161.6**	**12,500**	**€169.8**	**12,951**	**€175.8**
+ Fair value of financial instruments	2.9		(24.8)		20.9	
+ Fair value of liabilities	(80.4)		(296.1)		(280.7)	
+ Deferred tax	(0.5)		0.0		0.0	
= Diluted EPRA triple net NAV	**11,941**	**€160.5**	**12,179**	**€165.4**	**12,692**	**€172.3**

* Including €208m of goodwill
** Including €196m of goodwill

Other information for 2019 and the start of 2020

Share buyback program: 818,612 shares purchased for €107.4m

During the first half of the year, Gecina launched a share buyback program for a maximum of €150m. This program, set up on February 20, was closed on June 30, after making it possible to **acquire nearly 818,612 shares for an average price of €131.2 per share**, with a discount of -25% versus the end-2019 EPRA NAV.

Gecina carried out an asset swap operation to acquire a 32,000 sq.m complex in Neuilly sur Seine with strong value creation potential

Gecina signed an asset swap agreement on November 7, 2019 with the Caisse de Retraite du Personnel Navigant (CRPN) **enabling it to acquire the "Carreau de Neuilly" building** at 106-116 avenue du Général de Gaulle in Neuilly-sur-Seine, on the Central Business District's Historical Axis linking the Champs Elysées and La Défense, **for €306m** excluding duties. This office building, which is 90% occupied, offers around 34,000 sq.m of floor space and has **significant value creation potential**.
In exchange, Gecina **sold two fully-let mature office buildings** in Neuilly and Paris **for a total of €238m** excluding duties, with the price differential covered by a balancing payment.

Gecina has signed a firm 12-year lease with Boston Consulting Group for L1ve in Paris' Central Business District

On February 7, 2020, Gecina signed a firm 12-year lease with Boston Consulting Group for its Paris headquarters, with 20,500 sq.m of office space and 3,000 sq.m of services in the "L1ve" building, which will come into effect during the second half of 2022, more than two years before the building is scheduled to be delivered. This building is 78% pre-let nearly two years before its delivery, reflecting the good level of the CBD office markets.

First leases signed at €900/sq.m for a building at the heart of the CBD

At the start of 2020, Gecina signed two leases for a building located at the heart of the CBD, close to the Champs Elysées, with a rental value of around €900/sq.m, confirming the market's strong upturn in the most central sectors. On this building, Gecina is starting to capture the significant reversion potential that will be gradually achieved as tenants are rotated or leases renewed.

Gecina signs a lease with a GEODIS subsidiary for 3,600 sq.m in the Octant-Sextant building

Mid-February, Gecina signed a firm six-year lease for 3,600 sq.m with a GEODIS Group subsidiary in the Octant Sextant building, taking this building's letting rate up to 91%. The premises will be made available to the tenant by the end of the first quarter of 2020.

Proposed dividend for 2019 up for the 8th consecutive year

A proposal will be submitted at the General Meeting on April 23, 2020 to approve a payout of €5.60 per share for 2019.
For the 2019 dividend, an interim cash dividend of €2.80 will be paid on March 6, 2020, followed by the balance - also in cash - of €2.80 on July 3, 2020.

Building the future

In 2019, Gecina completed or secured asset sales for a total volume of nearly €1.2bn at end-December. The impact of these sales on **the Group's recurrent net income per share is expected to be limited, with a contraction of just -2.5% forecast for 2020 and +2.0% when restated for the impact of this volume of sales**.

This performance will be revised up or down in line with the portfolio's potential rotation in 2020.

In line with Gecina's strategy, built around a total return approach, 2020 will be marked by the impact of a strategy to optimize value extraction through the pipeline and its portfolio's rotation.
The robust rental performance driven by the development project pipeline and the organic performance benefiting from the positive trends on Gecina's core markets will almost completely offset the loss of rent resulting from the non-strategic buildings sold in 2019 (for €1.2bn with an average premium of +12% versus the latest appraisal values), as well as the temporary loss of rent on buildings with strong value creation potential freed up to be transferred to the pipeline (six new operations already launched).

Over the longer term, the pipeline of development projects underway or to be launched shortly is expected to generate **around €130m to €140m of additional net rental income** compared with the rental income reported at end-2019.

Gecina, at the heart of urban life

Gecina owns, manages and develops property holdings worth 20 billion euros at end-2019. As a specialist for centrality and uses, the Group is building its business around Europe's leading office portfolio, with nearly 97% located in the Paris Region, and a division with residential assets and student residences. Gecina has put sustainable innovation at the heart of its strategy to create value and anticipate the expectations of around 100,000 customers and end users, thanks to the dedication and expertise of its staff, who are committed to an understated, fluid and inclusive city. To offer its customers high-quality services and support their changing needs, Gecina has launched YouFirst, its relational brand.
Gecina is a French real estate investment trust (SIIC) listed on Euronext Paris, and is part of the SBF 120, CAC Next 20, CAC Large 60, Euronext 100, FTSE4Good, DJSI Europe and World, Stoxx Global ESG Leaders and Vigeo indices. In line with its community commitments, Gecina has created a company foundation, which is focused on protecting the environment and supporting all forms of disability.

www.gecina.fr

GECINA CONTACTS

Financial communications
Samuel Henry-Diesbach
Tel: +33 (0)1 40 40 52 22
samuelhenry-diesbach@gecina.fr

Virginie Sterling
Tel: +33 (0)1 40 40 62 48
virginiesterling@gecina.fr

Press relations
Julien Landfried
Tel: +33 (0)1 40 40 65 74
julienlandfried@gecina.fr

Armelle Miclo
Tel: +33 (0)1 40 40 51 98
armellemiclo@gecina.fr

APPENDICES

1- FINANCIAL STATEMENTS

CONDENSED INCOME STATEMENT AND RECURRENT INCOME

At the Board meeting on February 19, 2020, chaired by Bernard Carayon, Gecina's Directors approved the financial statements at December 31, 2019. The audit procedures have been completed on these accounts, and the certification reports have been issued.

In million euros	Dec 31, 18	Dec 31, 19	Change (%)
Gross rental income	**661.7**	**673.5**	***+1.8%***
Net rental income	**606.9**	**618.8**	***+1.9%***
Operating margin for other business	12.7	9.6	*-24.1%*
Services and other income (net)	3.5	5.4	*+55.6%*
Overheads	(86.9)	(90.4)	*+4.0%*
EBITDA	**536.1**	**543.5**	***+1.4%***
Net financial expenses	(93.7)	(98.5)	*+5.1%*
Recurrent gross income	**442.4**	**445.0**	***+0.6%***
Recurrent net income from associates	1.5	1.5	*-0.8%*
Recurrent minority interests	(1.7)	(1.7)	*+1.1%*
Recurrent tax	(5.0)	(6.6)	*+31.8%*
Recurrent net income (Group share) (1)	**437.2**	**438.2**	***+0.2%***
Gains from disposals	(11.5)	102.3	*na*
Change in fair value of properties	565.8	1,004.3	*+77.5%*
Real estate margin	(9.5)	0.4	*-104.1%*
Depreciation and amortization	(18.9)	(16.5)	*-12.3%*
Non-recurring items	59.0	23.0	*-61.0%*
Change in value of financial instruments and debt	(14.6)	(26.1)	*+78.7%*
Bond redemption costs and premiums	0.0	(15.9)	*na*
Impact of business combination	(0.7)	0.0	*na*
Other	(2.0)	5.7	*na*
Consolidated net income (Group share)	**1,005.0**	**1,515.3**	***+50.8%***

(1) EBITDA restated for net financial expenses, recurrent tax, minority interests, income from associates and certain non-recurring costs (agreement with CaixaBank, costs relating to the subsidiarization of the residential business, and mortgage repayment costs)

CONSOLIDATED BALANCE SHEET

ASSETS *In million euros*	Dec 31, 18	Dec 31, 19
Non-current assets	**18,669.5**	**19,244.7**
Investment properties	16,604.0	17,662.3
Buildings under redevelopment	1,508.1	1,055.1
Buildings in operation	66.9	86.0
Other property, plant and equipment	16.2	14.6
Goodwill	207.7	196.1
Intangible assets	6.6	7.0
Financial receivables on finance leases	175.1	121.6
Long-term financial investments	27.2	25.8
Investments in associates	48.4	51.4
Non-current financial instruments	7.4	22.8
Deferred tax assets	1.9	1.9
Current assets	**1,039.5**	**1,210.1**
Properties for sale	649.8	928.8
Inventories	49.1	35.7
Trade receivables and related	110.7	77.4
Other receivables	175.0	111.2
Prepaid expenses	23.1	19.2
Cash and cash equivalents	31.7	37.8
TOTAL ASSETS	**19,709.0**	**20,454.8**

LIABILITIES *In million euros*	Dec 31, 18	Dec 31, 19
Shareholders' equity	**11,751.2**	**12,726.6**
Share capital	572.0	573.1
Additional paid-in capital	3,273.3	3,281.9
Consolidated reserves	6,871.5	7,329.0
Consolidated net income	1,005.0	1,515.3
Capital and reserves attributable to owners of the parent	**11,721.8**	**12,699.2**
Non-controlling interests	29.4	27.4
Non-current liabilities	**5,425.4**	**5,487.7**
Non-current financial liabilities	5,382.7	5,398.6
Non-current lease obligations	0.0	50.5
Non-current financial instruments	3.8	1.3
Deferred tax liabilities	5.8	1.7
Non-current provisions	33.1	35.7
Current liabilities	**2,532.4**	**2,240.5**
Current financial liabilities	2,103.9	1,884.9
Current financial instruments	0.7	0.6
Security deposits	81.0	80.5
Trade payables and related	207.3	153.0
Current taxes due & other employee-related liabilities	72.7	49.0
Other current liabilities	66.8	72.6
TOTAL LIABILITIES	**19,709.0**	**20,454.8**

2- ADDITIONAL INFORMATION CONCERNING RENTAL INCOME

2.1 Factors for like-for-like rental income changes in 2019 vs 2018

Group

Like-for-like	Indexes	Business effect	Occupancy	Other
+2.4%	+1.8%	+0.2%	-0.1%	+0.4%

Offices

Like-for-like	Indexes	Business effect	Occupancy	Other
+2.5%	+1.9%	+0.2%	-0.2%	+0.6%

Total residential

Like-for-like	Indexes	Business effect	Occupancy	Other
+2.3%	+1.4%	+0.4%	+0.5%	+0.0%

gecina

2.2 Rental position

Gecina's tenants operate across a very wide range of sectors responding to various macroeconomic factors.

Breakdown of tenants by sector (offices - based on annualized headline rents):

	GROUP
Public sector	5%
Insurance	3%
Other	6%
Banking	5%
Real estate	4%
Industry	8%
IT	4%
Luxury goods - retail	16%
Media - television	7%
Services	35%
Technology and telecoms	7%
Total	**100%**

Weighting of the top 20 tenants (% of annualized total headline rents):
Breakdown for office portfolio only as non significant for traditional residential and student housings

Tenant	GROUP
ENGIE	7%
ORANGE	4%
LOUIS VUIT	2%
EDF	2%
EUROPA	2%
SOLOCAL GROUP	2%
YVES SAINT LAURENT	2%
WEWORK PARIS III TENANT SAS	2%
FRENCH SOCIAL MINISTRIES	1%
ROCHE	1%
RENAULT	1%
BOSTON CONSULTING GROUP & CIE	1%
ARKEMA	1%
EDENRED	1%
GRAS SAVOYE	1%
IPSEN	1%
EUROPE 1 IMMOBILIER	1%
COGEDIM	1%
LACOSTE OPERATIONS COURT 37	1%
BNP PARIBAS	1%
TOP 10	26%
TOP 20	36%

Volume of rental income by three-year break and end of leases (in €m):

Commercial lease schedule	2020	2021	2022	2023	2024	2025	2026	> 2026	Total
Break-up options	88	94	86	40	67	42	29	122	568
End of leases	71	55	28	23	57	40	44	252	568

2.3 Annualized gross rental income

Annualized rental income corresponds to the effective rental position on the year-end reporting date. As such, it does not take into consideration lettings or properties vacated, or sales or acquisitions of buildings that would not have an impact by the year-end reporting date.

Annualized rental income (IFRS)		
€m	Dec 31, 18	**Dec 31, 19**
Offices	531	539
Traditional residential	105	106
Student residences	18	20
Total	**654**	**665**

3- FINANCING

3.1 Debt structure

Gecina's gross financial debt[1] came to €7,246m at December 31, 2019, compared with €7,433m at end-2018; net financial debt[2] represents €7,208m at end-December 2019.

The main characteristics of the debt are as follows:

	Dec 31, 2018	Dec 31, 2019
Gross financial debt (in million euros) (1)	7,433	7,246
Net financial debt (in million euros) (2)	**7,402**	**7,208**
Gross nominal debt (in million euros) (1)	7,406	7,233
Unused credit lines (in million euros)	4,255	4,505
Average maturity of debt (in years, restated for available credit lines)	**7.3**	**7.5**
LTV (including duties)	**36.2%**	**34.0%**
LTV	38.4%	36.0%
ICR	**5.7x**	**5.3x**
Secured debt / portfolio value	1.0%	0.2%

(1) Gross financial debt = Gross nominal debt + impact of the recognition of bonds at amortized cost + accrued interest not due + other items
(2) Excluding fair value items linked to Eurosic's debt, with €7,246m including these items.

Breakdown of gross nominal debt:

	Dec 31, 2019
Long-term bonds	75%
Corporate bank loans	0%
Mortgage loans	1%
Short-term resources covered by long-term credit lines	24%

3.2 Debt schedule

The following table presents the schedule for Gecina's debt at December 31, 2019 following the allocation of undrawn credit lines:

€m	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	>2034
Maturities	-	-	-	21	1,155	1,372	1,412	502	731	500	500	-	500	-	500	-

3.3 Bank covenants

Gecina's financial position at December 31, 2019 is compliant with the various limits likely to affect the conditions for repayment or early repayment clauses in the various credit agreements.
The following table presents the position for the main financial ratios covered under the agreements:

Ratios	Covenant	Dec 31, 2019
LTV: loan to value (block, excl. duties)	< 55% - 60%	36.0%
ICR: EBITDA / net financial expenses	> 2.0x	5.3x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	0.2%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0 - 8.0	20.1

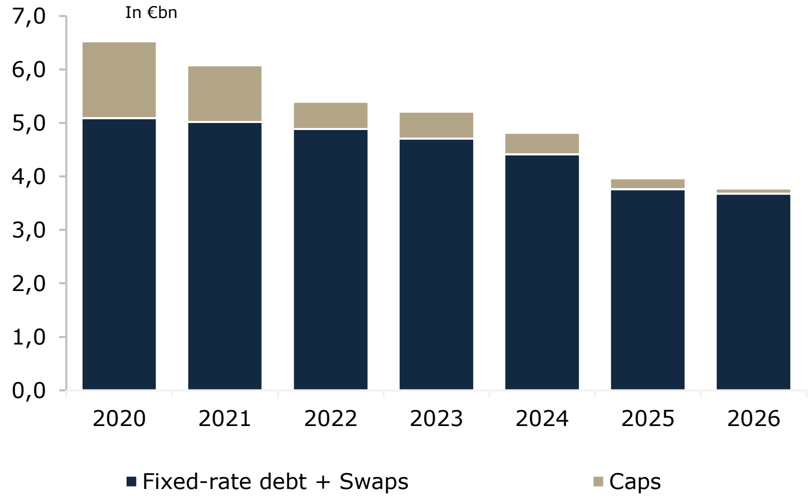
3.4 Financial rating

The Gecina Group is rated by Standard & Poor's and Moody's. In 2019:

- Standard & Poor's maintained its A- / outlook stable rating;
- Moody's maintained its A3 / outlook stable rating.

3.5 Hedging portfolio

The following chart presents the profile of the hedging portfolio:



3.6 Interest rate risk measurement

Gecina's expected net financial debt for 2020 is hedged for up to 94% against an increase in interest rates (based on observed Euribor rate levels, due to caps).

Based on the existing hedging portfolio, the contractual conditions at December 31, 2019 and the anticipated debt in 2020, a 50 basis point increase in interest rates would generate an additional financial expense of around €6.7m in 2020. A 50 basis point decrease in interest rates would reduce financial expenses by around €5.4m I n 2020.

4- EPRA REPORTING AT DECEMBER 31, 2019

Gecina applies the EPRA best practices recommendations regarding the indicators listed below. Gecina has been a member of EPRA, the European Public Real Estate Association, since it was created in 1999. The EPRA best practices recommendations include performance indicators to make the financial statements of real estate companies listed in Europe more transparent and comparable.
Gecina reports on all the EPRA indicators defined by the Best Practices Recommendations available on the EPRA website.

4.1 EPRA recurrent net income

The following table presents the transition between the recurrent net income reported by Gecina and EPRA earnings:

In thousand euros	**Dec 31, 2019**	Dec 31, 2018
Recurrent net income (Group share) (1)	**438,176**	**437,232**
- Amortization, net provisions and depreciation	(8,415)	(6,137)
EPRA recurrent net income	**429,762**	**431,096**
EPRA recurrent net income per share	**€5.84**	**€5.85**

(1) EBITDA restated for net financial expenses, recurrent tax, minority interests, income from associates and certain non-recurring costs

4.2 EPRA NAV and EPRA NNNAV

In euros / share	**Dec 31, 2019**	Dec 31, 2018
Diluted NAV	172.4	157.7
Diluted EPRA NAV	**175.8**	**161.6**
Diluted EPRA NNNAV	**172.3**	**160.5**

4.3 EPRA net initial yield and topped-up net initial yield

The following table presents the transition between the yield rate reported by Gecina and the yield rates defined by EPRA:

(%)	**Dec 31, 2019**	Dec 31, 2018
Gecina net capitalization rate (1)	**3.8%**	**4.0%**
Impact of estimated costs and duties	-0.2%	-0.2%
Impact of changes in scope	0.0%	0.1%
Impact of rent adjustments	-0.4%	-0.9%
EPRA net initial yield (2)	**3.2%**	**3.0%**
Exclusion of lease incentives	0.2%	0.7%
EPRA topped-up net initial yield (3)	**3.4%**	**3.7%**

(1) Like-for-like 2019
(2) The EPRA net initial yield rate is defined as the annualized contractual rent, net of property operating expenses, after deducting lease incentives, divided by the portfolio value including duties.
(3) The EPRA topped-up net initial yield rate is defined as the annualized contractual rent, net of property operating expenses, excluding lease incentives, divided by the portfolio value including duties.

4.4 EPRA vacancy rate

(%)	Dec 31, 2019	Dec 31, 2018
Offices	7.5%	6.0%
Traditional residential	3.6%	2.4%
Student residences	5.9%	18.5%
Group total	6.9%	5.9%

EPRA vacancy rate corresponds to the vacancy rate "spot" at year-end. It is calculated as the ratio between the estimated rental value of vacant spaces and potential rents.
The financial occupancy rate reported in other parts of this document corresponds to the average financial occupancy rate of the portfolio.

1.8.5 EPRA cost ratios

In thousand euros / As a %	Dec 31, 2019	Dec 31, 2018
Property expenses	(184,716)	(193,059)
Overheads	(92,968)	(86,916)
Amortization, net provisions and depreciation (1)	(8,415)	(6,137)
Expenses billed to tenants	129,997	138,278
Rental expenses charged to tenants in gross rent	0	0
Other income / income covering overheads	5,447	3,452
Share in costs of associates	(345)	(303)
Ground rent	1,772	1,782
EPRA costs (including vacancy costs) (A)	(149,228)	(142,904)
Vacancy costs	10,546	10,746
EPRA costs (excluding vacancy costs) (B)	(138,682)	(132,158)
Gross rental income less ground rent	671,715	659,934
Rental expenses charged to tenants in gross rent	0	0
Share in rental income from associates	1,790	1,831
Gross rental income (C)	673,505	661,765
EPRA cost ratio (including vacancy costs) (A/C)	22.2%	21.6%
EPRA cost ratio (excluding vacancy costs) (B/C)	20.6%	20.0%

(1) Excluding costs incurred in 2019 in connection with the proposed subsidiarization of the residential business (€2.6m) and costs incurred for the Paris 2024 Olympic Village project (€1.4m); the EPRA cost ratios including and excluding vacancy are stable at 21.6% and 20.0% respectively.

4.6 Property-related capex

	Dec 31, 2019			Dec 31, 2018		
In million euros	Group	Joint ventures	Total	Group	Joint ventures	Total
Acquisitions	328	na	**328**	31	na	**31**
Development	148	na	**148**	301	na	**301**
o.w capitalized interests	*8*	*na*	***8***	*18*	*na*	***18***
Maintenance capex	80	na	**80**	75	na	**75**
- Incremental lettable space	4	na	**4**	ns	na	**ns**
- No incremental lettable space	66	na	**66**	64	na	**64**
- Tenant incentives	6	na	**6**	7	na	**7**
- Other material non-allocated	4	na	4	3	na	3
- Capitalized interest	0	na	0	0	na	0
Total capex	556	na	**556**	406	na	**406**
Conversion from accrual to cash basis	49	na	**49**	83	na	**83**
Total capex on cash basis	604	na	**604**	490	na	**490**

5- CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are available in full on the Group's website.

Photo credit: Javier Callejas Sevilla