# H1-2018 Earnings

July 20, 2018

gecina

# Contents

# OUR PURPOSE
# OUR ACHIEVEMENTS
# OUR PERFORMANCE

H1-2018 Earnings

# Our purpose: "Living spaces in a global City"

Spaces for working, co-working, living and studying

**Leadership & Value Creation**

Centrality, Urbanity, Digitalization, New uses of housing and working spaces,

« forget the lease welcome the clients »

Offices

Residential

1- Capitalizing on opportunities for **accretive investments**

2- **Extracting value** through an **ambitious pipeline** and **proactive lettings**

3- **Capturing value from disposals** of non-core and mature assets

4- **Transformation**: innovative, outstanding and responsible

# Our Achievements

## 1- Capitalizing on opportunities for accretive investments

- **Integration of Eurosic**
  - Full integration of employees, Assets and Liabilities achieved in H1 2018
  - Accretive impact exceeding initial expectations, bringing guidance 2018 to be raised
  - LTV already back below 40% (proforma of disposals under preliminary agreements)
- **Still seeking for value creative investments**
  - 1 asset bought in Neuilly in H1-2018 offering strong synergies with adjacent buildings already owned by Gecina

## 2- Extracting value through an ambitious pipeline and proactive lettings

- **€116m of potential rents from deliveries expected in 2018-2019**
  - **2 offices projects delivered in H1-2018 in Paris City, let at 95%: Le Jade** (Lagardère Group) **and Ville L'Evêque** (Hermès Group)
  - **12 projects still to be delivered in 2018-2019**
- Identifying **drivers for value creation from residential portfolio**
- **Committed pipeline of €2.6bn**
- Total pipeline reached €4.9bn

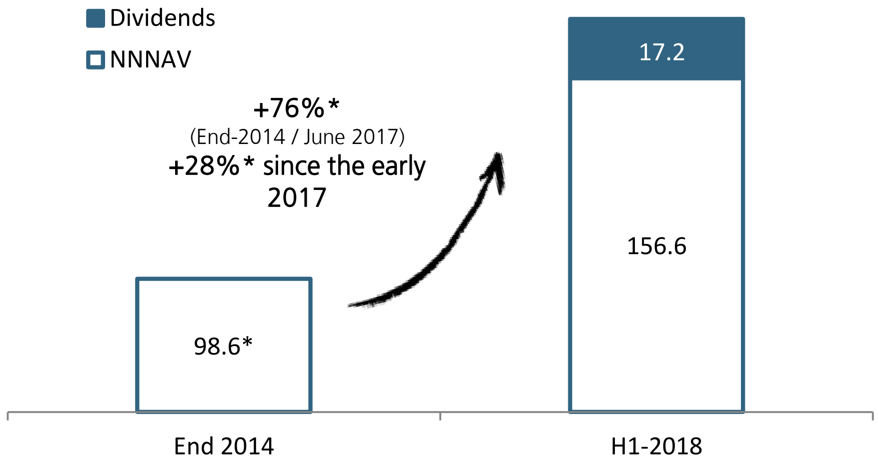
## 3- Capturing value from disposals of non-core and mature assets

- **€1.2bn of commercial properties sold or secured in H1 (€1.6bn since the acquisition of Eurosic)**
  - **€775m of disposals under preliminary agreements** made of 2 portfolios of assets from Eurosic outside the Paris Region, in line with their acquisition price
  - €457m of other disposals (achieved or secured) with an +11% premium to last appraisal
- Remaining disposals of residential units: €69m achieved or secured in H1-2018

## 4- Transformation: innovative, outstanding and responsible

- Success of the **"Secondesk" building opened** in Neuilly in Q1 with an occupancy rate already at 70%
- **New executive direction dedicated to innovation & CSR, headed by Sabine Desnault**
- Gecina signed the first **2 green credit lines with ING & Crédit Agricole** for a total of €250m with margin indexed to CSR ratings, Well being and Carbon targets

## Strong return since end-2014 (total return per share)



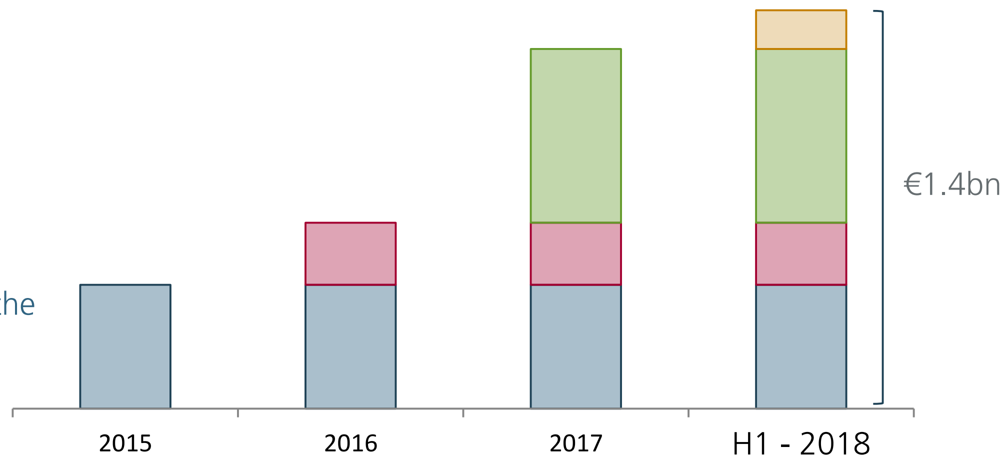

## Solid operational and financial outperformance

- Total Property Return 3.5y: +76%*
- Total Property Return 1.5y: +28%*

## Our Achievements: Invest! Sell! Buy!

- Since the early 2015, Gecina achieved:
  - **€1.7bn** of acquisitions (excl. Eurosic)
  - **€0.9bn** invested in its pipeline
  - **€3.3bn** of disposals
- Net value creation since 2015 from pipeline, acquisitions & disposals : €1.4bn
  - **€1.0bn** from the pipeline and the acquisitions of the year
  - **€0.4bn** from disposals

***Cumulative net value creation from the pipeline, disposals and acquisitions of the year (2015-H1-2018)***




*Following the adjustment of the payout for the preferential subscription rights linked to the capital increase from August 2017 (adjustment coefficient of 0.97391)

# Our perspectives

- ✓ Supportive trends on most central office markets in Paris Region
- ✓ Supportive debt market conditions in H1
- ✓ Integration of Eurosic exceeding our expectation on both Assets and Liabilities sides
- ✓ Enhancement on pipeline's lettings conditions

**Guidance 2018 raised**

| | |
|---|---|
| Recurring Net Income per share<br>+3% to +6% in 2018 | **Recurring Net Income per share<br>> +8% in 2018** |
| LfL rental growth on Offices<br>>0% | **LfL rental growth on Offices<br>around +2%** |

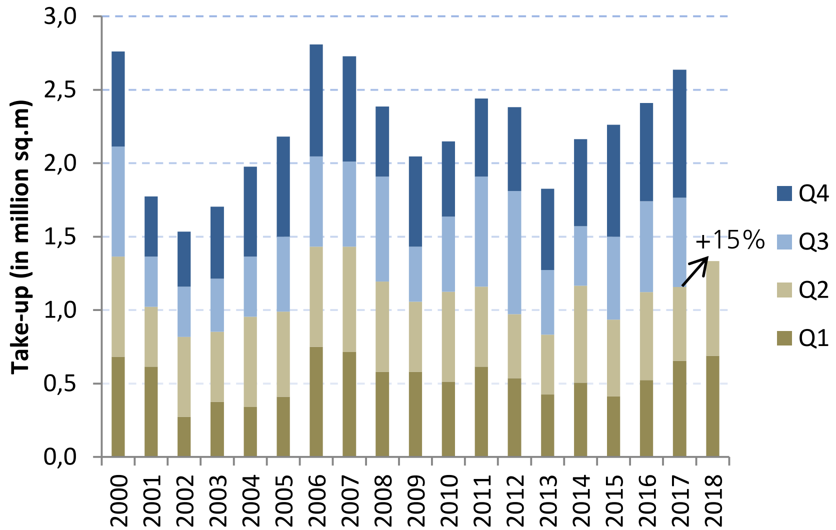
# OFFICE MARKETS IN PARIS REGION…

## HIGHLY SUPPORTIVE GECINA'S PERFORMANCE IN THE MOST CENTRAL AREAS

H1-2018 Earnings

# Leasing office markets in Paris Region

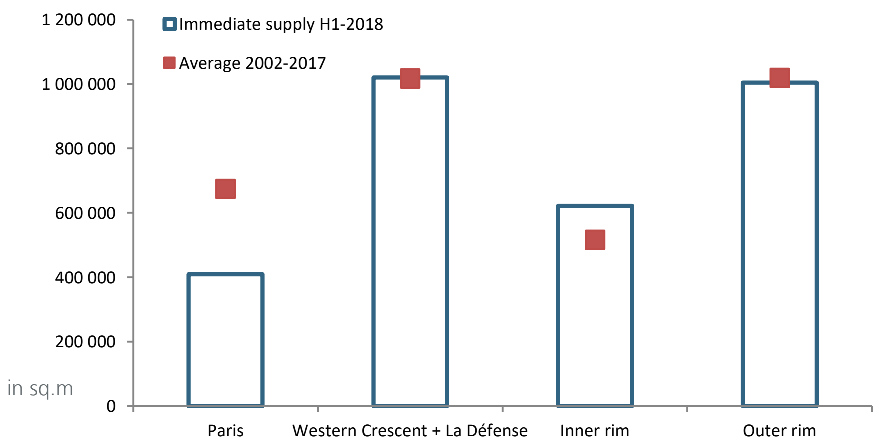
## Take-up still up in 2017…



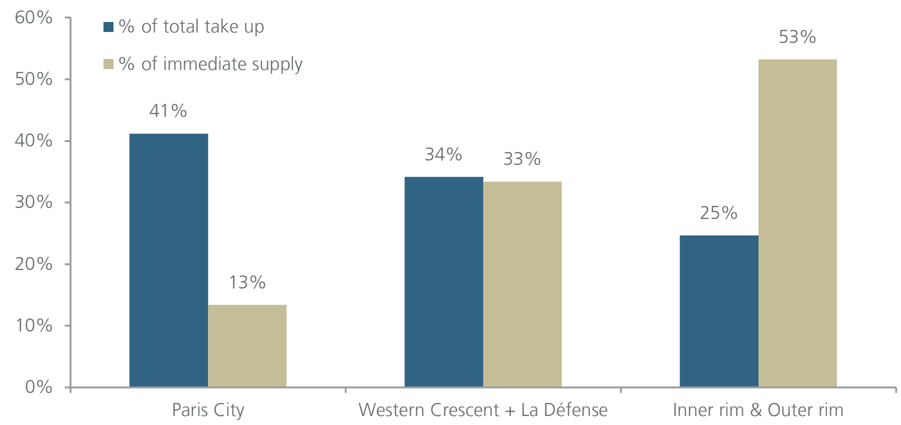

## Key Facts

- **Take-up** up +15% despite the lack of spaces available in core areas (Paris City mostly)
- **Immediate supply** is decreasing in Paris Region (-13%), but more strongly in Paris City (-18%), even more in the CBD **(-32%), where reaching an historical trough**
- **Vacancy ratio** strongly decreased in Paris mostly to 2,4%
- **Paris City:** 41% of take-up and 12% of immediate supply
- **Market rents driven upwards** in the most central locations
- Take-up in Paris more and more driven by pre-leasings given the lack of supply

## … despite weakening immediate supply in core areas

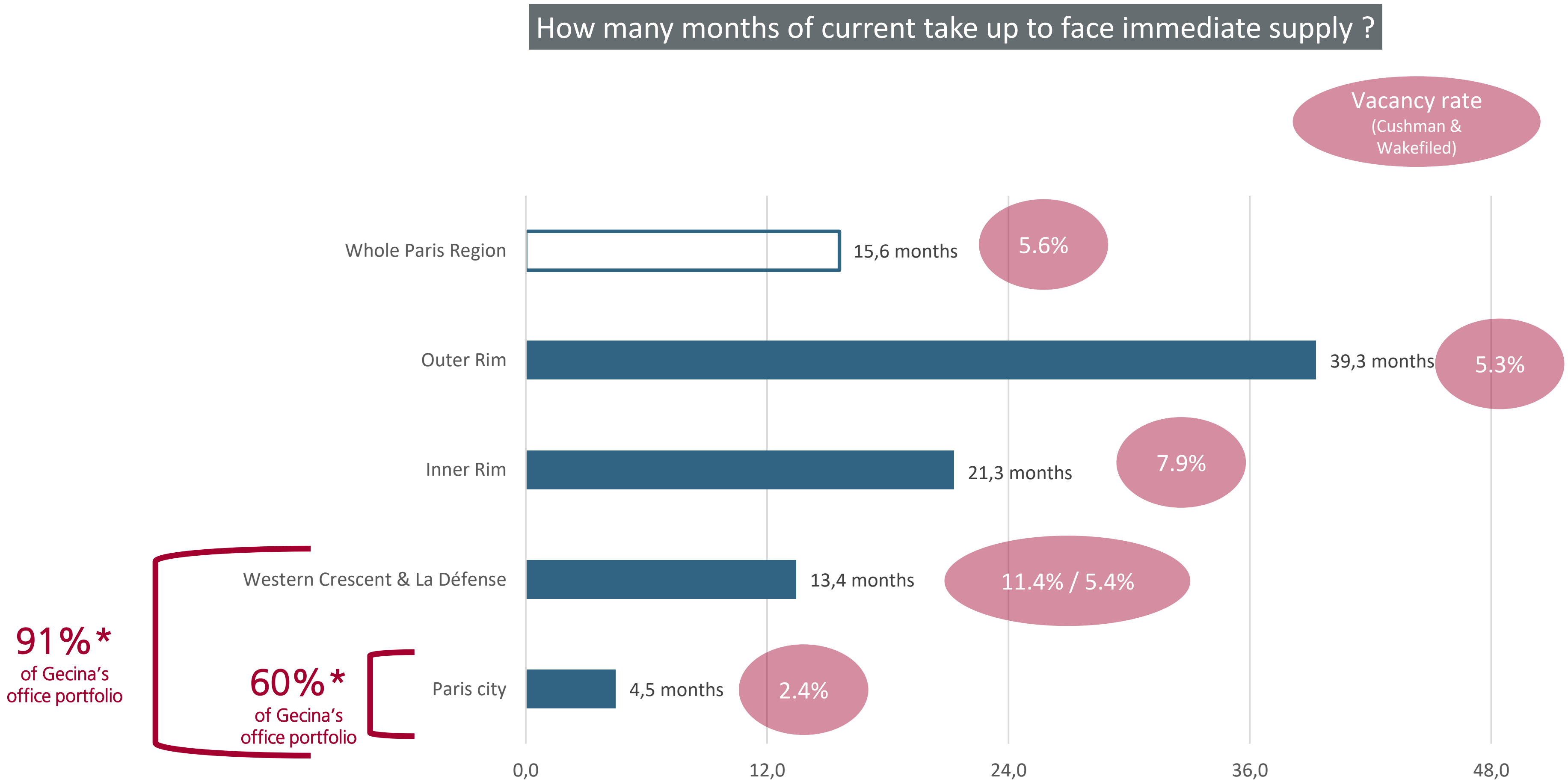



## Undersupply in the heart of Paris City



# Leasing office markets in Paris Region

**Supportive conditions in the most central areas, while still challenging in the peripheries**

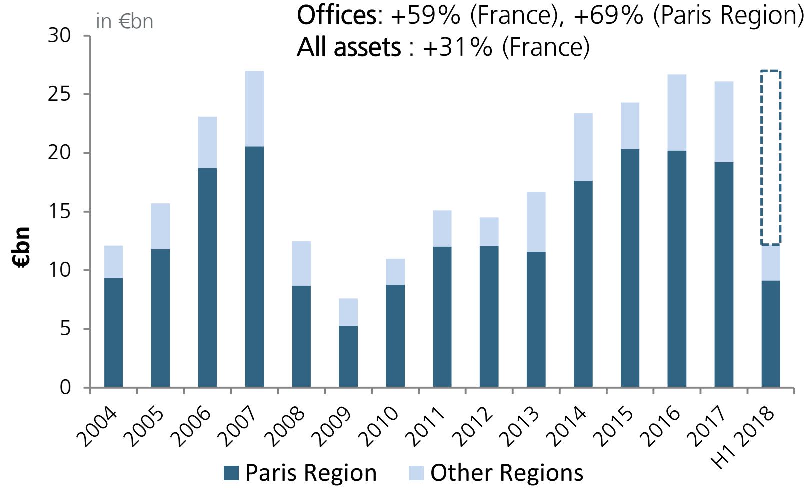



* Proforma the disposals under preliminary agreement at end june-18

# Investment office markets in Paris Region

## Dynamic investment markets

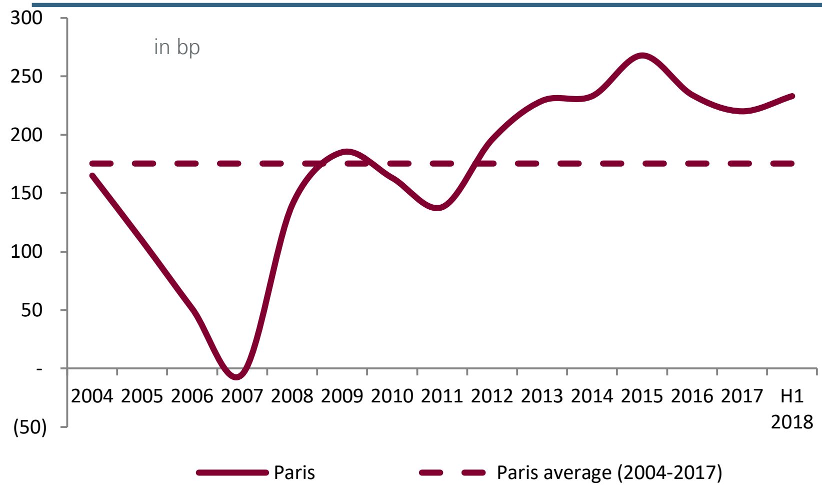
H1-2018:
Offices: +59% (France), +69% (Paris Region)
All assets : +31% (France)

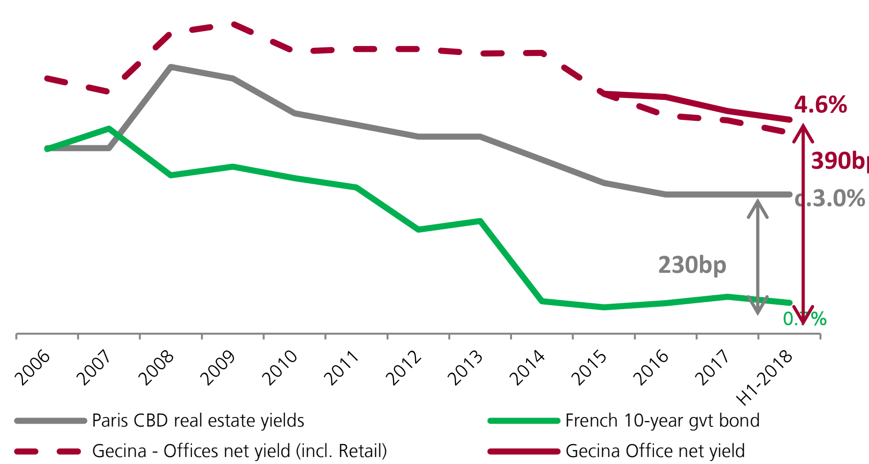



## Key Facts

- Strong start to the year for large assets
- Prices continue to moderately increase, with **improving macroeconomic perspectives, and supportive rental perspectives in prime locations**
- Prime capitalisation rate have remained stable in H1:
  - c.3% in Paris CBD
  - 4.0% in La Défense
  - 3.25% in the Western Crescent
  - 3.75%-5.5% in the Inner & Outer Rim
- Risk premium close to historical highs
- And an historically high spread between prime and average yields to support value for non prime assets in prime locations
- Increasing weight of non domestic investors (now 25%)

## A still appealing risk premium …



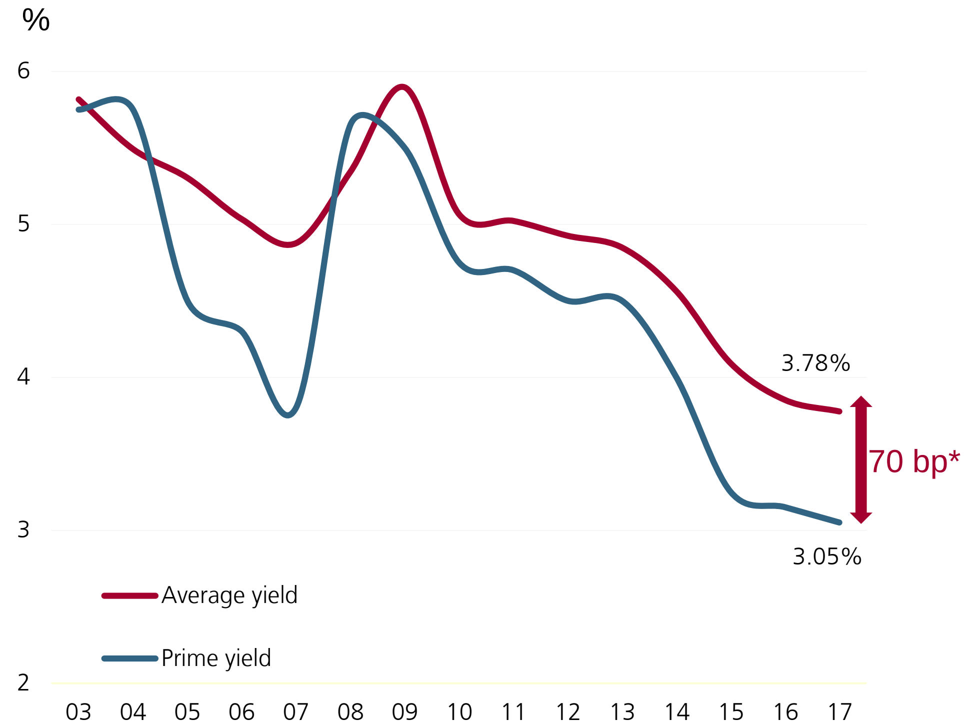
# Investment office markets in Paris Region

## Key Facts

- Historically high risk premium provides resilience to current yield, thus valuation, suggesting prime rates may stabilize
  - Sensitivity analysis (BNPPRE) suggests no risk for yield "decompression" before 10-years OAT yield is up by +130bp to end-June level
- Revaluation potential remains from
  - yield compression on non prime assets in prime locations
  - And from market rents recovery in the most central areas

## Prime Yields vs. Average Yields in Paris CBD

Yield compression has remained more cautious in non prime assets in prime areas




*03-17 Average: 45 bp

Source: BNP Paribas Real Estate, MSCI (June 2018).

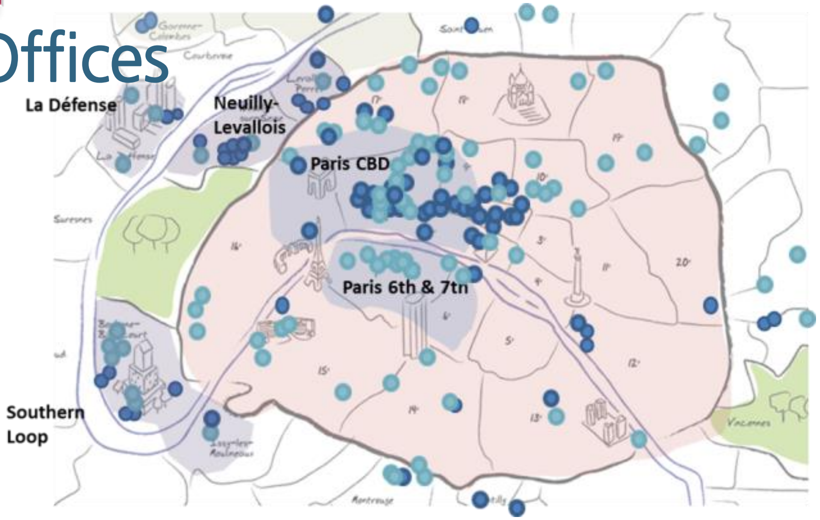
# CENTRALITY
# SCARCITY
# VALUE CREATION
# OUTPERFORMANCE
## « DOING BETTER, QUICKER, STRONGER»

H1-2018 Earnings

# 1 Increasing exposure to the most central areas of Paris Region

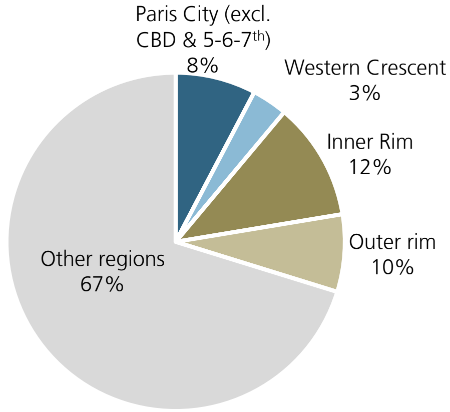
## *A large playground in the best locations of the Paris Region*

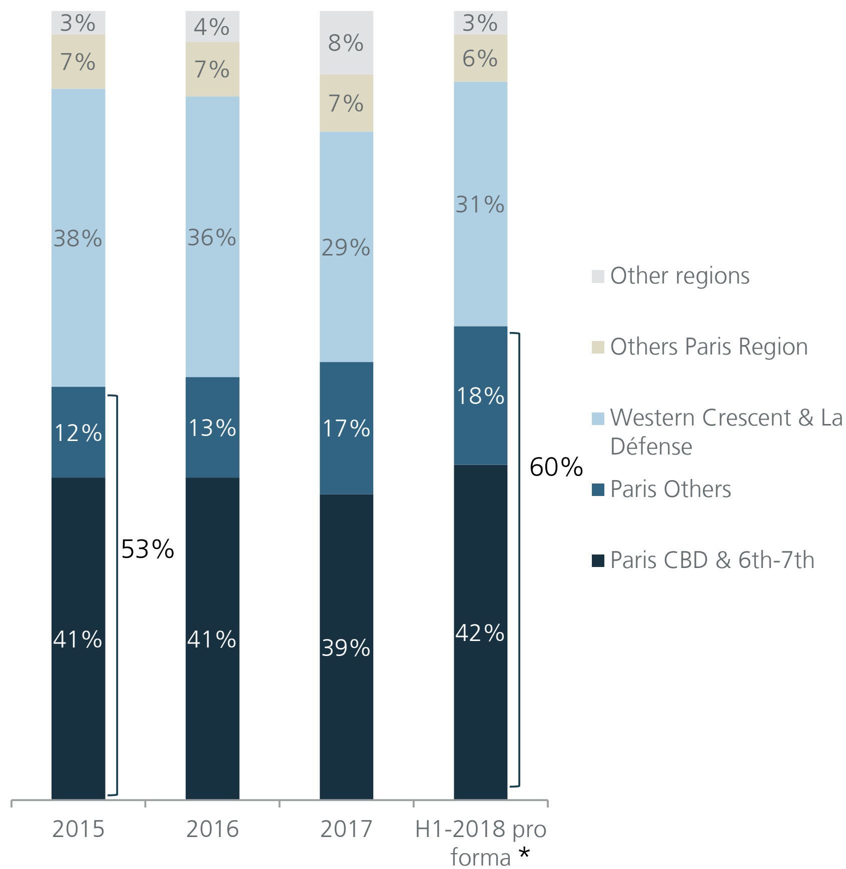
### Offices




**60% of Gecina's office portfolio in Paris City,**
91% if including Western Crescent and La Défense

**€1.2bn of disposals achieved or secured in H1,**
92% outside of Paris City




* Pro forma of disposals under preliminary agreement at June 30, 2018

# 1 Increasing exposure to the most central areas of Paris Region

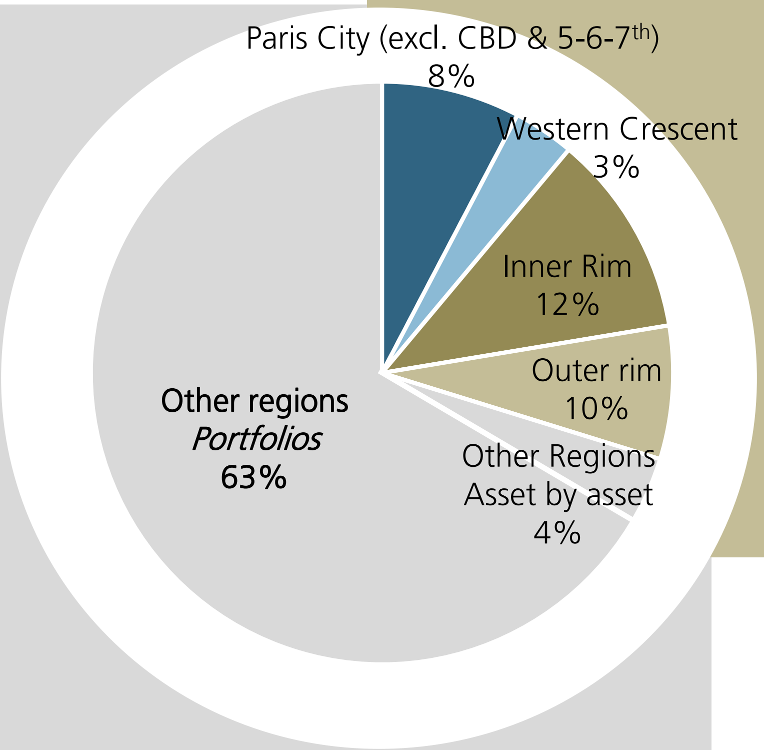
## *€1.2bn of offices and services real estate assets sold in H1 or secured*

*… ow. €939m under preliminary agreements at end of june-18, to be mostly finalized before year end*

€457m of other disposals achieved or secured with a premium to last appraisal of c. +11%

**€775m of disposals**

- Under preliminary agreement
- To be finalized **before year end**
- 2 portfolios outside of Paris region
- **100% from Eurosic perimeter**
- **Disposal price in line with acquisition price** (i.e H1-2017 appraisals)




✓ ***LTV back below 40%*** *proforma of disposals under preliminary agreements at 38.4%*

gecina



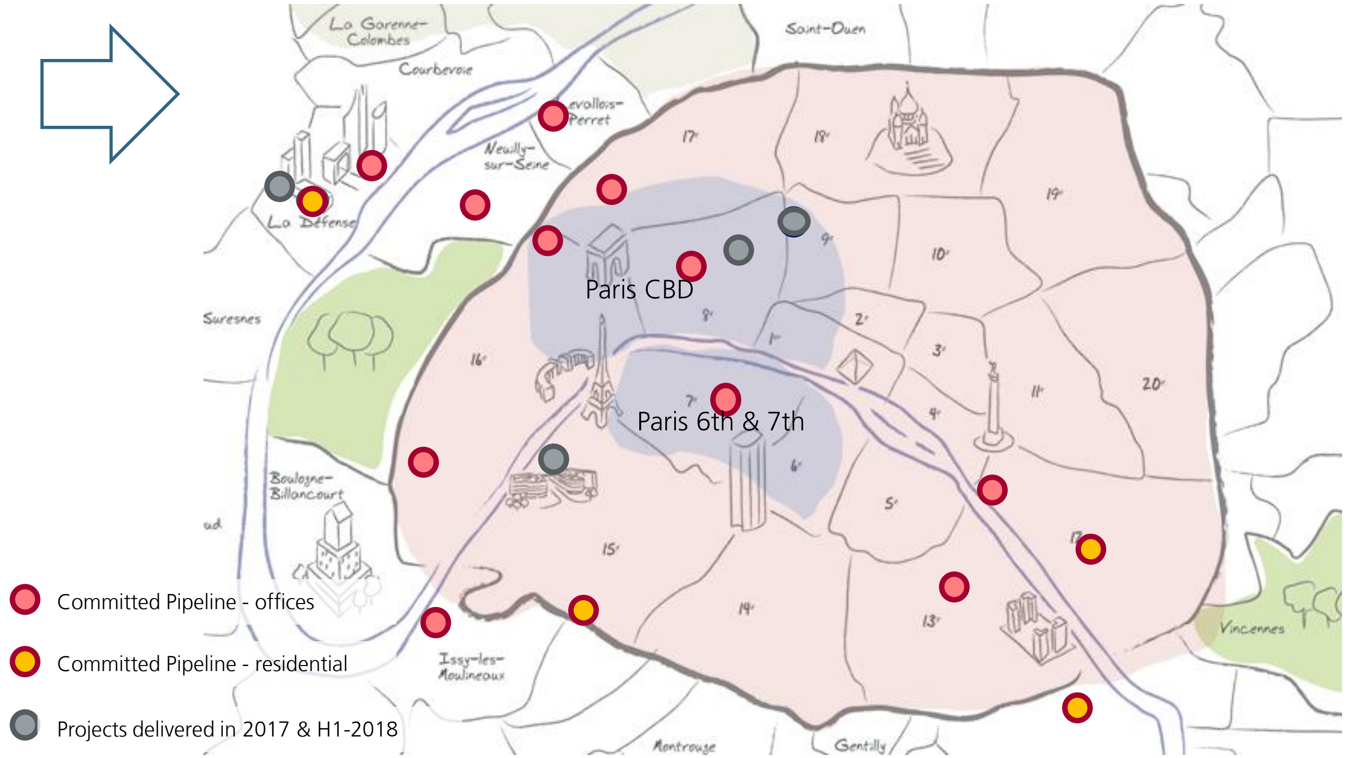
# 2 Unequalled pipeline to bring growth and value creation ahead

## *A large playground in the best locations of the Paris Region*

### Committed Pipeline
c. 284,000 sq.m
Deliveries **2018-2021**
**€2.6bn**
(c.€400m still to be invested)
**Yield-on-cost: 5.6%**
Theoretical prime yield : 3.4%

### Controlled & Certain
c. 111,000 sq.m
Deliveries **2020-2023**
**€1.0bn**
(€340m still to be invested)
**Yield-on-cost: 5.6%**
Theoretical prime yield: 3.3%

### Controlled & Likely
c. 195,600 sq.m
Deliveries **2020-2024**
**€1.3bn**
(€850m still to be invested)
**Yield-on-cost: 7.0%**
Theoretical prime yield: 3.6%

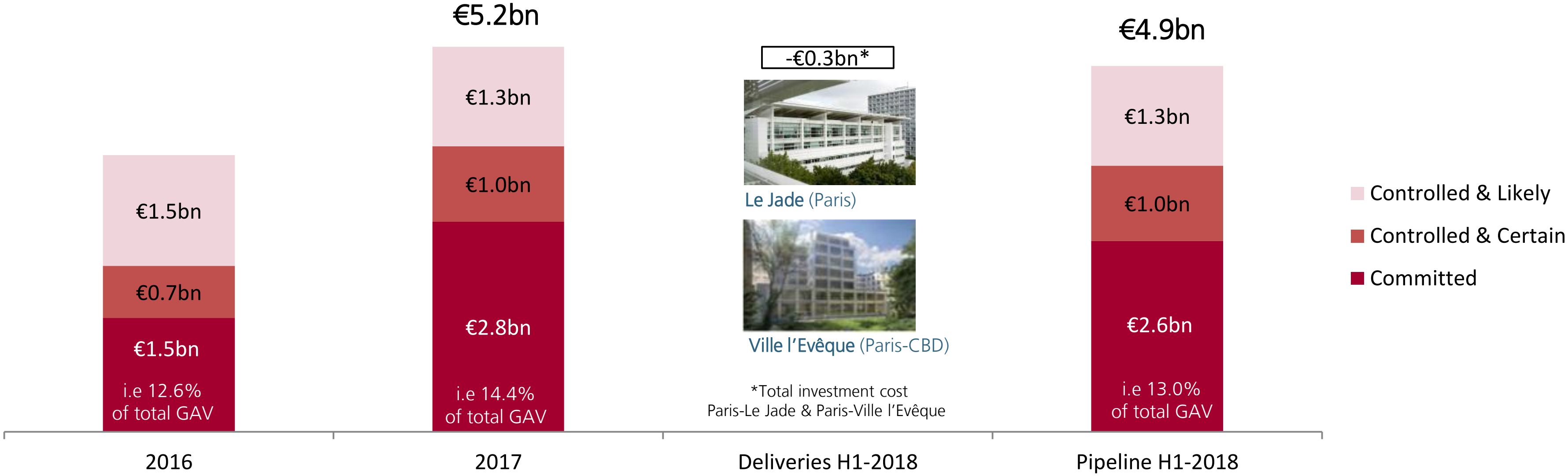



**14 deliveries in 2018-2019** (o.w 2 in H1-2018)
pre-let at 65% with **potential rents of c.€116m**

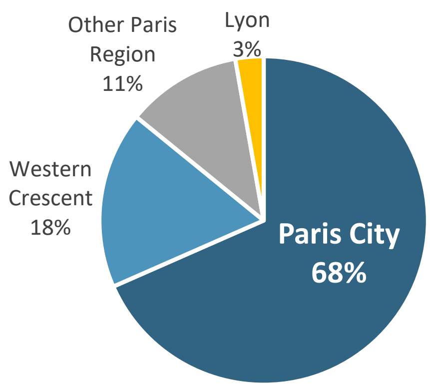
Doing better, quicker, stronger

# 2 Accelerating value extraction through an unequalled pipeline

## Total Pipeline: €4.9bn, 6% yield on cost, 86% in Paris, Western Crescent & La Défense




## Pipeline breakdown by geography

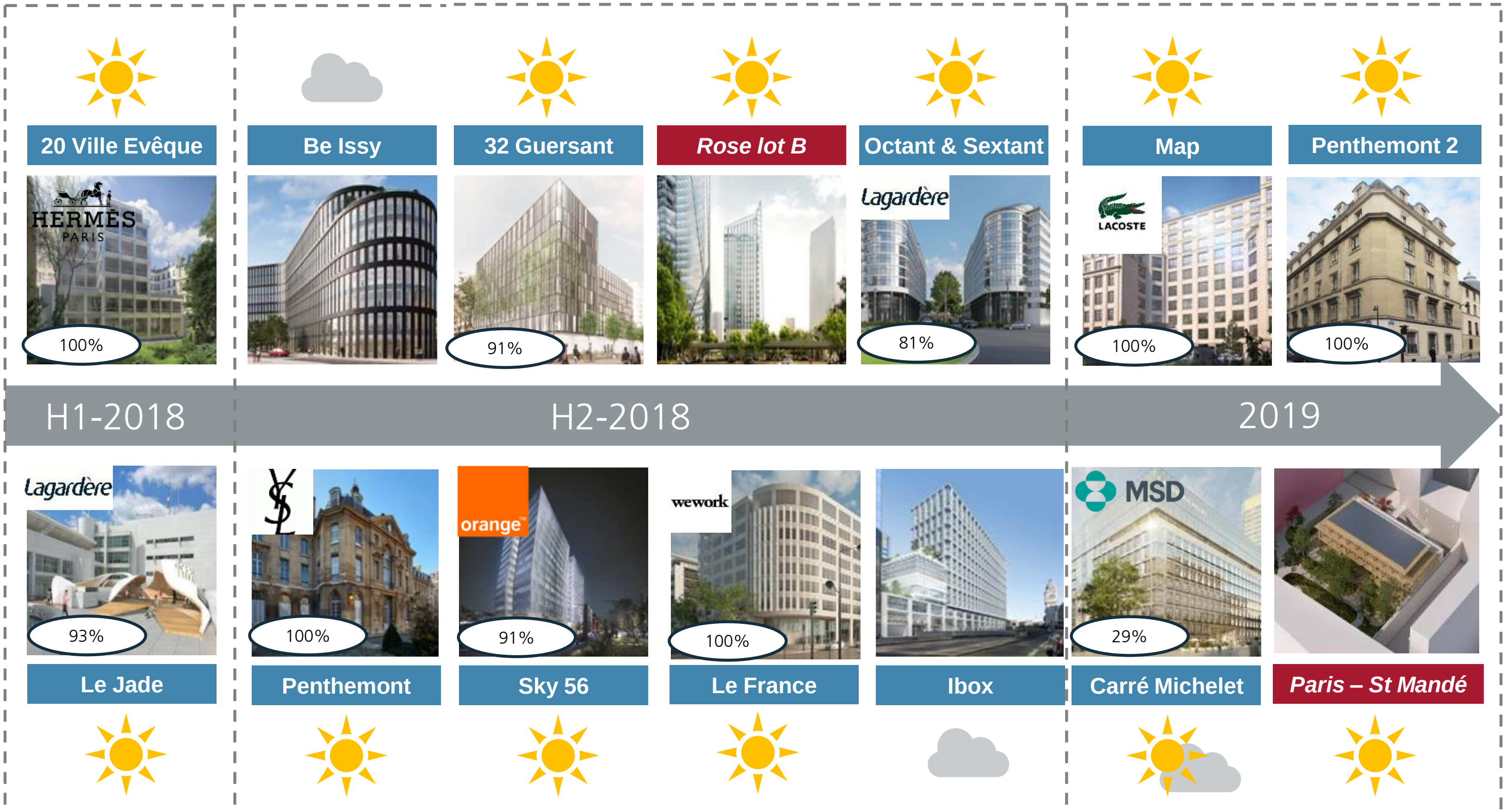



## Key Facts – Total Pipeline

- 2 assets delivered in H1-2018 in Paris City (95% let)
  - ✓ Paris-Le Jade let to the Lagardère Group
  - ✓ Paris-Ville L'Evêque let to Hermes Group
  - ✓ **Total value creation on these 2 assets: +19%**
  - ✓ **c. €13m of potential rents**
- €2.6bn of committed pipeline
  - ✓ 5.6% yield on cost, c. **€145m of potential rents**
  - ✓ **71% of it to be delivered in 2018-2019**
  - ✓ **60% in Paris City,** 33% in the Western Crescent and La Défense, 5% in Lyon, 2% inner rim (student housing)

# 2 Accelerating value extraction through an unequalled pipeline

## 14 projects delivered in 2018-2019, pre-let at 65% for €116m of potential rents




**Offices**

**Residential**

Pre-let

To be let

# Doing better, quicker, stronger

## 3 Capturing potential from rental market recovery

**Accelerating value extraction through active leasing and pre-leasing process** » **Close to 108,000sq.m leased in H1 2018, with around €49.3m of rental income**

91%

**Guersant**
**Paris**

Total surface: 14,400 sq.m

**MAP (Montmorency)**
**Paris excl CBD**

13,800 sq.m

**Le France**
**Paris excl. CBD**

20,100 sq.m

**Rue de Madrid**
**Paris CBD**

11,100 sq.m

29%

**Carré Michelet**
**La Défense**

37,200 sq.m

100% let

Partially let

### Key Facts

- 108,000 sq.m leased in H1-2018, for €49.3m of annualized rental income
- Average uplift on renewals or new lettings of c. +6%
- New lease on assets under development approx. +10% above initial expectations
- More than half of Gecina's remaining offices vacancy (4.6%) in only 5 buildings
- 68% of leases issuing in H2 2018, and 61% in 2019 are located in Paris City

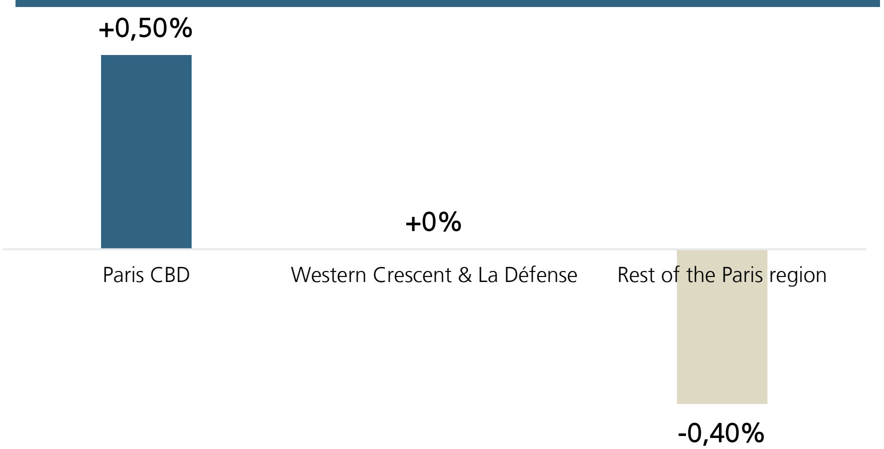
# 3 Capturing potential from rental market recovery

## Key Facts – Rental dynamic

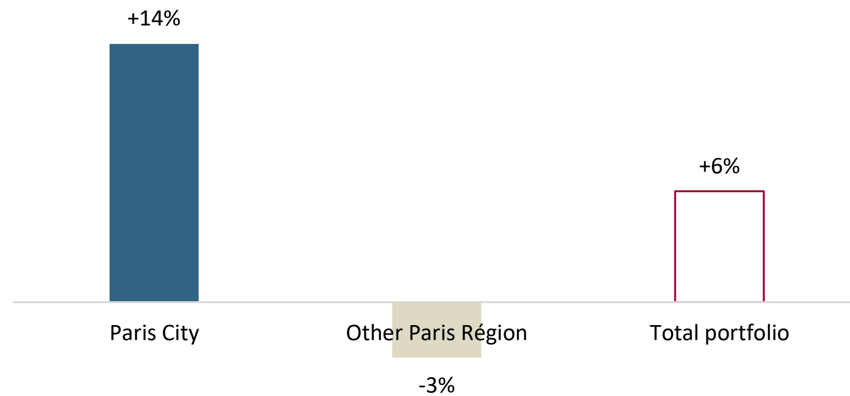
- Capturing supportive dynamic on the most central locations
  - Rental reversion's contribution to like-for-like growth represents
    - **+0.5% for the Paris CBD**
    - **Neutral for the Western Crescent**
    - **still negative for the rest of the Paris Region (-0.4%)**, highlighting the differences in rental trends, which are more positive for the most central sectors.

- New leases signed in H1 in average +6% above previous ones
    - +14% in Paris City
    - -3% in the suburbs

### Rental reversion's contribution to LfL rental growth




### Reversion materialized through new leases in H1-2018 (headline rents)



# RESIDENTIAL PORTFOLIO BACK IN THE GAME

H1-2018 Earnings

gecina

# Capitalizing on the strengths of Gecina's residential assets

## Capitalizing on our strengths

- Urbanity & Centrality: with large land hold allowing densification
- 20,000 users living in our buildings
- Critical size in the Paris City residential market favouring the success of future initiatives
- c.€220m to be invested in the years ahead in this portfolio to maximize value creation and organic rental growth

## 3 Drivers for value creation materialization ahead

**1** **Capitalizing on our portfolio's centrality** by identifying investments opportunities

Densification
c. €80m capex (~5 years)

**2** Capturing **reversionary potential** and rental **margin optimization**

c. €100m refurbishment of buildings
& €40m optimization of vacated flats
To be spread over more than 5 years

**3** **Developing our business** ahead of the rental contract
« forget the tenants, welcome the clients »

## Densifications

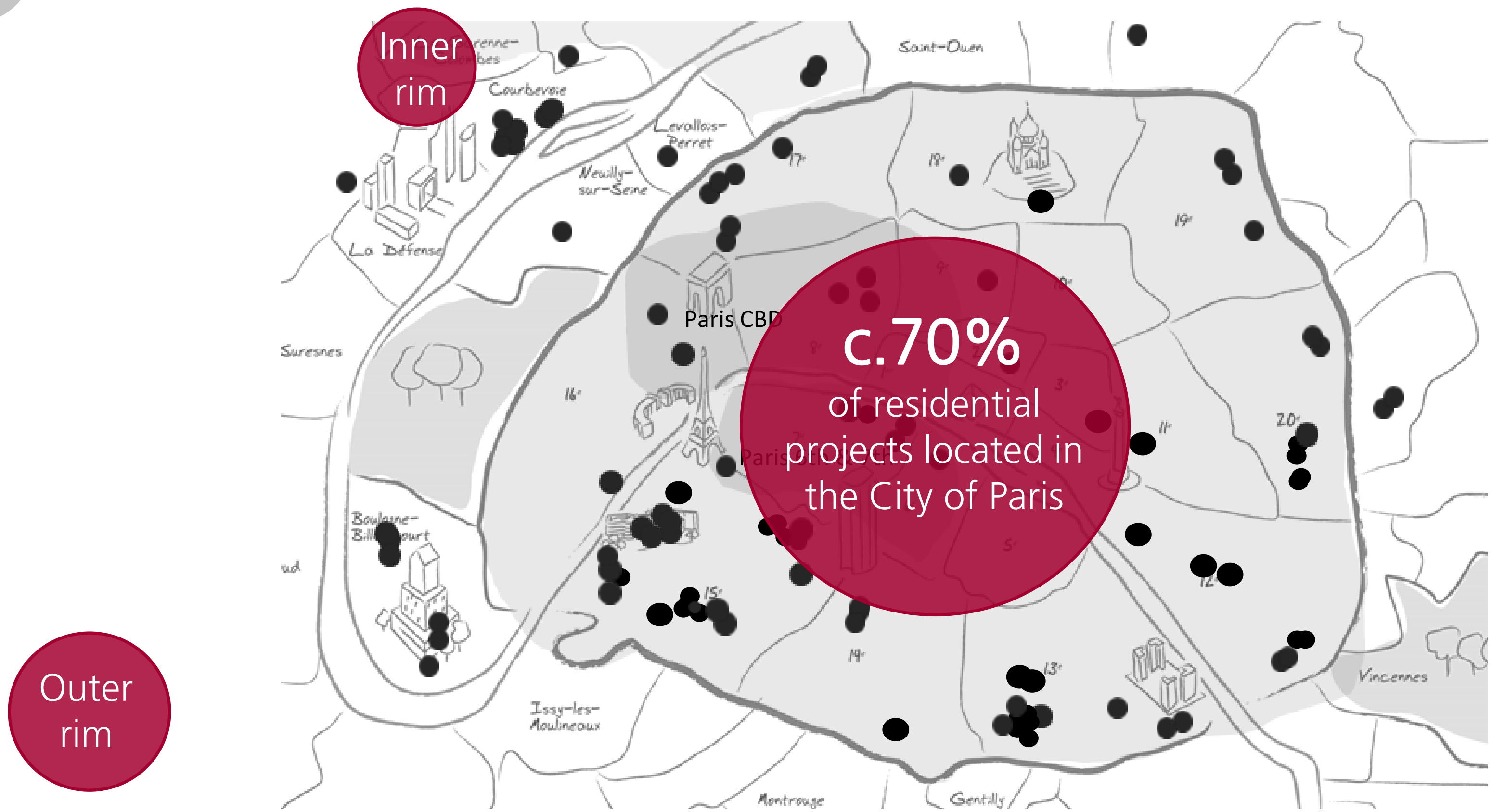
## Capturing rental uplift

## Extensions

## New Retail surfaces

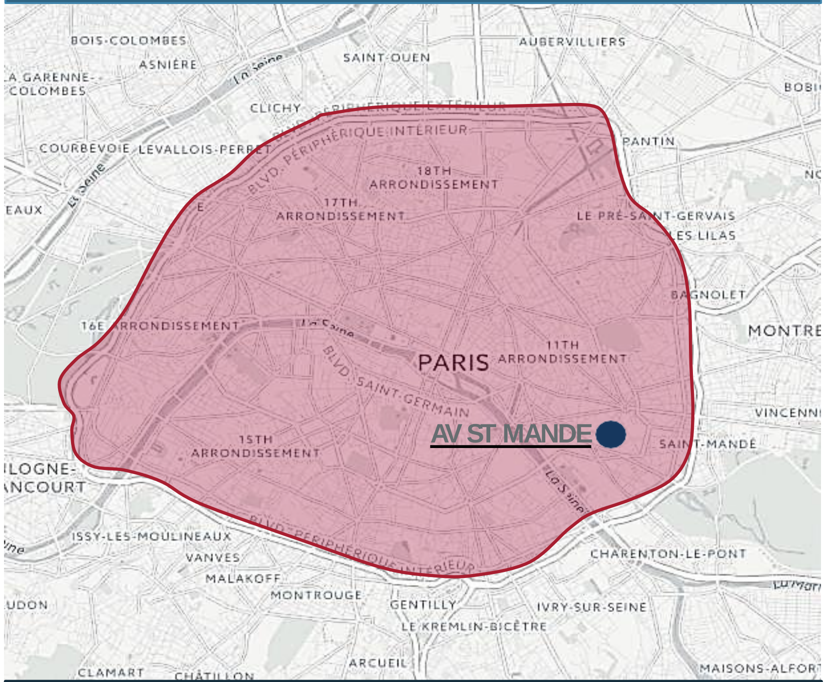
## Increasing lettable areas

# Location of identified potentiel projects on residential porfolio



# « Avenue de Saint Mandé » in of the most dynamic arrondissement

## Location




### 12th arrondissement of Paris :

- Highest demographic growth expected from now to 2050 (+14%)
- Key hub for transport facilities in relation to the Grand Paris new scheme

Hub « Nation » 1 6 2 9 RER A

## Project

Harnessing Value Creation / ThinkGlobal:

1- New building to be added to an existing one

2- Revaluation of existing asset

## Key financial metrics for « avenue de Saint Mandé » project

**Total Capex c. €6m**

### New building = densification

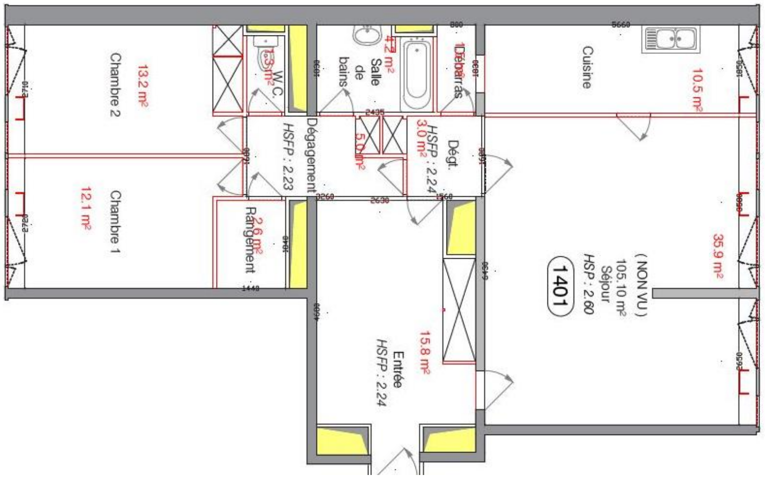
- **+716 sq.m +10 new flats**
- **Delivery date: Q4 2019**
- **Unlevered IRR on new building > 10%**
- **Yield on cost > 5%**

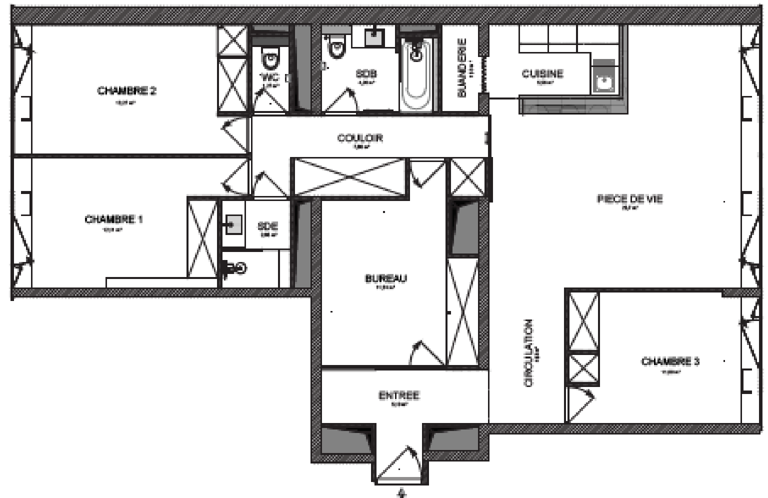
### Refurbishing existing building = capturing rental uplift

- **4,570 sq.m Post construction**
- **Reversionary potential on existing building ~+7%**
- **Rental margin expected to improve on the whole complex +200/+400bp**

**Net value creation : From 70% up to 120% of total capex**

# Achieving regular value creation along tenants' rotation for the years ahead




## Performing along tenant's rotation

- Average rent /sq.m: +27%
- Marginal yield on cost 8.2%
- Net capital gains (post invested capex) +16%
- Revaluation potential >2.5 times the invested capex

# Residential portfolio… back in the game

| Normalization | Optimization | Refurbishment | Densification |
| --- | --- | --- | --- |
| | c.€40m capex | c. €100m capex | c. €80m capex |

**+5% rental uplift potential**
if back to median rental levels
+
**Rental margin optimization**
being identified

**Capture and maximization of renewal potential**
to provide sustainable outperformance over indexation

**Extensions, rationalization, densifications**
Harnessing value from alreday owned lands in Paris City
Double digit IRR
Yield on cost >> market yields

Capacity to provide sustainable outperformance over indexation

➢ Significantly accretive to CF and NNNAV

# INNOVATE, CREATE, ANTICIPATE

## H1-2018 Earnings

# Initiatives taken so far by Gecina

## Innovate, Create, Anticipate

### Secondesk: New opening in Neuilly

159 COWORKING BUREAUX & CREATIVE ROOM

- 2,200 sq.m, offering:
  - Coworking spaces **"pay per use"**
  - Flex offices supply **"ready to use"**
  - Creative room **"out of the box"**
- Opened in Q1-2018
- **Occupancy rate at c. 70%**
- Largest tenants are: large corporate firms (LVMH) increasing their appetite for "Core & Flex solutions" and established startups (FEED) seeking for flexibility

### Green financings

ING

CA

- Gecina set up the 2 first **sustainability performance-linked loan** with ING and Credit Agricole
- Respectively 100 M€ and 150 M€ with maturities of 7 years and 7.5 years
- Financial conditions notably linked to CSR performance
  - **GRESB ratings, Energy transition and Carbon footprint targets and achievements, Well being measurements etc.**

### An operationnal division dedicated to Innovation and CSR

gecina

- Sabine Desnault will be joining Gecina as Executive Director R&D, Innovation and CSR from Sept. 2018
- As member of the Executive Committee, the Group confirms its willigness to place innovation and CSR in the heart of Gecina's strategy for the years ahead

# FINANCIAL ACHIEVEMENTS IN H1-2018

H1-2018 Earnings

gecina

# Key Figures H1-2018

| €m | H1-2017 | H1-2018 | % change | FY 2018 Guidance |
|---|---|---|---|---|
| Gross rentals | €240.6m | €335.4m | +39.4% | **Office lfl growth around +2% in 2018** |
| EBITDA | €191.4m | €274.4m | +43.4% | |
| *EBITDA margin* | *79.5%* | *81.8%* | +2.3 pts | |
| Net Financial expenses | -€36.6m | -€40.6m | -€4.0m | |
| Recurrent net income - Group share | €152.7m | €230.3m | +50.8% | |
| Recurrent net income per share – Group Share | €2.40 (1) | €3.14 | +31.2% | **+8% (vs. +3% to +6% initially)** |
| LTV | *29.3% (27.6% incl. duties)* | *38.4% proforma of disposals under preliminary agreement (41.4% published, 39.0% incl. duties)* | | |
| Cost of drawn debt | 2.1% all-in | 1.4% all-in | -70 bp | |
| Disposals | €83m | €1.3bn achieved or secured | | |
| Total Investments | €181m | €231m | | |
| NNNAV (EPRA) - per share | €148.0 (1) | €156.6 | +5.8% | |

(1) Post adjustment of preferential subscription rights distribution linked to the share capital increase of August 2017 (adjustment factor of 0.97391)

# H1 2018 earnings: rental income

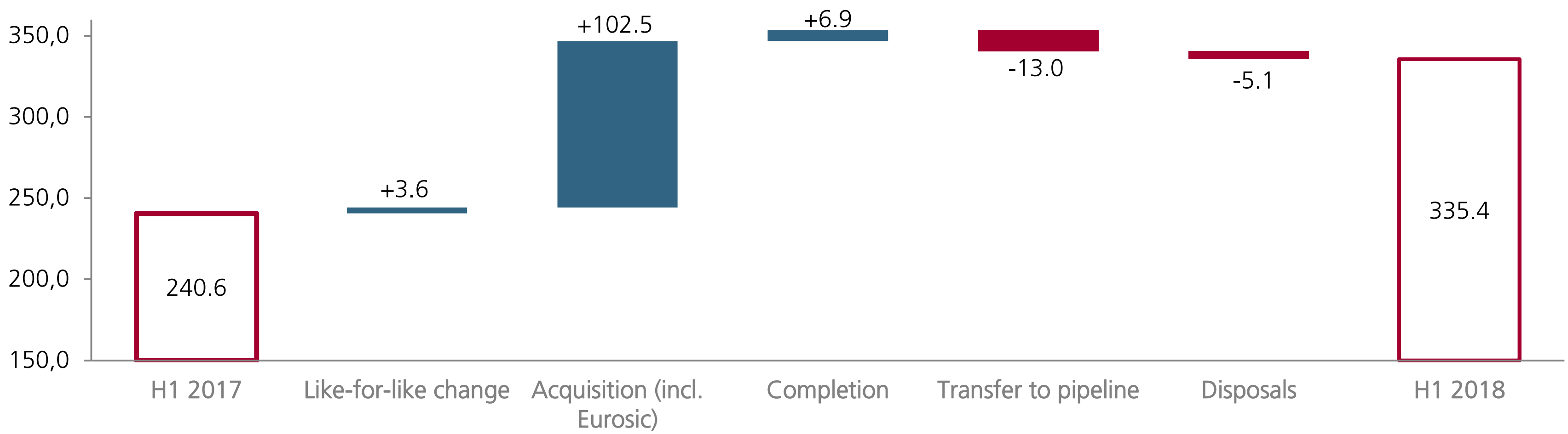
Still high occupancy rates and rental margins, signs of improvement on the rental side

## Rental income by division, rental margins, occupancy rates and annualized rents

| | Gross rents | | *Change (%)* | | Rental Margin | | Occupancy rate | | Annualized rents |
|---|---|---|---|---|---|---|---|---|---|
| in € m | June 30, 2017 | June 30, 2018 | *Current* | *Comparable* | June 30, 2017 | June 30, 2018 | June 30, 2017 | June 30, 2018 | As of June 30, 2018 |
| Offices | 178.7 | 266.6 | *+49.2%* | *+1.8%* | 95.9% | 94.1% | 95.5% | 95.4% | 514 |
| Traditional residential | 54.8 | 52.8 | *-3.8%* | *+1.8%* | 81.7% | 82.8% | 96.4% | 97.6% | 104 |
| Student residences | 7.1 | 8.2 | *+15.5%* | *+2.0%* | 75.5% | 80.6% | 90.1% | 88.7% | 17 |
| Other activities | - | 7.8 | - | - | - | 89.3% | - | 97.3% | 17 |
| Group total | 240.6 | 335.4 | *+39.4%* | *+1.8%* | 92.0% | 91.9% | 95.5% | 95.6% | 652 |

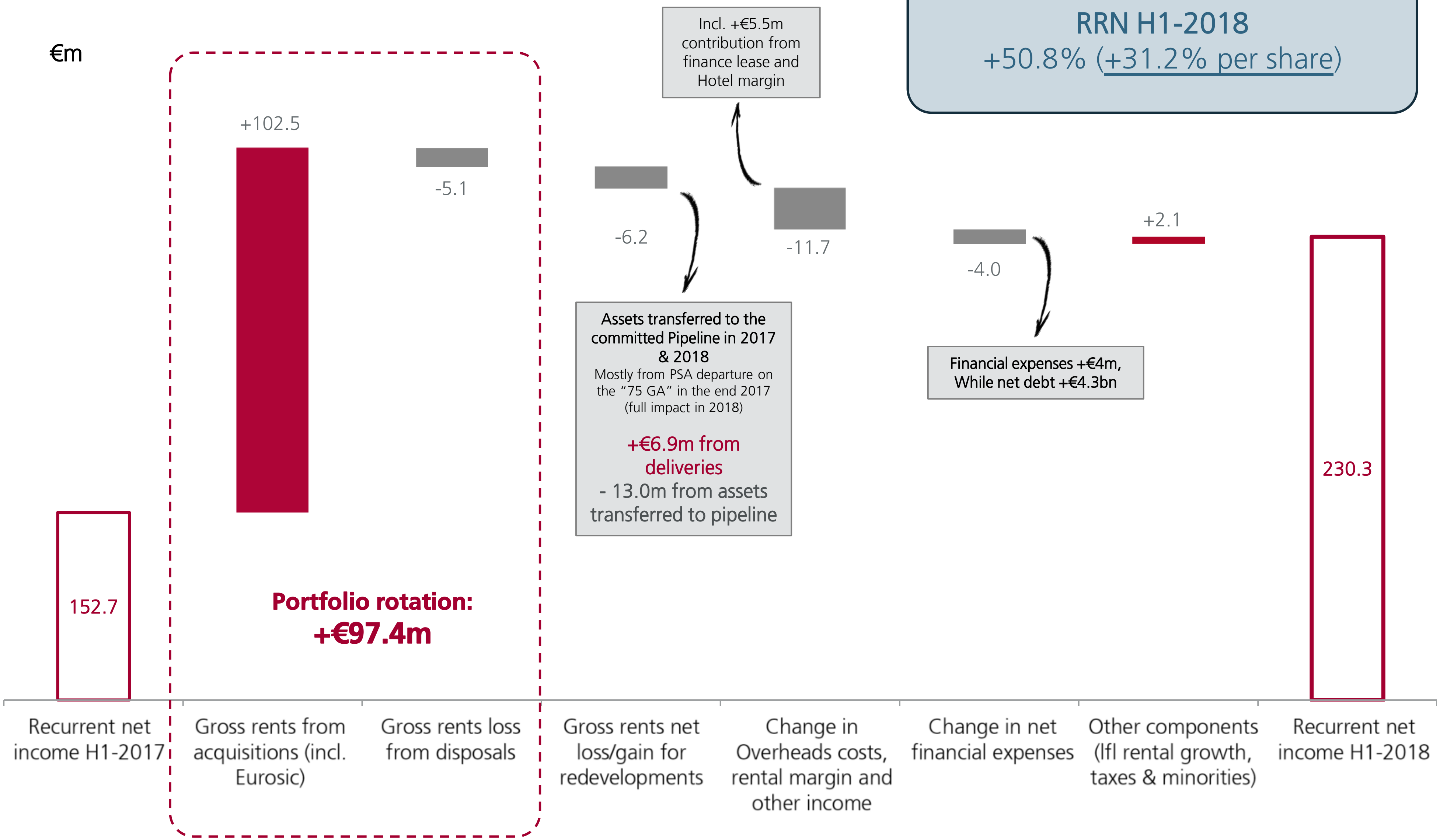
+2.2% if excl. one single asset and exceptional items

## Gross rents H1 2017 / H1 2018: +€94.8m



# H1-2018 earnings: recurrent net income

RRN H1-2018
+50.8% (+31.2% per share)



# H1-2018 earnings: appraisal values

## Portfolio value up +5.24% like-for like in 12 months

| Breakdown by segment | Appraised values | | Net capitalization rates | | Like-for-like change* | | Average value per sq.m* | |
|---|---|---|---|---|---|---|---|---|
| *In million euros* | Jun 30, 18 | Dec 31, 17 | Jun 30, 18 | Dec 31, 17 | Jun 2018 vs. Dec 2017 | Jun 2018 vs. Jun 2017 | Jun 30, 18 | Dec 31, 17 |
| Offices and retail | 15,930 | 15,760 | 4.33% | 4.37% | +1.52% | +5.11% | 9,011 | 8,870 |
| *Offices* | *14,327* | *14,208* | 4.61% | 4.65% | *+1.29%* | *+5.22%* | *5,077* | *4,988* |
| Paris CBD & 5-6-7 - Offices | 4,898 | 4,772 | 3.85% | 3.89% | +1.83% | +5.79% | 15,248 | 14,909 |
| Paris CBD & 5-6-7 - Retail | 1,477 | 1,430 | 2.33% | 2.41% | +3.31% | +4.59% | 47,195 | 45,681 |
| Paris - Other | 2,653 | 2,614 | 5.03% | 5.11% | +1.84% | +5.17% | 7,387 | 7,251 |
| Western Crescent - La Défense | 4,706 | 4,551 | 4.70% | 4.73% | +1.02% | +6.05% | 8,187 | 8,187 |
| Paris Region - Other | 927 | 1,130 | 6.60% | 6.51% | -0.86% | +0.07% | 3,025 | 3,054 |
| Other French regions / International | 1,269 | 1,264 | 5.39% | 5.41% | +0.44% | +1.24% | 3,695 | 3,678 |
| Residential | 3,229 | 3,160 | 3.37% | 3.48% | +3.03% | +6.16% | 6,222 | 6,040 |
| Other business | 239 | 246 | 6.78% | 6.64% | -1.99% | +1.13% | 1,531 | 1,562 |
| Hotels and finance leases | 438 | 482 | | | | | | |
| Group total (balance sheet value) | 19,836 | 19,648 | 4.18% | 4.24% | +1.75% | +5.24% | 7,856 | 7,721 |

* LfL perimeter in H1 excl. assets under preliminary agreements for disposal

## Rental effect back in positive territory for offices

| *In €m* | Yield impact | Rent impact |
|---|---|---|
| Offices incl. Retail | +0.9% | +0.7% |
| Paris City | +1.1% | +1.0% |
| Western Crescent - La Défense | +0.6% | +0.4% |
| Paris Region - other | +0.3% | -1.1% |
| Other French Regions | 0.0% | +0.4% |
| Résidentiel | +1.3% | +1.7% |

Rental effect outperforms in Paris over Western Crescent and other Paris Region

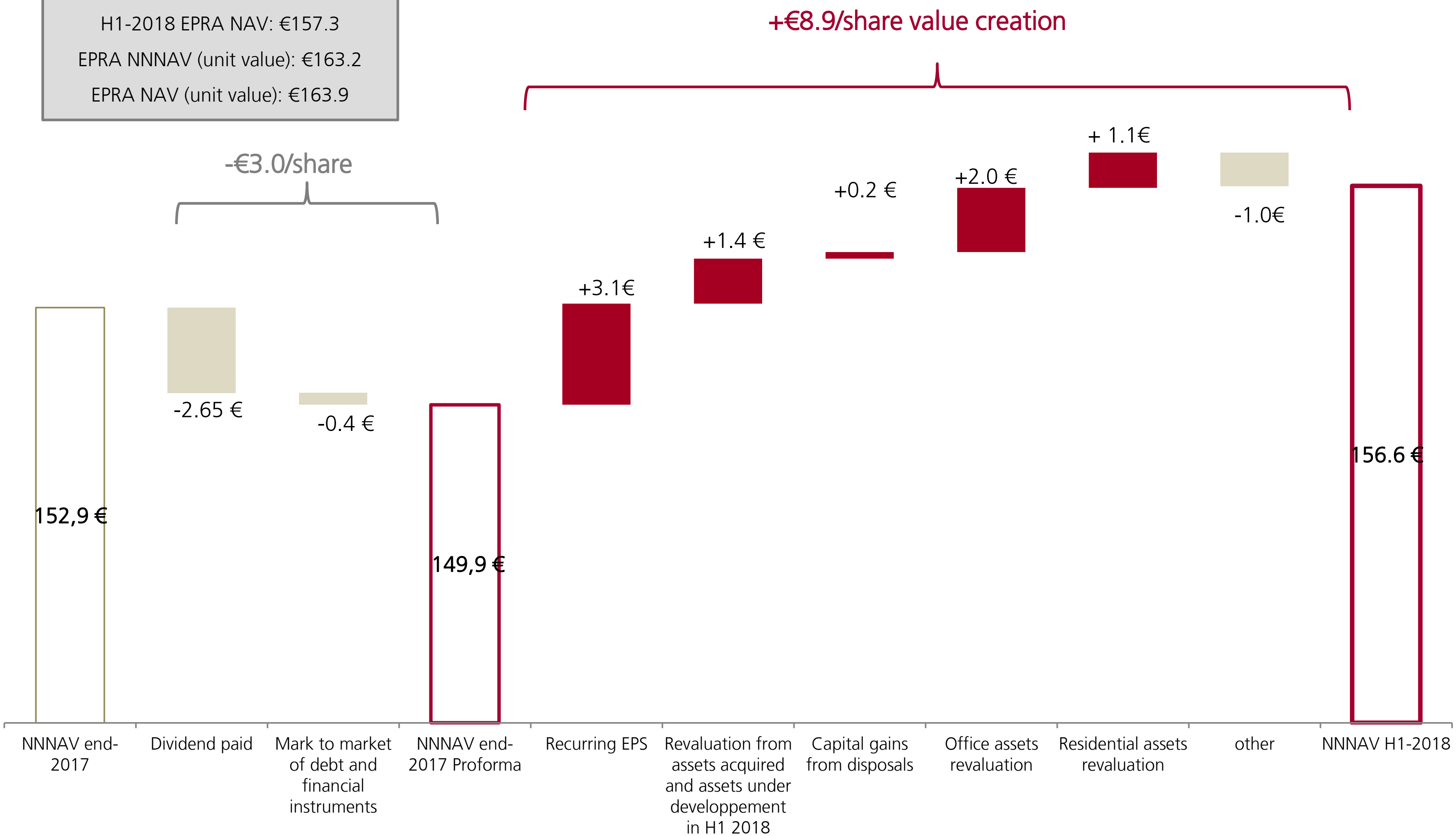
## Focus on residential portfolio

| Breakdown by segment | Appraised values | | Net capitalisation rates | | Change on comparable basis | | Average value per sq.m* |
|---|---|---|---|---|---|---|---|
| In million euros | Jun 30, 18 | Dec 31, 17 | Jun 30, 18 | Dec 31, 17 | Jun 2018 vs. Dec 2017 | Jun 2018 vs. Jun 2017 | |
| Residential | 3,229 | 3,160 | 3.37% | 3.48% | +3.03% | +6.16% | 6,222 |
| Traditional Residential | 2,922 | 2,865 | 3.21% | 3.33% | +3.2% | +6.6% | 6,462 |
| Student Housing | 307 | 295 | 4.87% | 4.88% | +1.6% | +2.2% | 4,605 |

* Average value per sq.m restated for estimated parking value

## Epra NNNAV up +5.8%* in 12 months

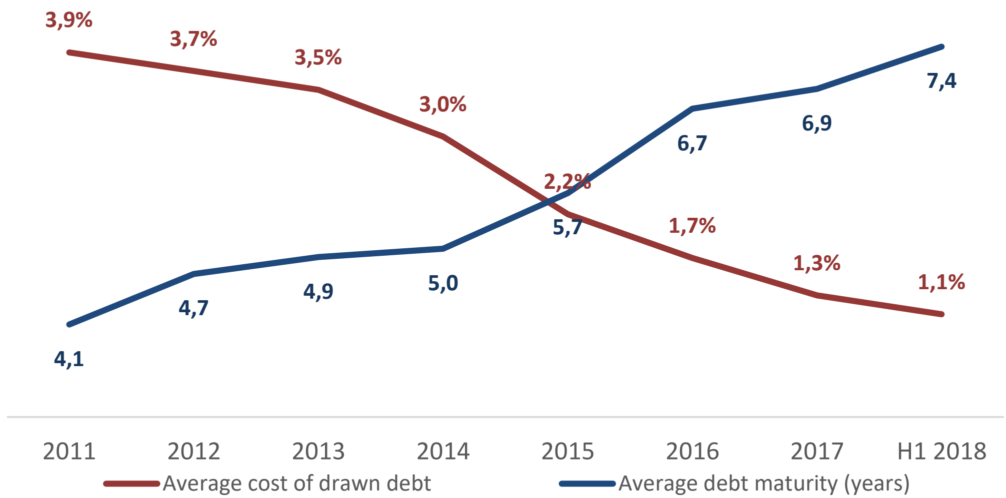
H1-2018 EPRA NNNAV: €156.6
H1-2018 EPRA NAV: €157.3
EPRA NNNAV (unit value): €163.2
EPRA NAV (unit value): €163.9



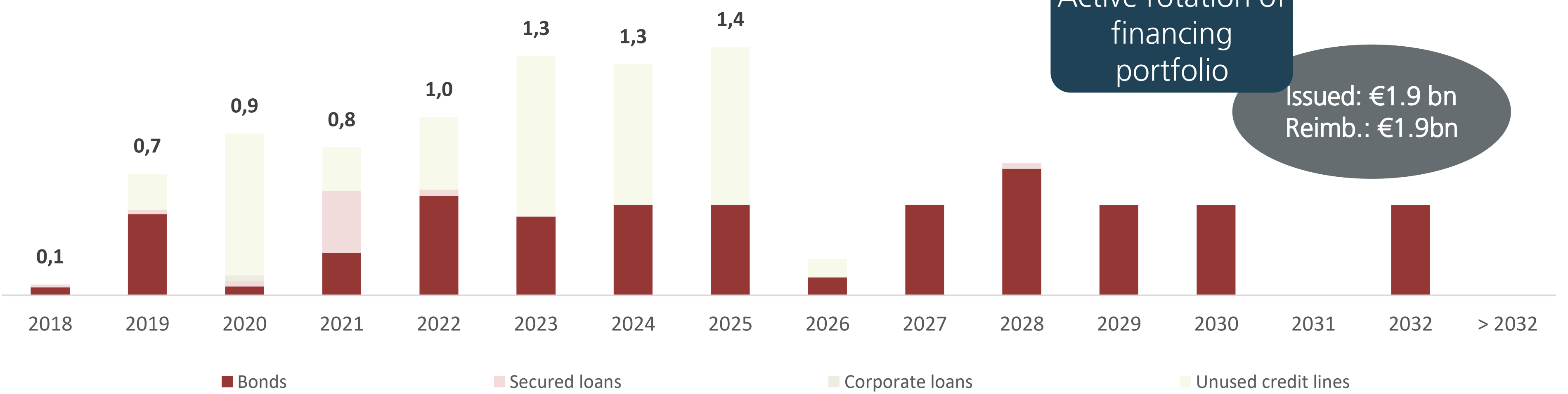

* *Post adjustment related to the right detachment in the context of the capital increase achieved in august 2017 (adjustment factor of 0.97391)*

# Active balance sheet management…

## Average cost and maturity of drawn debt




## Schedule of available financing (€bn, end of June 2018)




LTV
38.4% Proforma*
41.4% published

Hedging maturity
7.6 years
+0.1 y vs dec-17 (excl. caps)

Average cost of debt (all-in)
1.4%
-30 bp vs end 2017

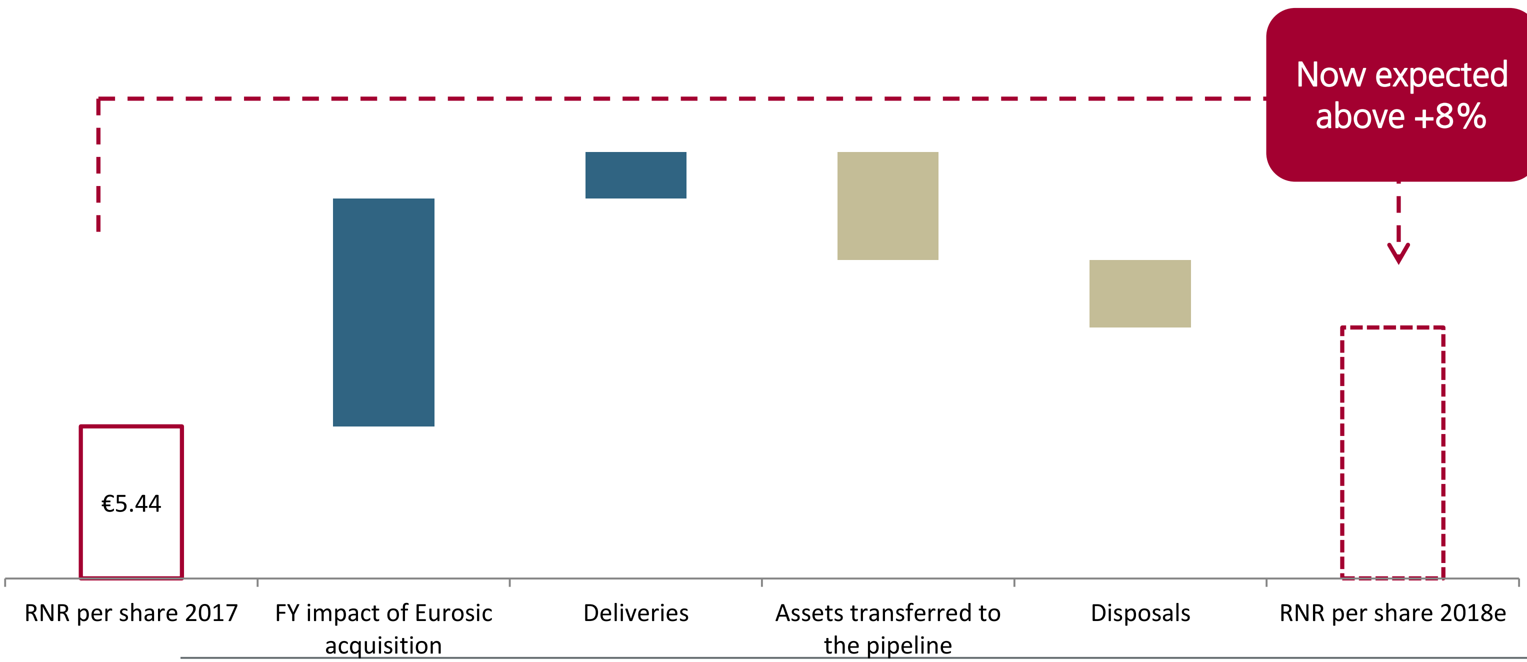
Hedging of the debt
93%
71% excl. caps

Active rotation of financing portfolio
Issued: €1.9 bn
Reimb.: €1.9bn

* Proforma for disposals under preliminary agreements at end june 18

# Guidance 2018 for RNI per share raised to more than +8%
## (vs. between +3% to +6% initially)

- Quicker than expected integration of Eurosic employees, assets and liabilities
- Optimization of financial expenses exceeding expectations
- Operational synergies confirmed
- SG&A under control
- Calendar disposals clarified
- Improved visibility on contribution from assets under development




Q&A
WORLD CUP FINAL 2018
FINAL 2018

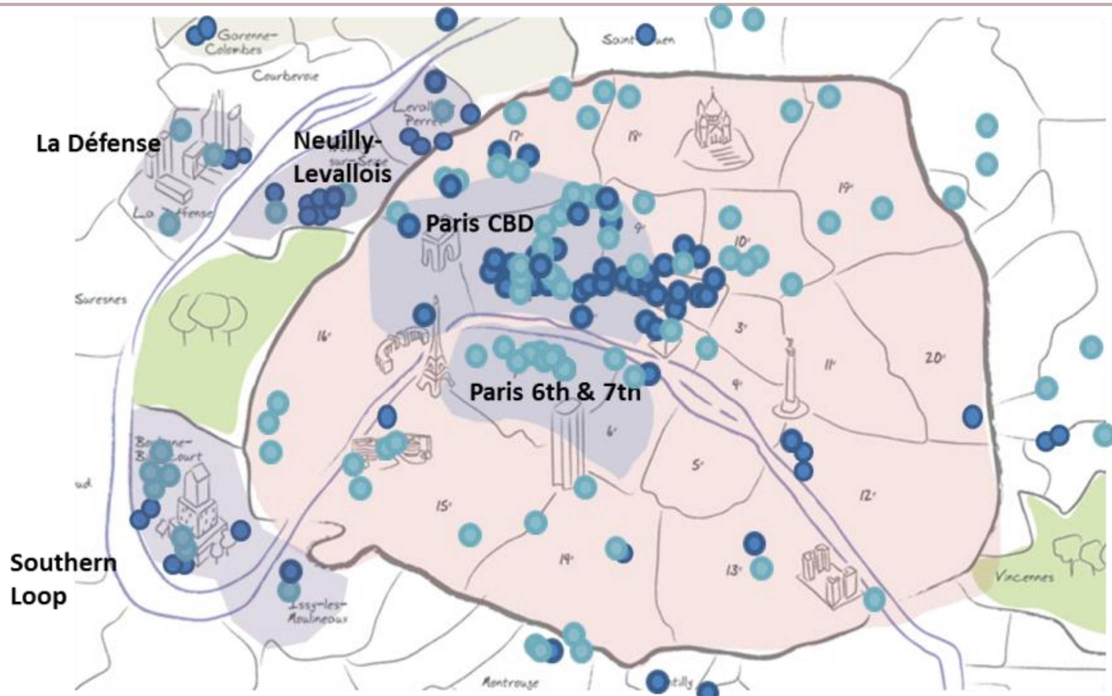
# APPENDICES 1

# GECINA IN A NUTSHELL

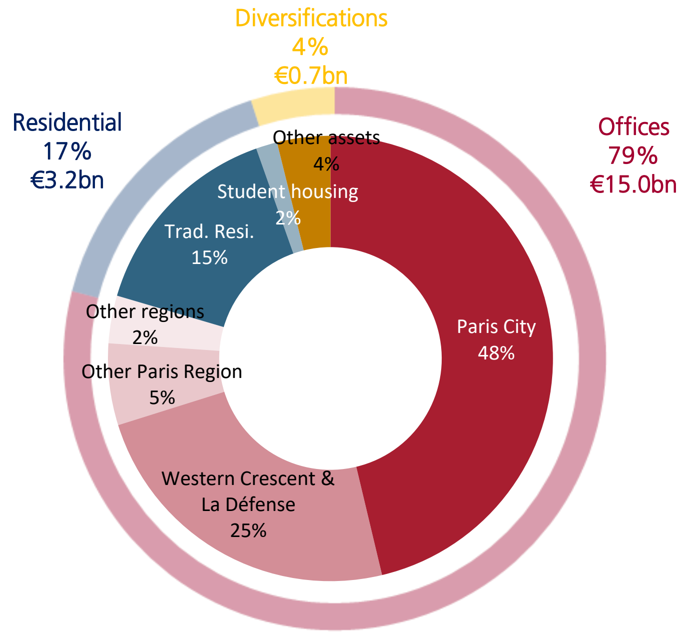
## URBANITY, CENTRALITY, INNOVATION

# Gecina in a Nutshell

*A €15.9bn office portfolio largely focused on key areas*




*Total portfolio by asset class (€19.0bn)**




*Pro forma of disposals under preliminary agreements end june 18

#4 largest REIT in Europe (€19.8bn portfolio – Group share)

#1 office player in Europe with €15.9bn assets (Group Share)

Leadership on Urban offices in central areas of the Paris region

91%* of offices in Paris Region
60%* of offices in Paris City

€3.2bn residential portfolio

Traditional residential is c.80% in Paris City

Largest investment pipeline in Continental Europe

€2.6bn committed pipeline
€4.9bn incl. controlled pipeline

# Gecina in a Nutshell

| | |
|---|---|
| The European Leader of prime offices in Paris Region… | ❑ **#1 office REIT in Continental Europe,** of which €15.9bn of offices and €3.2bn of residential assets<br>❑ **A prime player for offices in Paris Region.** Specialized in the most central areas in Paris Region (93% of the portfolio located in Paris City, La Défense or in the Western Crescent) |
| …offering strong visibility and flexibility… | ❑ **Well managed portfolio.** Occupancy rate structurally above 95% **Solid balance sheet.** Average maturity of debt: 7.4 years, Hedging maturity: 7.6 years, average cost of drawn debt 1.1% |
| …a unique potential for value creation ahead… | ❑ **Unequalled value creation potential, through the largest development pipeline in Continental Europe.** Gecina's pipeline reached €4.9bn as of jun-18, offering value creation potential to be materialized in a short, mid and long run in the most sought districts of the Paris region<br>❑ **Residential portfolio strategic review: Centrality brings value creation opportunities and new businesses** |
| …with a strong total return for shareholders… | ❑ **A strong track record for shareholders, driven by a total return approach**<br>❑ Total Property Return: +76% since the end of 2014, +28% in 2017 (NNNAV + div) |
| …with a governance aligned with the best practice. | ❑ **A clear partition of power between the chairman and the CEO**<br>❑ **A well balance board structure** (50% of women, 50% independents, large diversity in terms of skills, experience, nationality and gender)<br>❑ Executive remuneration aligned with Gecina's strategy and shareholders interests |

# Increasing recognition in challenging ratings

## Two most demanding and sector-specific ratings benchmarking Gecina's overall ESG performance against peers

**GRESB ★★★★★ 2017**

- 93/100 (+18 vs 2016)
- 1st among 19 office listed European REITs
- 4th among 174 office REIT

**Dow Jones Sustainability Indices** In Collaboration with RobecoSAM

- 83/100 (+4 vs 2016)
- 2nd in the world among 181 listed REITs

## Two most credible ratings assessing Gecina's transparency and performance on climate change issues

**CDP**

- A- status (upgrade from 2016)

**SCIENCE BASED TARGETS** DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Ambition and consistency of Gecina's $CO_2$ targets for 2030 approved by this NGO-lead initiative
- One of the three REITs with approved targets

## Amongst the best credit ratings over the real estate sector

**S&P Global Ratings**

- S&P : BBB+ outlook positive

**Moody's**

- Moody's: A3 outlook negative

## Other awards…

**EPRA** EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

- EPRA sBPR Gold Award
- EPRA BPR Gold Award

**Le Revenu** / **FAS** Fédération Française des Associations d'Actionnaires Salariés et Anciens Salariés

- Trophée de Bronze 2017 for the best shareholder services – Le Revenu
- Grand Prix FAS for employee shareholding structure

# OTHER APPENDICES

# H1 -2018 P&L and Recurrent Net Income*

| *In million euros* | June 30, 2017 | June 30, 2018 | *Change (%)* |
|---|---|---|---|
| Gross rental income | 240.6 | 335.4 | *+39.4%* |
| Expenses not billed to tenants | (19.1) | (27.3) | *+42.3%* |
| Net rental income | 221.4 | 308.1 | *+39.1%* |
| Operating margin for other business | 0.0 | 5.5 | *Na* |
| Services and other income (net) | 1.6 | 1.7 | *+8.0%* |
| Salaries and management costs | (31.7) | (40.9) | *+29.3%* |
| EBITDA | 191.4 | 274.4 | *+43.4%* |
| Net financial expenses | (36.6) | (40.6) | *+10.8%* |
| Reccurent gross income | 154.7 | 233.8 | *+51.1%* |
| Recurrent minority interests | (0.5) | (1.1) | *+132.6%* |
| Recurrent tax | (1.6) | (2.5) | *+55.7%* |
| Recurrent net income (Group share) (1) | 152.7 | 230.3 | *+50.8%* |
| Gains from disposals | 14.5 | 15.8 | *+8.8%* |
| Change in fair value of properties | 1,142.0 | 296.5 | *-74.0%* |
| Depreciation and amortization | (1.7) | (31.3) | *Ns* |
| Change in value of financial instruments and debt | 9.4 | (7.2) | *-175.9%* |
| Impact of business combination | 0.0 | (1.4) | *Na* |
| Other | (9.8) | (1.2) | *-88.2%* |
| Consolidated net income (Group share) | 1,307.1 | 501.5 | *-61.6%* |
| Recurrent net income per share - Group Share | €2.40 (2) | €3.14 | *+31.2%* |

(1) EBITDA less net financial expenses, recurrent tax, recurring minoritiy interest
(2) Post Adjustment of preferential subscription rights distribution linked to the share capital increase of August 2017 (adjustment factor of 0.97391)

* Without IFRIC 21

# H1 – 2018 Balance sheet

| ASSETS *In million euros* | June 30, 2018 | Dec. 31, 2017 |
|---|---|---|
| Non-current assets | 18,375.6 | 18,983.0 |
| Investment properties | 15,073.4 | 15,407.4 |
| Buildings under redevelopment | 2,739.6 | 2,806.4 |
| Buildings in operation | 62.5 | 244.0 |
| Other property, plant and equipment | 15.0 | 13.3 |
| Goodwill | 207.7 | 207.7 |
| Intangible assets | 9.2 | 5.9 |
| Financial receivables on finance leases | 199.2 | 224.3 |
| Long-term financial investments | 4.9 | 3.4 |
| Investment in associates | 45.0 | 44.7 |
| Non-current financial instruments | 12.9 | 17.7 |
| Deferred tax assets | 6.3 | 8.2 |
| Current assets | 1,923.2 | 1,123.1 |
| Properties for sale | 1,388.8 | 578.7 |
| Inventories | 145.2 | 156.3 |
| Trade receivables and related | 156.1 | 141.7 |
| Other receivables | 151.7 | 100.0 |
| Prepaid expenses | 24.6 | 22.3 |
| Current financial instruments | 0.1 | 2.1 |
| Cash & Cash equivalents | 56.6 | 122.0 |
| TOTAL ASSETS | 20,298.9 | 20,106.1 |

| LIABILITIES *In million euros* | June 30, 2018 | Dec. 31, 2017 |
|---|---|---|
| Capital and reserves | 11,228.4 | 11,014.4 |
| Share capital | 565.7 | 565.2 |
| Additional paid-in capital | 3,167.4 | 3,167.1 |
| Consolidated reserves | 6,973.2 | 5,358.1 |
| Consolidated net income | 490.0 | 1,895.6 |
| Capital and reserves attributable to owners of the parent | 11,196.4 | 10,986.0 |
| Non-controlling interests | 32.0 | 28.4 |
| Non-current liabilities | 6,080.0 | 6,982.6 |
| Non-current financial debt | 6,028.4 | 6,926.8 |
| Non-current financial instruments | 6.6 | 6.5 |
| Deferred tax liabilities | 8.5 | 12.6 |
| Non-current provisions | 36.5 | 36.8 |
| Current liabilities | 2,990.4 | 2,109.0 |
| Current financial debt | 2,298.9 | 1,607.9 |
| Current financial instruments | 0,4 | 0.2 |
| Security deposits | 85.8 | 86.8 |
| Trade payables and related | 265.4 | 278.4 |
| Current taxes due & other employee-related liabilities | 117.8 | 57.3 |
| Other current liabilities | 222.1 | 78.4 |
| TOTAL LIABILITIES | 20,298.9 | 20,106.1 |

| In million euros | June 30, 2017 Amount / no. of shares | June 30, 2017 € / share | Dec. 31, 2017 Amount / no. of shares | Dec. 31, 2017 € / share | June 30, 2018 Amount / no. of shares | June 30, 2018 € / share |
|---|---|---|---|---|---|---|
| Fully diluted number of shares | 61,556,067 | | 73,454,892 | | 73,507,865 | |
| **Shareholders' equity under IFRS** | **9,031** | | **10,986*** | | **11,196*** | |
| Amounts owned to shareholders | 159.2 | | 0.0 | | 86.1 | |
| Impact of exercising stock options | 15.6 | | 6.5 | | 5.0 | |
| Diluted NAV | 9,205 | €145.6 €** | 10,993 | €149.6 | 11,287 | €153.6 |
| Fair value reporting of properties, if booked at cost | 109.1 | | 113.3 | | 115.6 | |
| Hotel business | 0.0 | | 43.0 | | 43.0 | |
| Transfer duties adjustment | 66.8 | | 121.8 | | 124.0 | |
| Fair value of financial instruments | 20.1 | | (13.1) | | (6.0) | |
| Deferred tax | 0.0 | | 0.0 | | (3.9) | |
| Diluted EPRA NAV | 9,401 | €148.7** | 11,257 | €153.3 | 11,560 | €157.3 |
| Fair value of financial instruments | (20.1) | | 13.1 | | 6.0 | |
| Fair value of liabilities | (27.9) | | (37.4) | | (57.2) | |
| Deferred tax | 0.0 | | 0.0 | | 3.9 | |
| Diluted EPRA triple net NAV | 9,354 | €148.0** | 11,233 | €152.9 | 11,513 | €156.6 |

* Of which €208m of goodwill

** Following the adjustment of the payout for preferential subscription rights linked to the capital increase from August 2017 (adjustment coefficient of 0.97391)

# H1-2018 Pipeline in details

| | Project | Location | Delivery date | Total space (sq.m) | Total Investment (1) (€m) | Already Invested (2) (€m) | Still to invest (€m) | Est. yield on cost (net) | Prime yields (BNPPRE Q1 2018) | % pre-let |
|---|---|---|---|---|---|---|---|---|---|---|
| Committed | Lyon Part Dieu - Sky 56 | Lyon | Q3-18 | 30,700 | 137 | 123 | 14 | | | 91% |
| | Issy les Moulineaux - Be Issy | Western Crescent | Q3-18 | 25,100 | 163 | 162 | 1 | | | 0% |
| | Paris – Guersant | Paris | Q3-18 | 14,400 | 127 | 122 | 5 | | | 91% |
| | Paris - Penthemont 1 | Paris 7th | Q3-18 | 9,200 | 245 | 235 | 10 | | | 100% |
| | Levallois - Octant Sextant | Western Crescent | Q3-18 | 37,800 | 223 | 218 | 5 | | | 81% |
| | Paris - Le France | Paris | Q4-18 | 20,100 | 182 | 173 | 9 | | | 100% |
| | Paris – Ibox | Paris | Q4-18 | 19,200 | 166 | 146 | 20 | | | 0% |
| | La Défense - Carré Michelet | Western Crescent | Q1-19 | 37,200 | 337 | 297 | 40 | | | 29% |
| | Paris – Montmorency | Paris | Q2-19 | 13,800 | 157 | 144 | 13 | | | 100% |
| | Paris - Penthemont 2 | Paris 7th | Q4-19 | 2,400 | 53 | 41 | 12 | | | 100% |
| | Total office deliveries 2018-2019 | | | 209,900 | 1,788 | 1,661 | 127 | 5.6% | 3.4% | 61% |
| | Paris - 7, Rue de Madrid | Paris CBD | Q2-20 | 11,100 | 109 | 70 | 39 | | | 100% |
| | Neuilly - Graviers B+C | Western Crescent | Q4-20 | 11,100 | 96 | 64 | 32 | | | 0% |
| | Paris - 75 GA | Paris CBD | Q1-21 | 33,500 | 476 | 355 | 122 | | | 0% |
| | Total offices | | | 265,600 | 2,469 | 2,150 | 320 | 5.5% | 3.3% | 52% |
| | Puteaux - Rose de Cherbourg | Western Crescent | Q3-18 | 7,500 | 44 | 34 | 10 | | | na |
| | Paris - St Mandé | Paris | Q4-19 | 700 | 4 | 0 | 4 | | | na |
| | Porte Brançion | Paris | Q3-20 | 2,900 | 19 | 0 | 19 | | | na |
| | Student housing project | Inner Rim | Q3-21 | 7,200 | 41 | 0 | 41 | | | na |
| | Total residential | | | 18,300 | 108 | 34 | 74 | 6.4% | 4.9% | |
| | TOTAL committed projects | | 2018-2021 | 283,900 | 2,577 | 2,184 (3) | 394 | 5.6% | 3.4% | |
| Controlled and certain | TOTAL controlled and certain | | 2020-2023 | 111,100 | 1,013 | 673 | 340 | 5.6% | 3.3% | |
| Controlled and probable | "Probable" redevelopments | | | 120,600 | 1,122 | 492 | 631 | 6.7% | 3.3% | |
| | Greenfield | | | 75,000 | 223 | 6 | 218 | 8.6% | 5.1% | |
| | TOTAL controlled and probable | | 2020-2024 | 195,600 | 1,346 | 497 | 848 | 7.0% | 3.6% | |
| Total pipeline | | | | 590,600 | 4,936 | 3,354 | 1,582 | 6.0% | 3.4% | |

(1) Total investment for the committed pipeline = latest appraisal value from when the project started up + total build costs. For the controlled pipeline = latest appraisal to date + operation's estimated costs
(2) Includes the value of plots and existing buildings for redevelopments
(3) Committed pipeline is valued at €2,661m at end June 2018

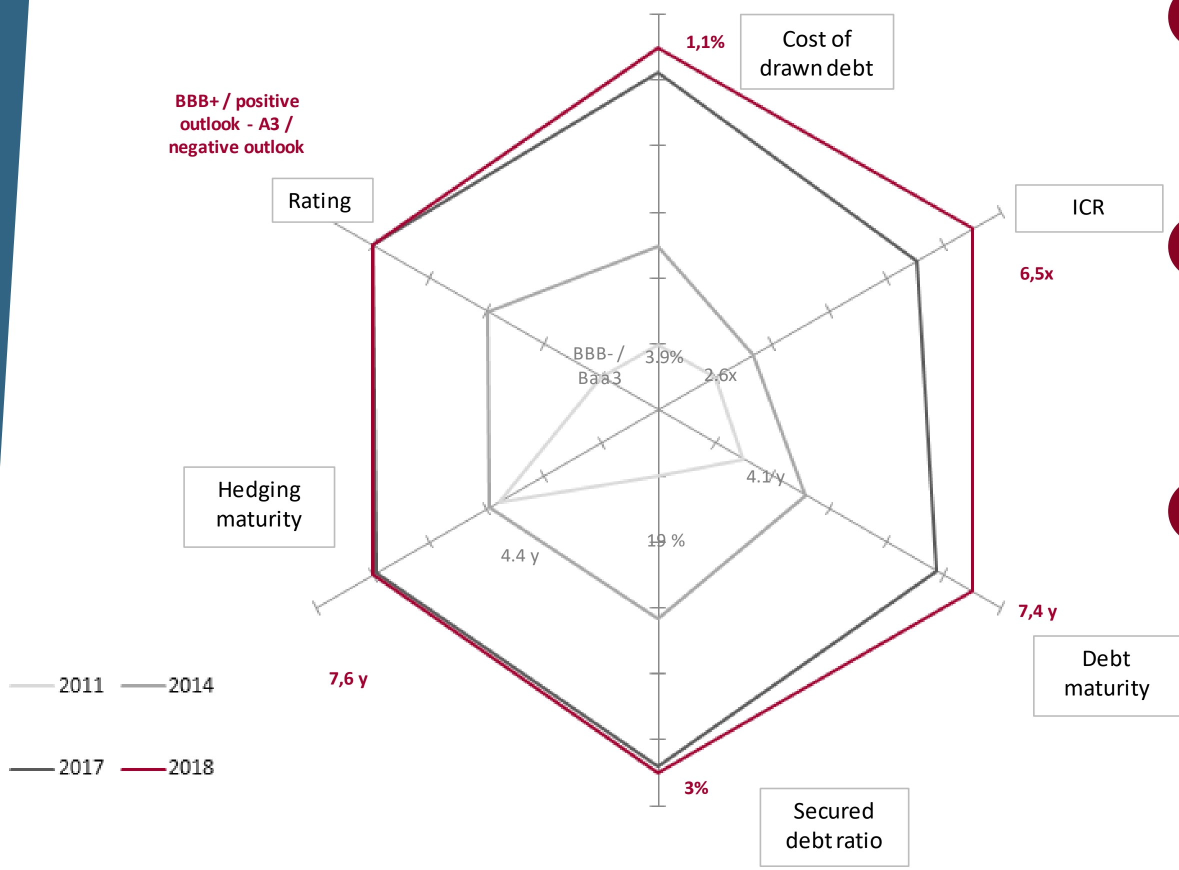
# Financial ratios & Covenants

| | 31/12/2016 | 31/12/2017 | 30/06/2018 |
|---|---|---|---|
| Gross financial debt (€ million) | 3,640 | 8,453 | 8,263 |
| Net financial debt (€ million) | 3,582 | 8,331 | 8,207 |
| Gross nominal debt (€ million) | 3,616 | 8,427 | 8,273 |
| Unused credit lines (€ million) | 2,245 | 3,760 | 4,255 |
| Average maturity of debt (in years, adjusted for unused credit lines) | 6,7 | 6.9 | 7.4 |
| LTV | 29.4% | 42.4% | 41.4% |
| LTV (including duties) | 27.7% | 40.0% | 39.0% |
| ICR | 4.9x | 5.6x | 6.5x |
| Secured debt / Properties | 6.5% | 3.6% | 3.2% |

| Ratios | Covenant | 30/06/2018 |
|---|---|---|
| LTV Net debt/revalued block value of property holding (excluding duties) | < 55% - 60% | 41.4% |
| ICR EBITDA (excluding disposals)/net financial expenses) | > 2.0x | 6.5x |
| Outstanding secured debt/revalued block value of property holding (excluding duties) | < 25% | 3.2% |
| Revalued block value of property holding (excluding duties, € billion) | > 6.0 – 8.0 | 19.8 |

# Active **balance sheet** management…

… resulting in structural and continuous improvements in the Group's profile…




**1** Contribute to strong performance for Gecina

- **Continuous optimization** of cost of debt
- Seize **best market window opportunities** for new bond issues
- Anticipated **renewals of unused credit lines**

**2** Secure this performance over time

- Continuous **extension of debt and hedging maturity**
- Proactive management of debt maturities and **optimization of debt schedule** over the long term

**3** Provide strong flexibility for the Group's development

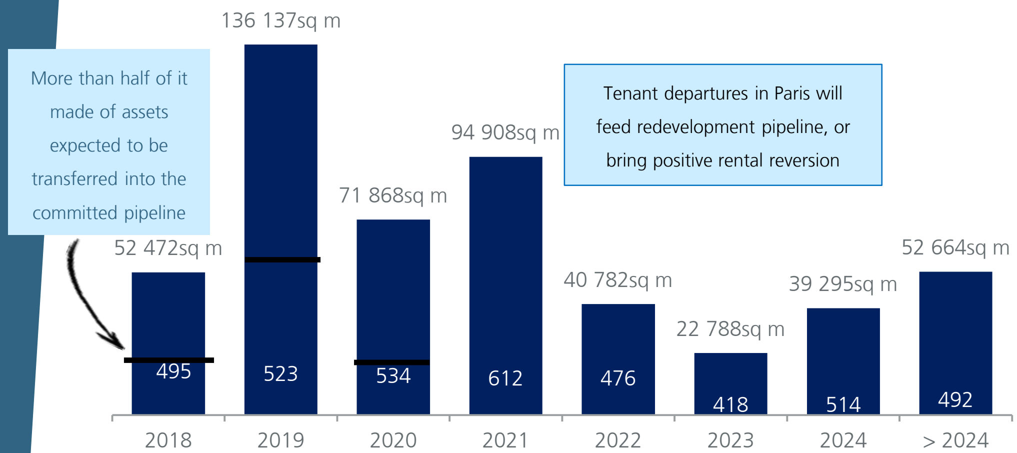
- **Efficient management** of debt volume variation
- **High liquidity** and best-in-class **access to all funding sources** in order to enable best investment opportunities
- **Disintermediate structure** to remove all debt constraints on asset management

# Rental challenges in detail

Rental challenges under control, while some departures may feed Gecina's committed future pipeline in Paris

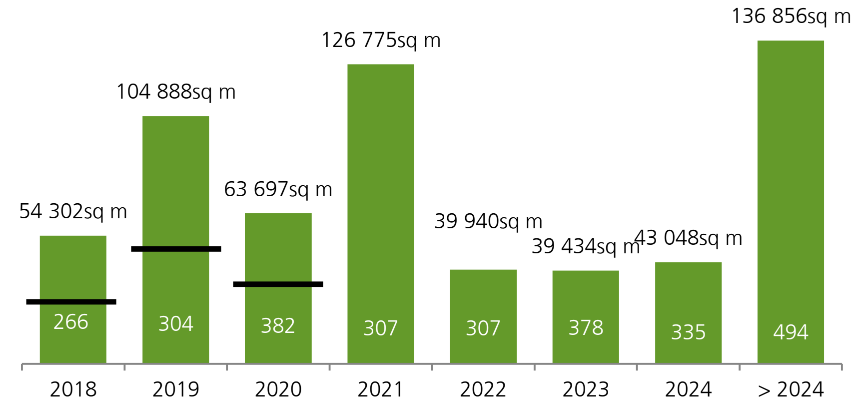
## Analysis of office break-up options in Paris

(By area and average yearly rent)

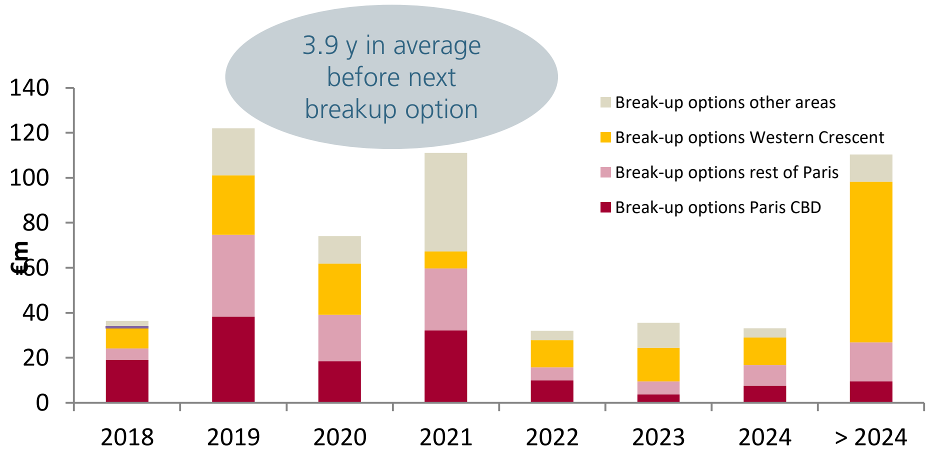



## Analysis of office break-up options in Paris Region (excl. Paris)

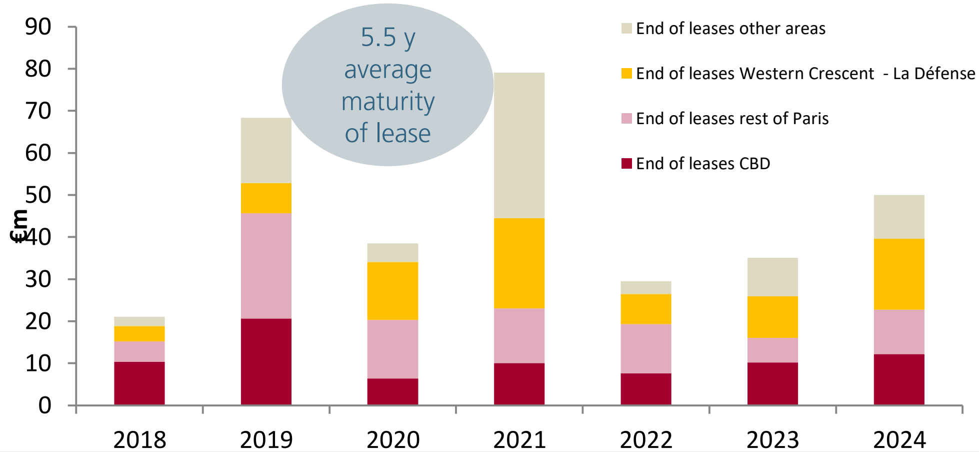
(By area and average yearly rent)




## Upcoming break-up options in well-balanced areas




## Average maturity of lease



# Annualized rents

| in €m | 2017 | June 30, 2018 |
|---|---|---|
| Offices | 529 | 514 |
| Residential – Traditional | 106 | 104 |
| Student housing | 17 | 17 |
| Others | 18 | 17 |
| Total | 669 | 652 |

Annualized rental income at June 30 is down -€17m from December 31, 2017, reflecting the loss of rent due to the sales completed during the first half of the year, as well as tenants vacating buildings to be redeveloped. This loss of rent was only partially offset by the buildings delivered during the first half of the year (Ville l'Evêque in Paris' Central Business District and Paris-Le Jade).
In addition, rent from assets covered by preliminary sales agreements at end-June 2018 is included in the annualized rental income presented below for nearly €50m.

# Residential portfolio: A sustainable value creative model

Sustainable and resilient revaluation potential could be targeted for the decade ahead

**Enhancing quality to maximize reversionary potential …**

**… providing sustainable rental growth out-performance …**

**… thus capital return**

Rental uplift to be expected on vacated units

**+5% / +10%**

Tenants rotation

**c. 15%**

Incremental contribution to lfl rental growth

**+75bp / +150bp**

Assumption for stabilized indexation / inflation

**+200 bp**

Sustainable lfl growth on traditionnal residential portfolio

**+275bp / +350 bp**

Average cap rate for residential portfolio

**3.2%**

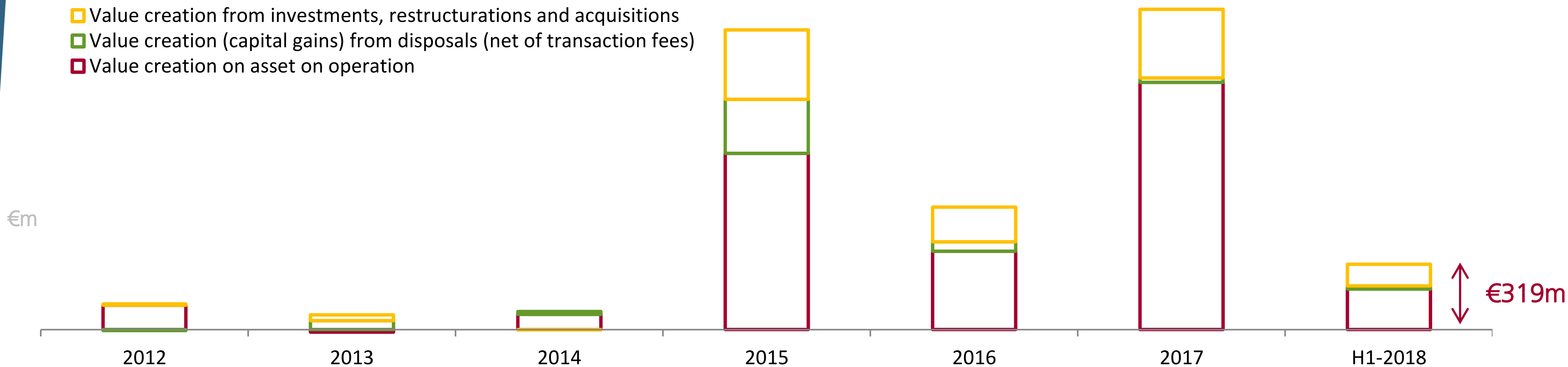
Sustainable residential GAV growth per year

**+3% to +4% / year**

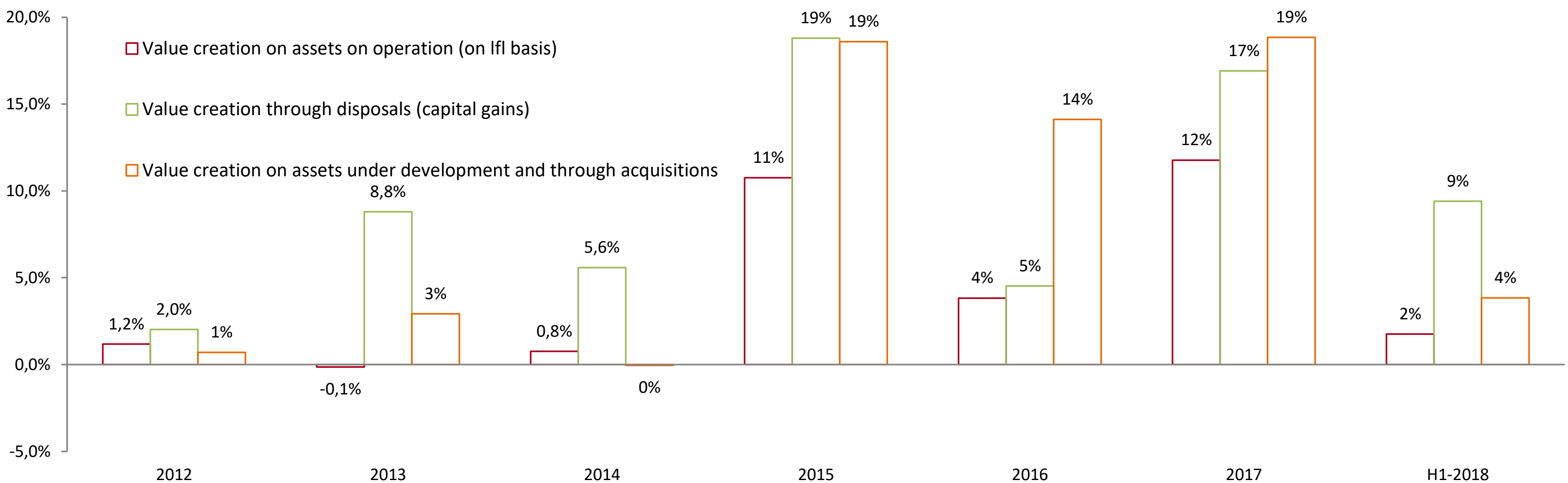
(hence +1.1 to 1.4€ per share/ year)

# H1-2018 Earnings: Asset Value Return

## Value creation per asset type in €m (Assets in operation, Assets sold, Assets under redevelopment or recently acquired)

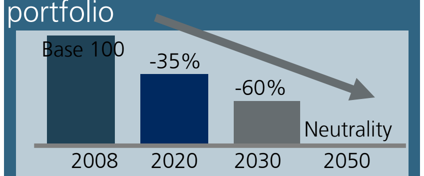



## Real estate value creation by asset type (%) on Gecina stand alone perimeter



# A bold CSR roadmap for 2020, 3 priorities

| *Strategic priorities emerging from materiality assessment* | *Performance goals for FY 2020* |
| --- | --- |
| Generate productivity and well-being for our clients in adaptable buildings | Offices: 75% of buildings making a contribution to productivity greater than a standard building<br>Residential: development of a comfort and well-being indicator and evaluation |
| Energize the sustainable city by developing biodiversity, territorial inclusion and accessibility for all people | Vegetation equal to 25% of the land of the parcels in the property portfolio |
| Reduce environmental footprint by resourceefficient and carbon neutral buildings | -35% reduction in $CO_2$/sq.m. over 2008 for the property portfolio |




*Operating adaptation and key levers*

Action plans by business line
- Offices
- Residential
- Investments and development
- Support functions

Sub-objectives by issue (mainly means objectives)

**Commit employees: all those involved!** Anchor CSR in the organization and compensation policy for 100% of employees, train according to business line and integrate costs in budgets

**Involve our clients** Identify and respond to their CSR expectations

**Digitize the process** in order to facilitate management of CSR impacts in the value chain

**Certify & label to involve the partners**, have performance recognized and carry out discussions with the stakeholders to improve standards

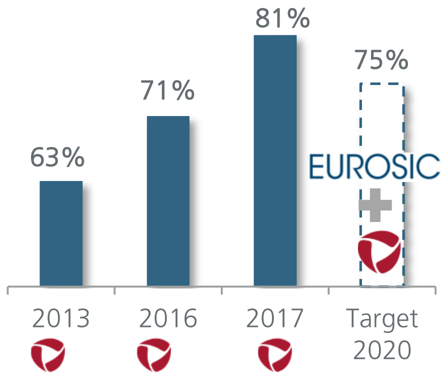
**Require suppliers** to take CSR into account, integrate CSR requirements in specifications and establish a rating for their selection

**Value best practices** and CSR performance with socially responsible investors

# A strong track record on the 3 strategic priorities

## Priority 1 : well-being and productivity

% of building enabling well-being and productivity*

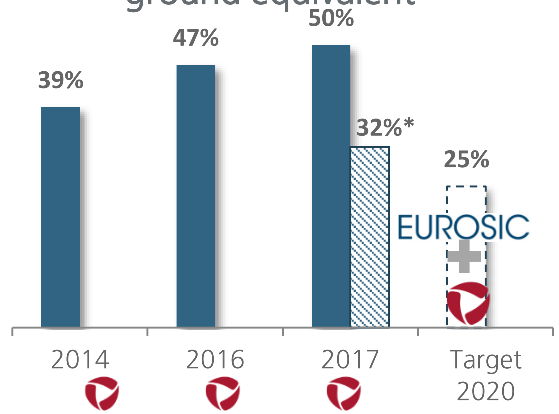



### 2017 key takeaways

- Targeted investments to improve thermal comfort, ventilation, air quality, glare, lighting and personal space
- Vulnerability study of the portfolio to the physical damage from climate change. 20 solutions identified

## Priority 2 : Energizing the sustainable city

% of vegetation of the land in the parcels of the portfolio in open ground equivalent



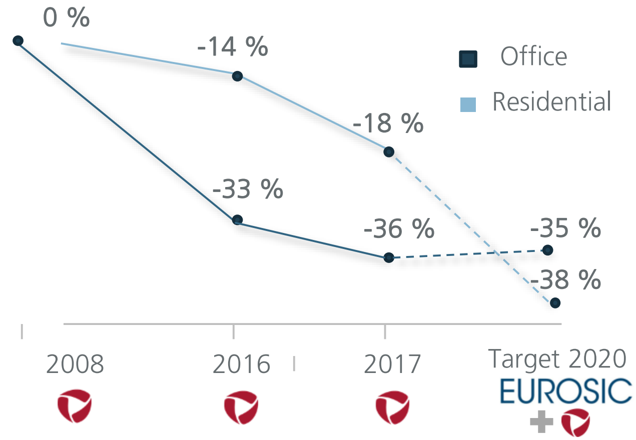

* Excluding assets that could potentially be for sales before 2020

### 2017 key takeaways

- BiodiverCity© label for 2 operations
- Update of the biodiversity mapping of the portfolio
- Easy access to sustainable mobility at 81 % of the portfolio (eg : 473 EV recharging stations)
- 1,300 shared parking places

## Priority 3 : Reducing environmental footprint

% of decrease of greenhouse gaz emissions (kg$CO_2$/sqm/yr)




### 2017 key takeaways

- Better energy efficiency (-2% in office, -1 % in residential vs 2016) thanks to retrocommissioning and close monitoring
- Decarbonising the energy mix : 38 % from renewable sources
- Approval of $CO_2$ targets by SBTi
- 98 % of construction waste recovered

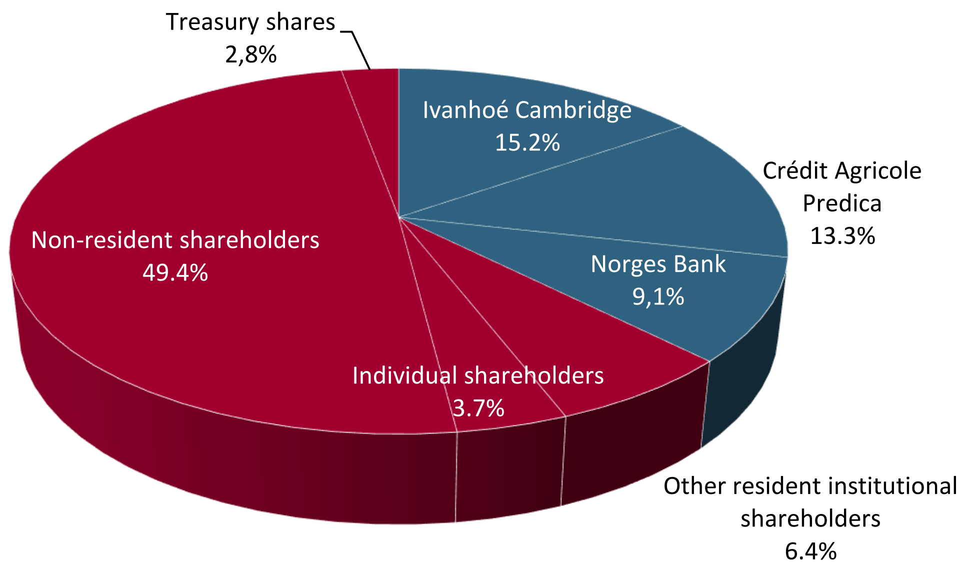
*contribution to productivity greater than a standard building (VIBEO method)

# Number of shares & shareholding structure

## Number of shares

| | June 30, 2018 | Dec 31, 2017 | June 30, 2017 |
|---|---|---|---|
| Number of shares issued | 75,421,643 | 75,363,444 | 63,434,640 |
| Stock options | 227,160 | 261,059 | 319,055 |
| Treasury stock | -2,140,938 | -2,169,611 | -2,197,628 |
| Diluted number of shares | 73,507,865 | 73,454,892 | 61,556,067 |
| Average number of shares | 73,272,281 | 66,783,047 | 62,055,134 |
| Diluted average nulber of shares | 73,499,441 | 67,044,106 | 62,374,189 |

## Shareholding structure at July 16, 2018 (post scrip dividend option)



# Disclaimer

*This document does not constitute an offer to sell or a solicitation of an offer to buy GECINA securities and has not been independently verified.*

*If you would like to obtain further information concerning GECINA, please refer to the public documents filed with the French securities regulator (Autorité des Marchés Financiers, AMF), which are also available on our internet site.*

*This document may contain certain forward-looking statements. Although the Company believes that such statements are based on reasonable assumptions on the date on which this document was published, they are by their very nature subject to various risks and uncertainties which may result in differences. However, GECINA assumes no obligation and makes no commitment to update or revise such statements.*

Photo credit: Jean Thiriet