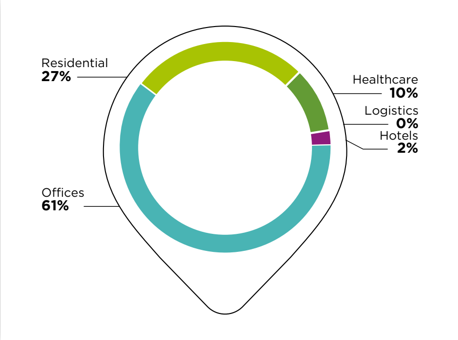
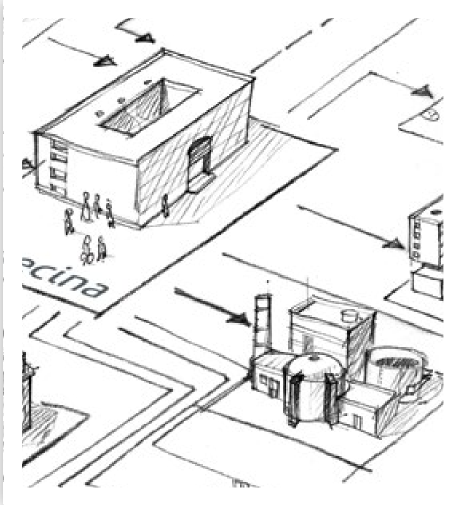
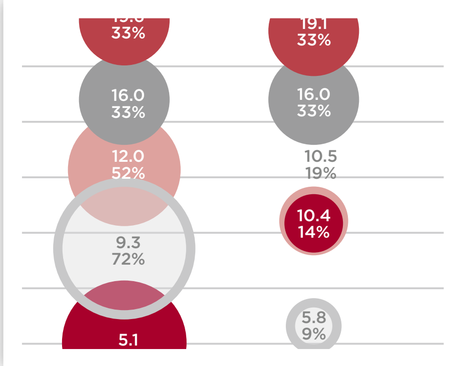
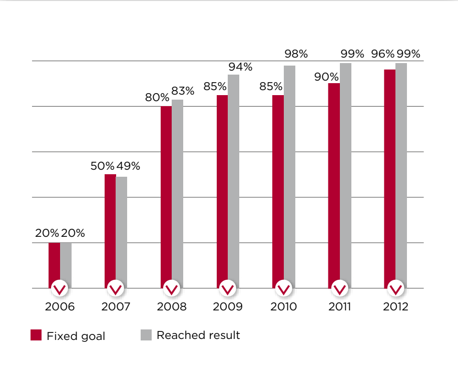


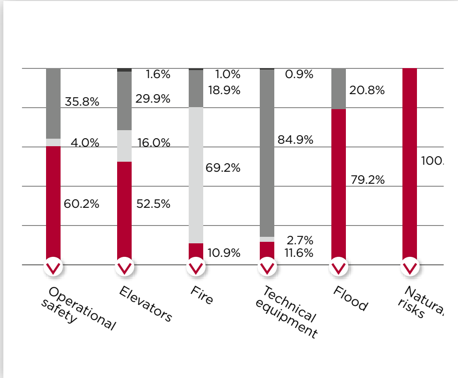


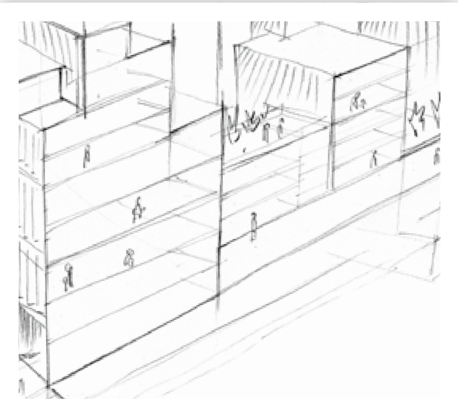




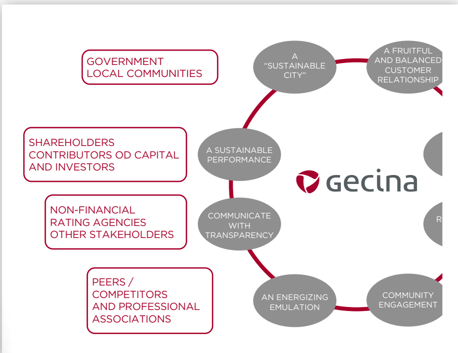
gecina

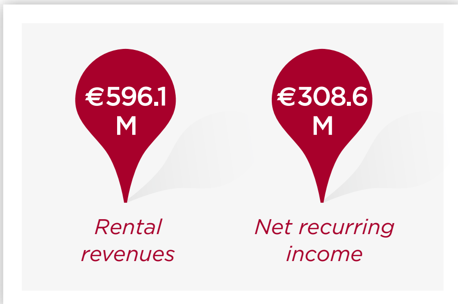
Far more than square metres



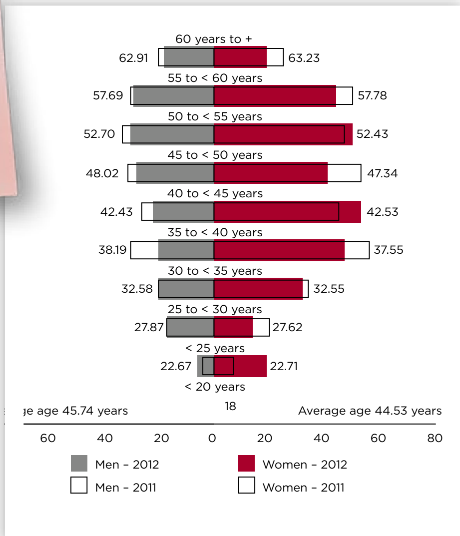


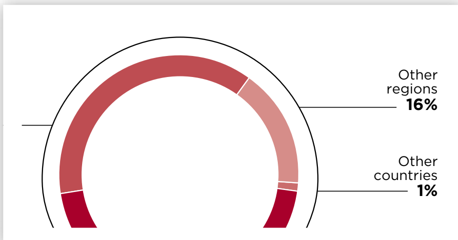
Note	12/31/2012	Proforma (1) 12/31/2011
3.5.6.1.	583,517	606,486
3.5.6.2.	(137,150)	(140,624)
3.5.6.2.	84,080	89,326
	530,447	555,188
3.5.6.3.	9,269	6,557
3.5.6.4.	(64,389)	(75,442)
	475,327	486,303
3.5.6.5.	36,099	20,891
3.5.6.6.	69,980	214,895





2012
reference
document





gecina

Bien plus que des mètres carrés

REFERENCE DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT
AND THE SUSTAINABLE DEVELOPMENT REPORT

2012

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

This reference document was filed with the French securities regulator (Autorité des marchés financiers, AMF) on 02/27/2013, in accordance with Article 212-13 of the AMF's general regulations. It may be used in support of a financial transaction if supplemented with a transaction memorandum that has been approved by the AMF. This document has been drawn up by the issuer and is the responsibility of its signatories.

CONTENT

EDITORIAL BY BERNARD MICHEL

"2012 was a decisive year for Gecina."

2012 was a decisive year for Gecina. With intense rental activity, high sales volume and a stronger balance sheet, the year was a real turning point in our Group's life.

We leased nearly 130,000 sqm. of office space during the financial year, with significant success in many iconic buildings, including Magistère, Mercure, Horizons and Mercy-Argenteau. We also continued our important policy of rotating assets and achieved sales of €1.3 billion. As planned, we sold our logistics sector portfolio – considered non-strategic – and also a substantial amount of our residential property, which was particularly liquid.

In accordance with the targets we set ourselves, a portion of the income from these sales was allocated to reduce our debt. We invested moderately, but strengthened our balance sheet significantly. These achievements were recognized by the credit rating agencies Moody's and Standard & Poor's which raised Gecina's rating respectively from Baa3 to Baa2 and from BBB- to BBB with stable outlook. The placement of a new bond issue at attractive interest rates allowed us to diversify our financing, extend the maturity of our debt, renew our existing credit lines and obtain new ones from a broad base of European investors.

As a result of the proactivity of our teams, we are starting 2013 in a very good position, with stronger fundamentals. Thanks to a healthier balance sheet, we will once again pursue a value-driven investment strategy, restructuring assets within our portfolio and capitalizing on opportunities to acquire property in key business districts in Paris and its inner suburbs. Against a backdrop of weak growth, we remain vigilant and cautious with regard to our development and will maintain our debt ratio target at 40%. We are also working to develop our land reserves and are preparing pre-construction office projects that will be ready for launch as soon as we have identified users. This is the case in Vélizy, Montigny and Lyon.

In 2012 we completed our financial restructuring; 2013 will be focused more on our real estate fundamentals. My aim in fact is to develop a stronger asset management strategy and continue our goal of building a responsible property portfolio that integrates and anticipates sustainable development considerations. We are already renowned for our environmental efforts but I think we can, and must, go a lot further by becoming genuinely responsible to society.

2013 will lastly be marked by the delivery of our flagship project, the Beaugrenelle shopping centre, which is a true showcase of our teams' expertise.

Bernard Michel,
Chairman and CEO

GROUP PROFILE

1.1. KEY FIGURES

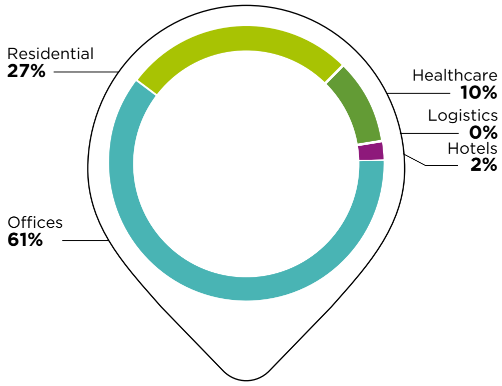
€ million	Change	2012	2011
Rental revenues	**–5.7%**	**596.1**	**632.5**
Economic division			
Offices	–5.2%	332.0	350.2
Logistics	–51.4%	12.6	26.0
Hotels	0.7%	19.8	19.6
Demographic division			
Residential	–10.7%	159.4	178.5
Healthcare	24.2%	72.3	58.2
Gross recurring income [1]	0.2%	310.9	310.4
Net recurring income [2]	0.2%	308.6	308.0
VALUE IN BLOCK OF PROPERTY HOLDING [4]	**–6.6%**	**11,015**	**11,792**
Economic division			
Offices	0.2%	6,660	6,644
Logistics	–97.7%	6	256
Hotels	–1.2%	271	274
Demographic division			
Residential	–17.9%	2,965	3,610
Healthcare	10.6%	1,108	1,002
Other [3]	–16.7%	5	6
Net yield on property holding (excluding transfer duties)	1.2%	5.71%	5.64%

Data per share *(€)*	Variation	2012	2011
Net recurring income	0.7%	5.08	5.05
Diluted block triple net NAV (EPRA) [5]	–1.1%	100.53	101.69
Net dividend	0.0%	4.4	4.4

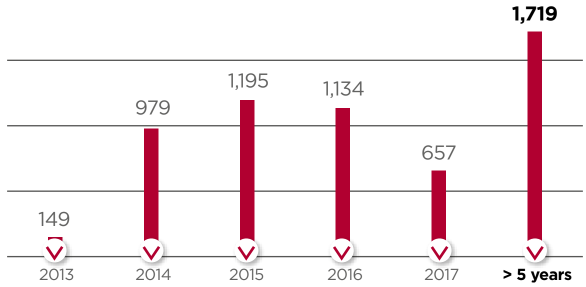
Number of shares	Variation	2012	2011
Number of shares comprising share capital as at Dec. 31	0.2%	62,777,135	62,650,448
Number of shares excluding treasury stock as at Dec. 31	–0.6%	60,667,910	61,028,972
Diluted number of shares excluding treasury stock as at Dec. 31	–0.9%	61,049,425	61,581,036
Average number of shares excluding treasury stock	–0.5%	60,739,297	61,032,886

(1) EBITDA less net financial expenses
(2) EBITDA less financial expenses and current tax.
(3) "Other" cover companies accounted for under the equity method with their related receivables.
(4) See note 2.3. Valuation of property holdings.
(5) See note 2.5. Triple Net Asset Value .

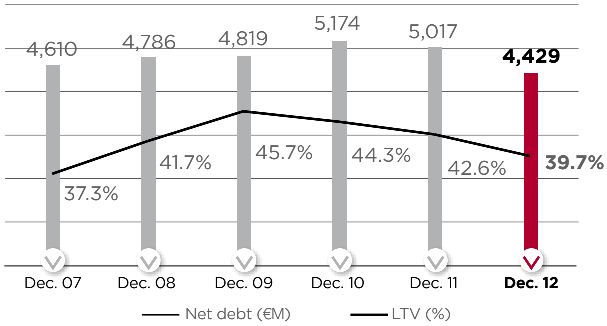
Property holding appraisal by business



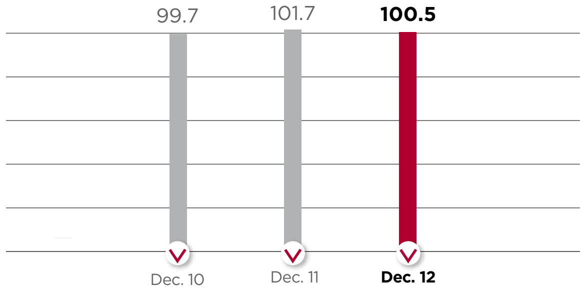
Schedule of authorized financing (including unused credit lines) *(€ million)*



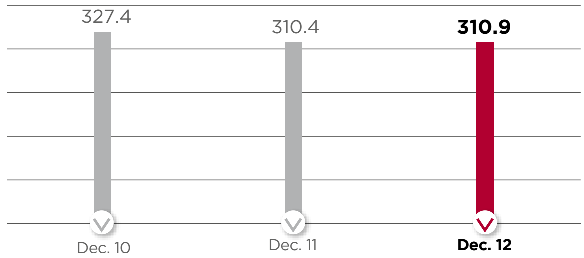
LTV ratio



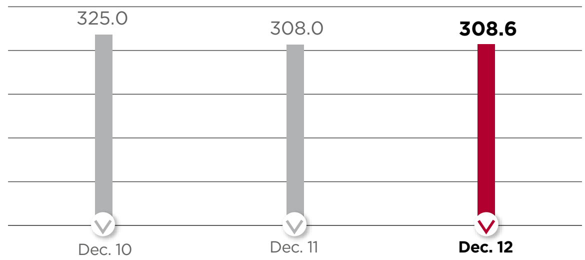
NAV per share, block *(€)*



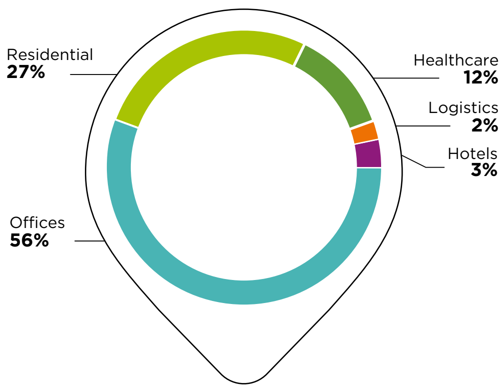
Gross recurring income *(€ million)*



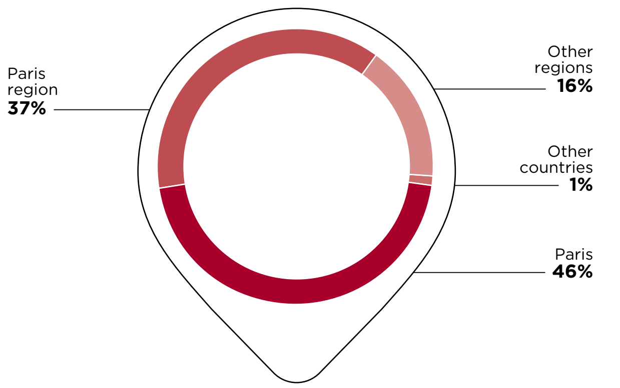
Net recurring income *(€ million)*



Breakdown of rental revenues by business



Geographic breakdown of rental revenues



1.2. PERFORMANCE INDICATORS

Rental income from offices and retail depends on the average rent levels, the occupancy rate, acquisitions or disposals of real estate assets, but also on criteria specific to this business, namely:

- as regards offices, changes in rents depend on office market conditions, on lease renewal negotiations carried on by the management teams and on automatic annual reviews on the basis of the French Cost of Construction Index (ICC) and the Tertiary Activities Rent Index (ILAT) for current leases. On expiration of the lease, since office rent is not subject to the cap rules applicable to retail leases, the Group's asset management teams negotiate with the tenant to set the renewal rent at the rental value;
- as regards retail, leases signed for several years contain automatic annual review clauses for rents based on the French Cost of Construction Index (ICC). For rents subject to renewal, the rules are more restrictive than those applicable to offices, in that these rents are in principle subject to the cap rule. What is more, leases may henceforth be subject to the new French Commercial Rent Index (ILC).

The change of rental income for housing units depends, among other things, on the rental market conditions and on how efficiently the Group manages the property holdings.

The principal factors affecting the amount of rents taken by the Group for its housing units are as follows:

- the rent per sqm. billed to tenants. Its change is principally a function of the reference indices for current leases (French Cost of Construction and Rent Reference Indices) and of conditions on the rental market for re-rentals. Rental market conditions are described further on in this chapter;
- the financial occupancy rate of buildings. The financial occupancy rate is the ratio between the rents billed for a given period and the rents the Group would receive if all of its property holdings were rented (vacant premises are computed at the rent paid by the departing tenant). The vacancy periods are determined day by day during the period of calculation. Buildings for which a disposal procedure has been initiated are not taken into account in the calculation of financial occupancy because, beginning at this stage, the Group stops putting the vacant units up for rent in order to be able to sell the wholly unoccupied units. The structural cap of the financial occupancy rate is less than 100% because of improvements performed during the periods of structural non-occupancy of housing units at times of tenant turnover (these periods being the minimum time necessary to complete the work needed to restore to previous condition or to renovate). The level of this cap depends on the efficiency of the rental and marketing management teams, the goal of the Group in the present market context being to keep the financial occupancy rate close to the structural cap;
- the financial occupancy rate is influenced by the turnover rate, defined for any given period as the number of housing units becoming vacant in the given period divided by the number of the Group's housing units brought forward, exclusive of buildings for which the transfer period has been initiated. Under present market conditions, a high turnover rate would be expressed in an increase in the total rent per sqm. so long as the rents billed by the Group are on average below the market rents for new leases (which has been the case for several years). In principle, unless the units are not re-rented within a short time, an increase in the turnover rate will result in a fall in the financial occupancy rate;
- acquisitions and disposals of real estate assets.

Four indicators are particularly sensitive for real estate companies:

- Net Recurring income (also known as net current cash flow) per share, which Gecina defines as the difference between EBITDA and net financial expenses and current income tax. This amount is based on the number of shares comprising share capital, excluding treasury shares;
- Diluted Net Asset Value (NAV) per share: Its calculation is defined by the European Public Real Estate Association (EPRA). Detailed in paragraph 2.5, this indicator comprises the company's revalued shareholders' equity, *i.e.* based on fair value of consolidated assets and liabilities, including balance sheet items not valued at fair value, such as the headquarters and most financial debt at fixed rate. This amount, known as the NAV, is calculated in relation to the company's number of shares excluding treasury shares, taking account of any diluting items stemming from the equity instruments to be issued when the issuance conditions are met;
- the yield: It is calculated on the basis of a potential rent over the block value of the property holdings duties included, where the potential rent corresponds to the following definition:

  Potential rent = annualized rent end of period + market rental value of vacant units ;
- the capitalization rate: It is calculated as the ratio of potential rents as described above to appraisal values excluding duties. Duties correspond mainly to transfer duties (notary expenses, registration taxes, etc.) applied to the asset sale or the company holding that asset.

1.3. KEY GECINA DATES

1959	Foundation of Groupement pour le Financement de la Construction (GFC).
1963	Listing of GFC on the Paris stock market.
1991	GFC absorbs GFII.
1997	GFC acquires Foncina.
1998	GFC absorbs UIF and acquires Foncière Vendôme. GFC becomes Gecina.
1999	Gecina absorbs Sefimeg (which holds Fourmi Immobilière founded in 1879) followed by Immobilière Batibail.
2002	Acquisition of Simco, a real estate company, which had previously acquired Compagnie Immobilière de La Plaine Monceau (founded in 1878) and Société des Immeubles de France (founded in 1879).
2003	Gecina adopts the status of a *Société d'Investissement Immobilier Cotée* (Listed Real Estate Investment Trust).
	Gecina absorbs Simco.
2005	After a public tender offer, Metrovacesa holds 68.54% of Gecina's share capital.
	Joaquín Rivero is appointed Chairman of Gecina at the Shareholders' General Meeting.
	First investments in new types of assets, hotel properties and logistics.
	"Building of the Year 2005" trophy, renovated buildings category, awarded at SIMI.
2006	Public tender offer on Sofco, which becomes Gecimed, and purchase of 28 clinics from Générale de Santé.
2007	Signing of a Separation Agreement among Metrovacesa shareholders.
	On completion of the first phase of this Separation Agreement, Metrovacesa holds only a 27% stake in Gecina, Mr. Rivero 16% and Mr. Soler 15%.
	Gecina launches its brand of premium logistics platforms: Gecilog.
	Merger by absorption of Société des Immeubles de France by Gecina.
2008	The "Building", former head office of "Le Figaro", receives the "Building of the Year 2008" trophy, renovated buildings category, awarded at SIMI.
	Gecina launches its Corporate Foundation.
	Gecina launches "Campuséa", its student residences brand.
2009	Labuire Park receives the urban development prize.
	Gecina launches a mandatory public offer on Gecimed and obtains 98.5% of the share capital.
	Definite waiving of the Separation Agreement.
	Gecina amends its system of governance, separates the positions of Chairman and Chief Executive Officer and in November appoints Christophe Clamageran as Chief Executive Officer.
2010	Bernard Michel is appointed Chairman to replace Joaquín Rivero.
	Gecina starts withdrawing from Spain by shutting down the local branch and selling its interests in Sanyres.
	Gecina acquires 25% of SCI Beaugrenelle, and raises its interests to 75%.
2011	The "Pierre d'Or 2011" is awarded to Christophe Clamageran in the investor category.
	Gecina combines the duties of Chairman and Chief Executive Officer and Bernard Michel is appointed Chairman and CEO in October.
	The Horizons building wins the SIMI Grand Prize in the "New building" category.
2012	Gecina wins the "SIIC Trophy" in the "Best transaction for the year" category for its financial restructuring.
	As part of its refocusing policy, Gecina disposed of its logistics assets.
2013	The "Pierre d'Or 2013" is awarded to Bernard Michel in the manager category.

1.4. GROUP STRUCTURE AND ORGANIZATION CHART

1.4.1. GROUP STRUCTURE AND ORGANIZATION CHART

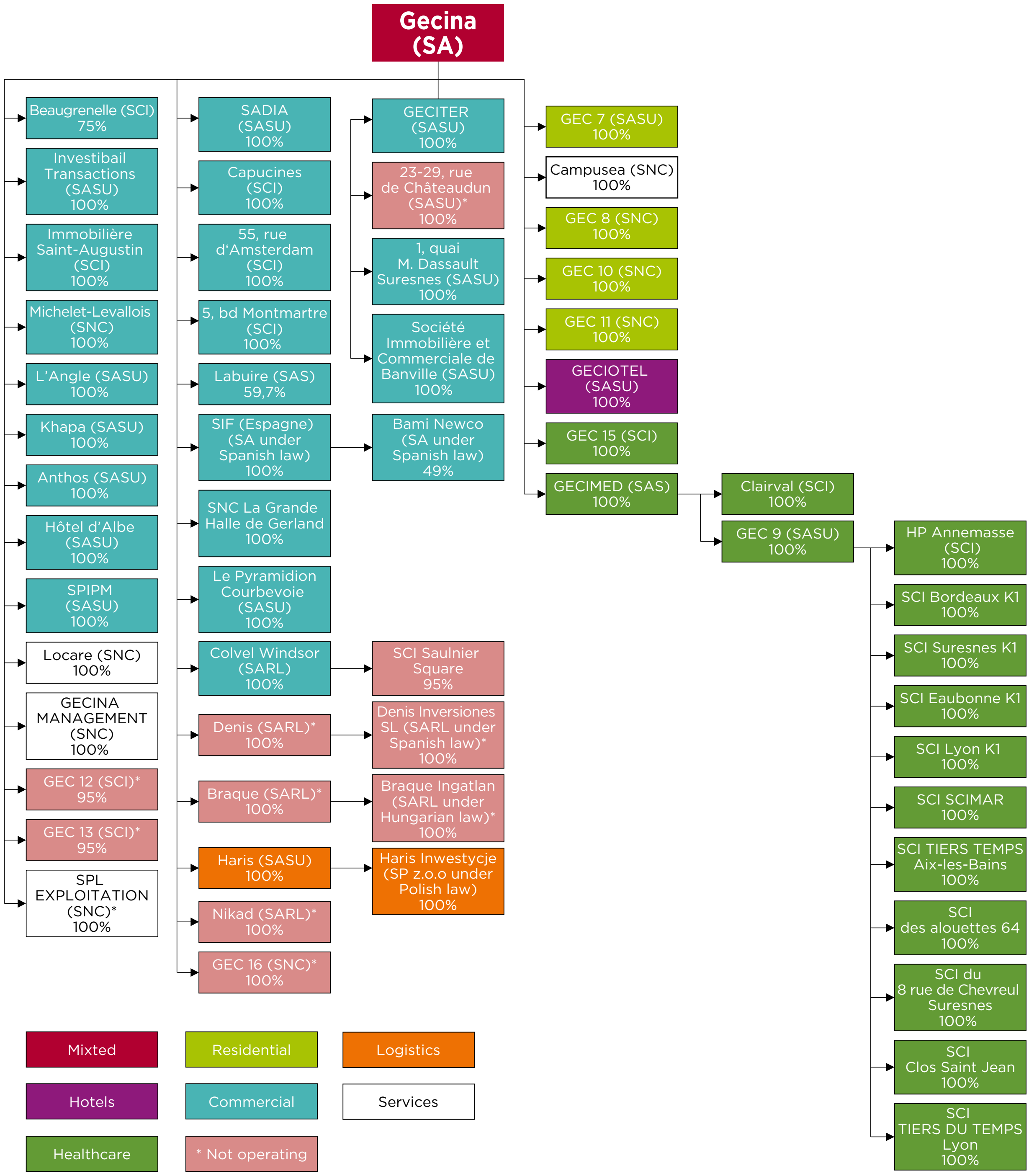
The Group operates its business in two divisions of the real estate sector: the economic sector, which comprises office property and hotel buildings, and the demographic division, which includes traditional residential property, student residences and healthcare real estate.

On December 31, 2012, the Gecina group consisted of 58 distinct legal entities including (i) 54 real estate companies with property holdings or real estate rights, and (ii) four service companies.

The main legal entities are based in France.

The organization chart below shows that most subsidiaries are wholly owned by the Group with the exception of:

- SCI Beaugrenelle, in which Gecina holds a 75% equity stake;
- SAS Labuire, in which Gecina holds a 59.7% equity stake;
- Spanish company Bami Newco, in which Gecina holds a 49% equity stake through its wholly-owned subsidiary SIF Espagne.


Gecina (SA)
Beaugrenelle (SCI) 75%
Investibail Transactions (SASU) 100%
Immobilière Saint-Augustin (SCI) 100%
Michelet-Levallois (SNC) 100%
L'Angle (SASU) 100%
Khapa (SASU) 100%
Anthos (SASU) 100%
Hôtel d'Albe (SASU) 100%
SPIPM (SASU) 100%
Locare (SNC) 100%
GECINA MANAGEMENT (SNC) 100%
GEC 12 (SCI)* 95%
GEC 13 (SCI)* 95%
SPL EXPLOITATION (SNC)* 100%
SADIA (SASU) 100%
Capucines (SCI) 100%
55, rue d'Amsterdam (SCI) 100%
5, bd Montmartre (SCI) 100%
Labuire (SAS) 59,7%
SIF (Espagne) (SA under Spanish law) 100%
SNC La Grande Halle de Gerland 100%
Le Pyramidion Courbevoie (SASU) 100%
Colvel Windsor (SARL) 100%
Denis (SARL)* 100%
Braque (SARL)* 100%
Haris (SASU) 100%
Nikad (SARL)* 100%
GEC 16 (SNC)* 100%
GECITER (SASU) 100%
23-29, rue de Châteaudun (SASU)* 100%
1, quai M. Dassault Suresnes (SASU) 100%
Société Immobilière et Commerciale de Banville (SASU) 100%
Bami Newco (SA under Spanish law) 49%
SCI Saulnier Square 95%
Denis Inversiones SL (SARL under Spanish law)* 100%
Braque Ingatlan (SARL under Hungarian law)* 100%
Haris Inwestycje (SP z.o.o under Polish law) 100%
GEC 7 (SASU) 100%
Campusea (SNC) 100%
GEC 8 (SNC) 100%
GEC 10 (SNC) 100%
GEC 11 (SNC) 100%
GECIOTEL (SASU) 100%
GEC 15 (SCI) 100%
GECIMED (SAS) 100%
Clairval (SCI) 100%
GEC 9 (SASU) 100%
HP Annemasse (SCI) 100%
SCI Bordeaux K1 100%
SCI Suresnes K1 100%
SCI Eaubonne K1 100%
SCI Lyon K1 100%
SCI SCIMAR 100%
SCI TIERS TEMPS Aix-les-Bains 100%
SCI des alouettes 64 100%
SCI du 8 rue de Chevreul Suresnes 100%
SCI Clos Saint Jean 100%
SCI TIERS DU TEMPS Lyon 100%
Mixted
Residential
Logistics
Hotels
Commercial
Services
Healthcare
* Not operating

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

On April 11, 2012, Gecina acquired the securities of MAP Invest 1 and MAP Invest 2, holders of SCI MAP Invest (now GEC 15), which fully owns four Homes for Elderly Dependent Persons and has two under a construction lease.

On July 19, 2012, Gecina acquired 90% of SARL Montbrossol, which owns an office building in Montrouge, raising its equity interest to 100%. As part of an initiative to streamline and simplify the structure, this company was merged with Gecina with effect from January 1, 2012.

On August 8, 2012, Gecina disposed of the GEC 4 Group, holder of the logistics division.

The companies GEC 12, GEC 13, GEC 16 and SPL Exploitation were created for future developments. SPL Exploitation is a service company that operates and manages car parks.

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

None.

1.5. BUSINESS AND MARKETS

1.5.1. ECONOMIC DIVISION

1.5.1.1. OFFICE SECTOR

Sources: 2012 reports published in 2013. BNP Paribas Real Estate, CBRE, Cushman & Wakefield, Immostat, IPD, Jones Lang LaSalle, Knight Frank, MBE Conseil.

Property holdings

At the end of 2012, the Offices sector manages a portfolio of 1,016,271 sqm., of which 860,414 sqm. in operation distributed (in value) as follows:

- 51.3% in the City of Paris ;
- 47.1% in the Paris Region ;
- 0.9% in Lyon ;
- 0.6% in Spain ;

Breakdown of assets by size:

- properties with a floor space of more than 10,000 sqm. representing 59% of the portfolio (versus 44% in 2004);
- 24% of the portfolio is comprised of properties between 5,000 and 10,000 sqm.
- properties with less than 5,000 sqm. account for only 17% of the property holdings, *versus* 29% in 2004.

Values of prime assets buoyed by a dynamic investment market

A total of €14.5 billion was invested in France in commercial real estate in 2012, *i.e.*, a limited decline of 4% compared with 2011, which had marked a peak since 2007. Volumes were particularly high in the 4th quarter with €5.4 billion invested (*i.e.*, 37% of the annual amount). The €14.5 billion corresponds to nearly €1 billion in offices and €3.2 billion invested in the commercial sector, and the rest primarily in industrial assets. €11.2 billion was invested in the Paris Region, which received 77% of all the amounts invested in France.

Like the trend observed in 2011, the market continued to be driven by large transactions, since 38 transactions worth more than €100 million were observed, accounting for 53% of total investments. The most liquid sectors were Paris, and especially the Central Business District (accounting for 49% of commitments in total) as well as the Western Paris business districts.

The most active investors were foreign institutional investors. They accounted for 87% of transactions above €200 million, with a high presence of sovereign funds. Meanwhile, open funds were generally sellers, especially in the drive to gradually liquidate their assets. Investors focused mostly on prime and secure assets, particularly with respect to location.

The dynamism of the investment market generated pressure on prime yield rates of around 25 base points at 4.25% in 2012. Conversely, there was only a slight increase in secondary assets yield rates.

Take-up remains buoyant with localized pressure on rents

After increasing by 14% in 2011, office property take-up fell slightly in 2012, *i.e.*, by 3% down to 2.4 million sqm. in a context of very sluggish economic growth. Under these circumstances, demand for office property remains primarily driven by the need to streamline property costs, by occupying buildings that are more efficient in terms of cost per workstation and combinations. At the same time, users continue to show preference for properties close to public transports and major roads, and which convey a modern and environment-conscious image of their company.

Transactions for properties larger than 5,000 sqm. represented 46% of take-up, and 60% of these transactions concerned pre-sales. Furthermore, the proportion of new, revamped and more efficient floor spaces accounted for 41% of take-up, a level greater than the historic average of 37%.

Meanwhile, the office property supply amounted to 3.6 million sqm. at year-end 2012, stable compared with the end 2011 level, reflecting the limited vacancy rate of 6.5% in the Paris Region. The vacancy rate continues to be particularly low in the Paris Central Business District (5.2%), and higher in the Western Crescent (10.8%) and in the First Rim (between 7.6% and 10.5%). Just as it was observed in 2011, the high percentage of pre-sales was not sufficient to absorb the existing stock. The quality of available office property stock continued to deteriorate, dropping from 23% of total supply in 2011 to 19% in 2012.

After a limited number of deliveries in 2012, in 2013, 462,200 sqm. of offices to be let will be delivered. These floor spaces are mostly located in the outskirts of Paris.

In this context, changes in rents followed mixed trends in 2012. In Paris, the values of prime assets appreciated by 3% over the period thanks to the scarcity of available buildings. However, during the fiscal year, rents fell 11% at La Défense and 7% in the Western Crescent. There were more assistance measures compared to 2011, increasing from 1.5 to 2 months per year of commitment on average to more than 2 months.

Outlook

In 2013, international funds should continue boosting the investment market, while Paris and the Paris Region present defensive characteristics such as liquidity and depth. Real estate companies may also become buyers, as liability problems seem to have waned. The main question lies in the growing gap between prime assets and secondary asset yields. In all, nearly €13 billion could be invested in commercial real estate in France in 2013, according to property consultants.

Concerning the rental market, the office property market will still be influenced by the macro-economic environment, and particularly the employment trend. According to property brokers, take-up in 2013 should range between 2 and 2.4 million sqm. Demand will probably continue to be primarily motivated by the search for savings by tenants, as well as business combinations. Indices should remain positive, as the French office rental index (ILAT) gradually replaces the French Cost of Construction Index (ICC).

Against this backdrop, Gecina should benefit in 2013 from its exposure to prime assets, especially in the Paris Central Business District, and will focus on optimizing the return on its property holdings.

In 2013, the Group will deliver the "Velum" building, located in the Buire mixed development zone, boulevard Vivier-Merle in Lyon's 3rd district (69), close to La Part-Dieu. This new building, HQE Construction (BBC label) with a useable floor area of 14,050 sqm. developed by architect Franck Hammoutène, will be delivered in March 2013 and has already been fully pre-leased to EDF.

1.5.2.2. HOTEL SECTOR

Property holdings

At year-end 2012, Gecina had four assets representing 90,307 sqm., all operated by Club Méditerranée. Three Club Med hotels are mountain villages (Val-d'Isère, La Plagne and Peisey-Vallandry) and the fourth is a village in the South of France (Opio). Since their acquisition in 2005, Gecina has financed extensive reconstruction and expansion works on these four assets as part of Club Méditerranée's successful strategy to upscale its holiday villages.

Outlook

At the end of 2012, the residual firm term of the Club Med leases was five years and nine months. The length of this period combined with a 100% occupancy rate on these property holdings ensures secure and long-term income for Gecina. The superb locations of these assets also contribute to the defensive aspect of their valuation.

Under Gecina's refocusing strategy, manifested in 2012 through the disposal of its logistics property holdings, the exposure to the hotel sector is not considered as a core business. These assets could therefore be sold off when the opportunity arises.

1.5.2. DEMOGRAPHIC DIVISION

1.5.2.1. RESIDENTIAL SECTOR

Sources: www.paris.notaires.fr (December 2012 report), INSEE, Guide du crédit, Clameur (2012 report).

Property holdings

Following a series of divestments, Gecina's residential portfolio is almost exclusively concentrated on Paris and the adjacent department of Hauts-de-Seine, markets where the decisive factors, especially in terms of scarcity of supply, appear very specific compared to the rest of the country.

Residential surface areas in operation are broken down (in value) as follows:

- 69.6% in the City of Paris;
- 26.3% in the Paris Region;
- 4.1% in other regions.

Resilience of prices in 2012, downward adjustment of volumes

Overall, residential property prices in Paris stayed flat in 2012, after climbing 14.7% in 2011. In fact, notaries observed prices of €8,400/sqm. at the end of October 2012, and according to the notaries' leading indicator, this price is likely to remain the same until the end of the fiscal year. Prices had settled at €8,390/sqm. at the end of 2011. Gecina successfully completed a unit-by-unit sales program worth €188 million in 2012 in this context.

Prices were kept high by both scarce supply and particularly favorable credit terms. For example, at the end of December 2012, credit rates for 15-year mortgage loans were 3.23%, significantly down compared to the 4.05% observed in December 2011.

However, the number of transactions dropped significantly, fuelled by the macro-economic downturn, uncertainties about new taxation laws and the decline in credit volumes. The sale volumes of old apartments in Paris plummeted by nearly 7% at the end of September 2012, the second and third quarters showing very clear declines of 22% and 19%.

Paris and, to a lesser extent, the First Rim, represent a market with genuine shortages and growing demand due to demographic changes, the interest of foreign investors, concern about pensions and uncertain financial markets. For example, the Paris population increased by 5% between 1999 and 2009, while the volume of real estate only grew by 1.8%.

The rental market is still on a positive trend

Rents stayed on a modest upward trend in 2012, generally lower than long-term trends. For example, in 2012 rents were up by 2.6% in Paris to €23.7/sqm. (excluding charges), *versus* an average growth of 3.6% during the 2000/2012 period. In the Paris Region, rents increased by 2.9% to €18.5/sqm. (excluding charges), in line with the 2000/2012 average. For the whole of France, the increase in rents in 2012 was limited to 1.2%, significantly lower than the 2000/2012 average of 2.7%.

The scarcity of the rental offering remains particularly significant in the City of Paris. It is particularly the result of the shortage of new constructions in this zone. This situation could not be corrected by the deliveries of new buildings covered by the Scellier tax-relief initiative introduced in 2009, as the initiative is not really relevant for city centers. In this context of limited supply, the gradual increase in the number of first-time homeowners resulted in a lower number of private properties available for rental. These market conditions are reflected in a high average financial occupancy rate of 97.7% for Gecina's residential property holdings in 2012.

Outlook

The scarcity of housing supply in Paris and in the First Rim should remain the structuring factor for this market in the medium term and will help to keep asset prices up. By 2013, transaction volumes could still be adversely affected by a difficult macro-economic context and less favorable conditions for buying investors (lower yields due to rent regulation, changes in the taxation of capital gains).

Rents should stabilize in Paris and in the First Rim, especially with the legislation voted in 2012 on rent regulation. However, Gecina's costs resulting from the frequent maintenance and improvement (insulation, etc.) of the communal areas of residential buildings and apartments in order to preserve the quality of assets could be partly passed on to new tenants. The tenant turnover rate in the Gecina portfolio should remain close to the 2012 level (13.7%). Lastly, the Group intends to pursue in 2013 its goal of selling off at least €200 million of residential property, primarily in units, a year.

1.5.2.3. STUDENT RESIDENCES SECTOR

Property holdings

At the end of 2012, Gecina was managing nine student residences, three in the Paris Region and six in other French regions, representing approximately 1,440 beds.

A market with insufficient capacity in large university cities

In the long term, we expect the student residences sector to be boosted by an increase in the number of students, while supply continues to be limited.

This is because France is one of the top five European countries with the largest student populations, *i.e.*, nearly 2.4 million students. We expect this number to rise given the increase in the length of university courses and the number of foreign students. According to the French Minister of Higher Education and Research, the number of students is likely to increase by 7% to more than 2.5 million by 2020.

Within this student population, more than 60% of students share apartments, and there is a shortage of suitable housing, especially in the Paris Region. For example, there are only 120,000 bed spaces in student residences, 165,500 in university residences and 40,000 to 50,000 in hotels and social housing. Students need to find accommodation in the traditional sector, often sharing with other students, sometimes in conditions of limited comfort, and at very high prices.

In 2012, Gecina reported progress in four major development projects. For example in Paris, Gecina obtained a building permit, clear of any third-party claim, to convert an office building that is part of its Paris property holdings into student residence in the 13th arrondissement of Paris. The building will contain 84 beds and will seek to obtain the low-energy BBC Renovation label and a PH&E certification (*Patrimoine, Habitat & Environnement*).

In addition, in Saint-Denis, the Group acquired a student residence under a pre-construction agreement, in the Carrefour Pleyel district. This residence will have 198 beds. The development seeks to obtain a BBC label and an H&E (*Habitat & Environnement*) certification.

Gecina also signed two purchase agreements promises for pre-construction sale projects in 2012. One is in Bordeaux, for a residence with 193 beds in the new Bassins-à-Flots district. This building seeks to obtain a BBC label and an H&E certification. The second is in Bagnolet, close to the Gallieni metro station, for a residence containing 183 beds and also aiming for a BBC label and H&E certification.

Outlook

Gecina's ambition is to raise its student residence portfolio to 5,000 beds by 2014, by targeting major French university cities. A total of five development projects are currently under promise or under construction in the Paris Region and in Bordeaux. The Group acquires or develops entirely new residences, or converts office buildings into residences, always to the highest sustainable development standards and all low-energy (BBC label) compliant and in the premium (high level of comfort, design, equipment and services) spirit of Campuséa, its dedicated subsidiary. This has enabled Gecina to assert its ranking as the No. 1 owner-operator in France.

1.5.2.4. LOCARE, GECINA'S MARKETING AGENT

Through its subsidiary Locare, Gecina is one of the only fully integrated French players in the residential property sector, which provides asset management, property management, facility management and transactions functions for its own property holdings and for third parties.

As such, Locare focuses on three key areas:

1. Rental of assets for Gecina group companies and for third parties;
2. Block and unit disposals of assets, for both residential as well as retail and hotel properties, for Gecina group companies and for third parties;
3. Asset management for Gecina companies and for third parties.

The asset sales activity, main Locare contributor (79% of revenues), totaled €7.9 million in 2012, *i.e.* an increase of 6.7% compared to 2011.

At the same time, the marketing segment posted 2012 revenues of €2.0 million, down from €3.1 million in 2011. This decline is a direct result of the reduction in Gecina's residential properties due to the asset disposal policy. At the same time, in a difficult macro-economic context, the tenant turnover rate fell from 14.7% in 2011 to 13.7% in 2012.

Outlook

Locare's activity should be supported by retail sales of residential property implemented by Gecina. The Group intends to pursue in 2013 its goal of selling at least €200 million of residential property, primarily in units, a year.

1.5.2.5. HEALTHCARE SECTOR

Property holdings

Through the intermediary of Gecimed, its subsidiary, Gecina owns the buildings of 75 facilities, clinics and Homes for Elderly Dependent Persons, with a total of over 8,500 beds.

In the medical/social sector (Homes for Elderly Dependent Persons), the number of beds increased from 207,000 in 2004 to 528,000 in 2011. Operators financed these additional capacities by outsourcing the buildings. However, the budget constraints weighing on public finances have considerably limited the construction of new facilities, and the Agences Régionales de Santé (ARS, or regional health agencies) have launched few new projects. This scarcity has an impact on the rising value of existing real estate assets.

In 2012, Gecina increased its exposure to this segment by acquiring from an investment fund, six Homes for Elderly Dependent Persons leased to Medica France. The partnership with this operator, the fourth largest operator in the nursing home sector in France, has therefore been strengthened. Prior to this transaction, Medica represented 4% of Gecina's annualized rents in healthcare real estate, a level that has been raised to 10% after this transaction. The medical/social sector therefore increased from 26.5% at the end of 2011 to 31.7% of the value of the healthcare real estate portfolio at the end of 2012.

In the healthcare sector (private clinics and hospitals), due to the pressure on prices and higher charges, operators have had to adapt their care structures and real estate strategies. This is because the per-service billing system (T2A) has led to shorter hospitalization periods and an increase in outpatient services. For example, MSO (Medical-Surgical-Obstetric) operators have positioned themselves downstream, offering daytime services in post-op and rehabilitation care.

At the same time, there are signs of streamlining with a concentration on the most efficient clinics, at the expense of old and unsuitable facilities such as in Annemasse, where Gecimed financed the construction of the Pays de Savoie private hospital, delivered in October 2012 to Générale de Santé and which is the result of a combination of two clinics.

The healthcare real estate market, which is a recent market segment, confirmed its structuring and its liquidity in 2012 through a committed investment volume of nearly €700 million in 2012. Transactions between investors represented the bulk of operations, and the proportion of portfolios outsourced by operators has fallen proportionally compared to 2011. The arrival of new investors such as BNPP REIM and VIVERIS REIM on this market must be noted.

Outlook

In future, the Group will focus on investment in medium and long-term stay facilities (Homes for Elderly Dependent Persons, psychiatric clinics and post-op care). Gecina will nevertheless take advantage of investment opportunities in the short-stay sector in new or refurbished facilities on its healthcare territories.

The Group could also sell off some selective assets, as part of its asset turnover policy.

1.6. RISKS

1.6.1. RISK FACTORS

1.6.1.1. RISKS RELATED TO CHANGES TO THE REAL ESTATE MARKET

1.6.1.1.1. Change in the real estate market

Gecina operates in various sectors of the real-estate market: offices, hotels (economic division) and residential, student residences and healthcare (demographic division). It should be noted that the bulk of the logistics portfolio was sold off in the second half of 2012.

Over and above the risk factors specific to each asset, the business is exposed to unforeseen factors and to specific risks and, in particular, the cyclical nature of the sector. Rents and real property prices are cyclical by nature. The cycles are long with variable durations. Real property prices follow the cycle in different ways and at different levels of intensity depending on location and type of asset. Fluctuations depend, in particular, on the balance between supply and demand, available investment alternatives (financial assets themselves are affected by interest rate levels) and the economic climate in general.

It is difficult to predict economic cycles and fluctuations in the real estate market. That is why Gecina might not always be able to carry out its investments or disposals at the precise moment when market conditions are optimal. The market context could also encourage or oblige Gecina to defer certain investments or disposals. A lease may also be due to expire during periods of market downturn and hence will not be able to cash in on the upside potential of an earlier rent assessment. All in all, a depressed real estate market could have a negative impact on the valuation of Gecina's portfolio, as well as on the income it generates.

Economic conditions such as the level of economic growth, interest rates, inflation and/or deflation, unemployment levels, the method used in calculating rent indexation and index levels are all subject to change and may adversely affect the real estate market in which Gecina operates.

A protracted economic crisis affecting sectors of the economy on which Gecina's tenants are active could have unfavorable and hard to quantify consequences on Gecina's rental income and margins. Such a crisis could reduce demand for real estate, lead to a decline or slowdown in the growth of the indexes on which Gecina pegs its rents, affect Gecina's capacity to increase or maintain rents and generally be detrimental to the occupancy rate of real estate assets and the ability of tenants to pay their rent. These factors are likely to have a negative impact on the Group's rental income, the portfolio value, renovation costs as well as investment and development policy. For further information on the sensitiveness of the main financial indicators, see Note 3.5.6.6 of the Notes to the Consolidated Financial Statements.

1.6.1.1.2. Gecina's exposure to specific risks related to its office real estate business

Office real estate accounts for 55.7% of rental income and 60.5% of the value of the Group's property holdings. In its office real estate business, the Group is confronted with specific risks that can adversely affect the appraised value of the Group's property holdings, its earnings, its business in general and its financial position. These risks derive from the fact that:

- the office real estate business is more sensitive to the economic environment in France and the Paris Region than is the residential or healthcare real estate business;
- the regulations for office leases, while less strict than those for residential leases, are still very restrictive for the lessor;
- new regulations arising, in particular, from the "Grenelle 2" Act have modified energy consumption considerations (see chapter 7 "CSR responsability and performances");
- work undertaken to restore vacant premises to their former condition before they are re-rented is often more extensive for office real estate than for residential real estate; and
- the risks attendant on tenant insolvency and their impact on the Group's earnings are greater for office real estate owing to the relative importance of each tenant.

1.6.1.1.3. Competition

Gecina is present on five segments of the real estate market (offices, traditional residential, student residences, healthcare and hotels), where it faces competition both in the rental and investment business for each segment.

It is therefore in competition with numerous international, national and local players, some of whom have significantly larger financial resources, property holdings and acquisition and asset management capacities. These players may be in a position to acquire or develop real estate assets on terms, such as price, that do not meet the investment criteria or the objectives Gecina has set for itself.

Among European real estate investment and management companies, Gecina carried a weight of 3.1% of the IEIF Immobilier Europe index at the end of December 2012, behind respectively Unibail-Rodamco (16.0%), Land Securities (12.5%), British Land (9.94%), Hammerson (7.2%), Corio (5.6%), Klépierre (5%), Capital Shopping Centers (4.4%), Derwent London (3.8%) and Segro (3.8%).

With block property holdings of €11 billion as at December 31, 2012, Gecina is the third largest real estate company in France after Unibail-Rodamco and Klépierre.

This competition is especially active in the acquisition of available land and properties. Moreover, even if Gecina considers that its positioning gives it a competitive advantage, in some of its businesses, it may have to deal with competitors with larger market shares. If Gecina is unable to pursue its investment and buying/selling policies and to maintain or strengthen its rental income and margins, its strategies, business activities in general and earnings could be negatively affected.

1.6.1.2. OPERATIONAL RISKS

1.6.1.2.1. Asset valuation risks

Gecina has opted for the valuation of investment properties at fair value.

Gecina's property portfolio is valued on June 30 and December 31 each year by a board of independent appraisers. The procedure applied by Gecina for the last appraisal of its real estate properties on December 31, 2012 is described in paragraph 2.3 of chapter 2 "Valuation of property holdings", and in Note 3.5.3.1 of the accounting principles.

The change in fair value of buildings over a six-month or one-year period is recorded in the Group's consolidated net earnings. It could also have an impact on Gecina's cost of debt, compliance with its financial ratios and its borrowing capacity, since these factors depend, in particular, on Gecina's debt ratio in relation to the value of its real estate assets.

For the first-time valuation of an asset, the real estate appraisers draft a detailed appraisal report, then an update of the following half years. The valuations adopted by the independent appraisers are based on several assumptions, specifically occupancy rate and future rent levels; such assumptions may not be fulfilled and they furthermore depend on developments in the different markets on which Gecina operates. In this case, the valuation of the Group's property holding may turn out to be different from its actual realizable value if the assets are to be sold.

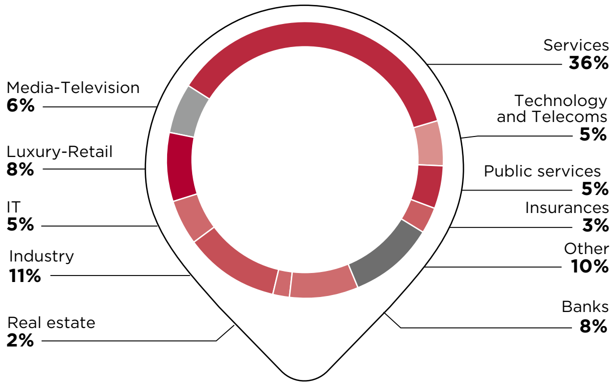
1.6.1.2.2. Risks linked to acquisitions through pre-construction sale agreements (VEFA)

Launching a real estate project on the basis of pre-construction sales often entails starting the development before marketing. If the developer is unable to find users shortly after construction begins, this type of development can generate costs for Gecina (such as the financing of works or financial expenses) that can significantly impact the profitability of said developments and more generally Gecina's financial position. The Group strives to prevent this type of risk by signing pre-construction leases (BEFA) (see Note 3.5.4.1 of the Notes to the consolidated financial statements).

1.6.1.2.3. Risk of tenant insolvency

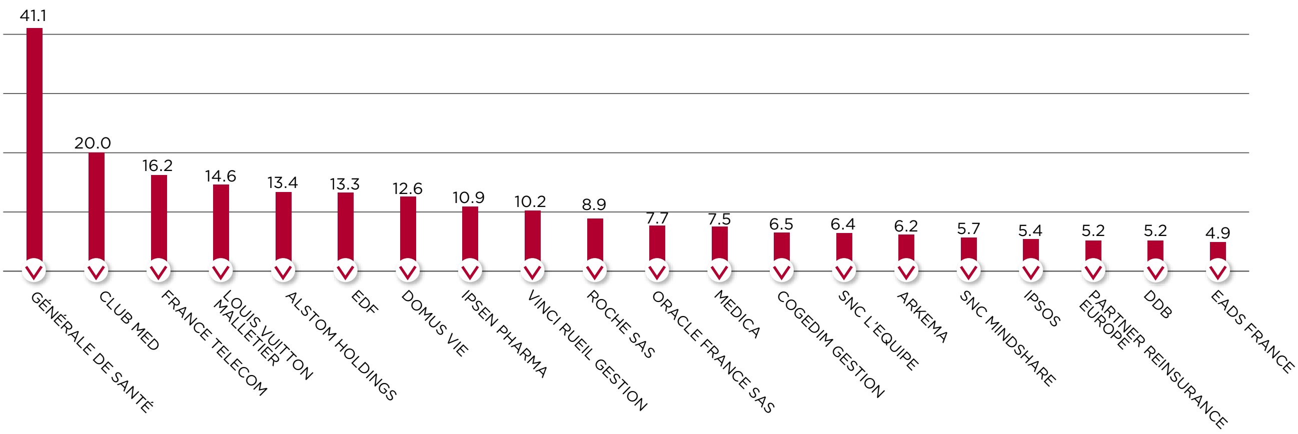
Rental income comes from rent collected and may therefore be considerably affected by the insolvency or departure of tenants that account for a large proportion of rent collected. Depending on the change in the economic environment, any financial difficulties of tenants, in particular in the office and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

Breakdown of office tenants by sector



As at December 31, 2012, the Group's dependence on its main customers was as follows:

Rent from main tenants *(€ million)*



Gecina's top 20 tenants in 2012 accounted for 37% of rental income of the entire Group.

1.6.1.2.4. Gecina is exposed to a drop in the financial occupancy rate of its buildings, primarily in its office buildings

The financial occupancy rate of the Group's buildings was 93.4% as at December 31, 2012. When the current leases expire, Gecina may be unable to renew or lease the assets concerned as rapidly as it expects and with terms as favorable as those of the current leases.

The vacancy of some premises could have a negative impact on Group results for several reasons. First, the absence of rent combined with an increase in operating expenses borne by the Group, resulting from the fact that Gecina cannot recharge part of the overheads relating to the vacant premises, together with rehabilitation expenses before the property is put back on the market. Should Gecina be unable to attract enough tenants to rent its offices and maintain a satisfactory financial occupancy rate and rental income, this could adversely affect its revenues, operating income, profitability and valuation of its property holdings.

Rents volume by three-year lease terms

€ million	2013	2014	2015	2016	2017	2018	2019	> 2020
Offices [(1)]	49	45	108	40	30	22	7	23
Hotels	0	0	0	0	15	0	0	5
Healthcare	0	0	0	3	0	10	19	41
Total	49	45	108	43	45	32	26	69

(1) Outstanding maturities in the first half of 2013 carried forward to the next maturity date.

Rents volume by lease agreements expiry schedule

€ million	2013	2014	2015	2016	2017	2018	2019	> 2020
Offices	18	20	38	39	41	67	25	77
Hotels	0	0	0	0	15	0	0	5
Healthcare	0	0	0	3	0	10	8	53
Total	18	20	38	42	56	77	33	134

1.6.1.2.5. Acquisition risks

Gecina is planning to acquire commercial, healthcare and student residential real estate assets. The acquisition strategy for real estate assets or for the companies that own these assets involves several risks likely to impact the Group's business, earnings or financial position:

- Gecina could over-estimate the expected yield or the potential for the assets to increase in value. It could therefore buy them at an overly high price or be unable to buy them on satisfactory terms, in particular in the case of acquisitions made through a bidding process or in times of volatility or high economic uncertainty; especially, Gecina could underestimate the cost of works for its projects under development due to possible overruns that periodic monitoring of construction costs would not have anticipated;
- if an acquisition is to be financed by the sale of other assets, unfavorable market conditions or long delays could set back or compromise Gecina's capacity to conclude the planned acquisition;
- the assets acquired could have hidden defects (*e.g.* environmental, technical or town planning non-compliances, subletting, etc.);
- should Gecina be obliged to resort to external financing as a result of growth through acquisitions, it cannot guarantee that it will have the financing required or would receive financing under acceptable financial terms;
- with respect to company acquisitions, Gecina may encounter difficulties when integrating staff or processes, which could temporarily reduce the synergies expected.

Acquisition projects are first reviewed by the Investment and Transaction Committee, then by the Strategic Committee, and lastly by the Board of Directors depending on the size of the investments. The review is aimed at assessing the potential risks linked to an acquisition and primarily at mitigating these risks.

1.6.1.2.6. Obsolescence risks

The risk of property obsolescence is inherent in increasingly stringent regulations stemming from changing laws, new professional standards, industry-validated practices or higher or differentiated requirements from its clients. Quality labels or certifications may also issue guidelines for certain activities or impose additional technical goals requested by the Group's clientss. This applies, for example, to the general demand by players for environmental certifications such as HQE®, BBC, LEED, BREEAM, on the majority of new or restructured commercial buildings or Patrimoine Habitat & Environnement on the residential property holding.

The location or configuration of the company's assets might no longer meet market expectations due to unexpected developments in tenant expectations, or insufficient or inappropriate maintenance of its property holdings. Failure by the company's buildings to meet client demands could negatively impact Gecina's revenues, operating costs and the value of its assets.

1.6.1.2.7. Risks linked to sub-contracting

The Group makes use of external service providers and is therefore exposed to the risk of the poor performance of their obligations and the risk of their insolvency.

In its rental business, the Group uses certain external service providers and suppliers, in particular, for its construction/reconstruction works, elevator maintenance, cleaning of the communal areas of buildings, or for restoration, renovation, or refacing work.

The discontinuance of business or the insolvency of certain external service providers and suppliers or the poor performance of their obligations could result in a decline in the quality of the services provided by the Group and an increase in corresponding costs.

Likewise, the insolvency of external service providers and suppliers could affect the implementation of the guarantees from which the Group benefits. In particular, in renovation projects, the Group could find itself unable to obtain compensation for damage incurred on this account. Poor performance on the part of the Group's external suppliers, or their insolvency could have a significant unfavorable effect on the Group's business, earnings, and on its reputation.

The Group makes sure that its suppliers and subcontractors act in accordance with applicable labor laws and regulations, and especially those pertaining to undocumented work. The internal reporting standards for applicable procedures can be used to check and assess the certifications transmitted by the Group's suppliers and subcontractors.

1.6.1.2.8. Risks related to the failure to obtain administrative permits and possible remedies against permits issued

Investments made by Gecina for its real estate activities may be subject to administrative permits prior to the execution of work, performance of services or the commissioning of facilities. These permits may be issued with delays or even be refused at the end of a review period by the administrative authorities; that is not always within Gecina's control. After they are issued, these administrative permits may be reviewed, withdrawn or lapse. The process for obtaining administrative permits may encounter delays, extra costs or even be abandoned, thus having significant negative impacts on Gecina's business and earnings.

1.6.1.2.9. Risks related to insurance costs and lack of coverage for certain risks

Currently, the cost of insurance premiums paid by Gecina for its compulsory and optional insurance coverage accounts for a limited portion of its operating costs. All the Group's assets are covered by insurance policies.

However, the cost of these policies may increase in the future, and it is possible that Gecina will not be able to maintain the appropriate insurance cover at an acceptable cost. This would have a materially adverse impact on Gecina's financial position and earnings. Moreover, some types of risks to which Gecina is exposed may no longer be covered by insurance companies. Lastly, Gecina may be faced with the risk of the bankruptcy of one of its insurers, who, if so, may be unable to pay any compensation due.

1.6.1.3. LEGAL AND TAX RISKS

It is incumbent upon the Group to comply with numerous general or specific regulations that govern, among others, regulations for real estate rental or transactions activities, urban planning, operating permits, construction, public health, the environment, and safety. To reduce the risks linked to mandatory compliance with these obligations and the impact that amendments to the applicable regulations could have on operational earnings or on the Group's outlook for development and growth, the Group consistently sets its goals above what the regulations require.

1.6.1.3.1. Risks linked to changes in regulations

As a company operating on property markets, Gecina must comply with many restrictive regulations, in particular, concerning real property rental or transactions, the construction, maintenance and renovation of buildings, health, safety, environment, development and town planning. Changes in the nature, interpretation or enforcement of these regulations could compromise some of the practices adopted by Gecina in managing its property holdings, restrict its capacity to sell its assets or implement investment and renovation programs. Such changes could increase Gecina's costs for operating, maintaining and renovating its property holding and adversely affect the valuation of its property holdings.

1.6.1.3.2. Risks linked to changes in lease regulations.

Demographic division

With respect to residential leases, the annual rent revision is regulated and, for a current lease, it may not exceed the annual change in the Rent Reference Index. So long as the annual turnover rate of the Group's operating residential properties is low, rent increases for most residential leases concluded by the Group and consequently the Group's residential rentals will follow the change in the Rent Reference Index. In this respect, it is worth noting that decree No. 2012-894 of July 20, 2012, which became effective on August 1, 2012, stipulates that rent for premises primarily used as housing or for mixed purposes with leases governed by the provisions of the law of July 6, 1989, which are re-rented or renewed within 12 months of the effective date of the said decree, cannot exceed the last rent paid by the previous tenant adjusted in accordance with the Rent Reference Index variance. There are, however, exceptions to this capping principle, set out in the following cases: i) upgrades to the communal or private areas representing at least half of the last rental year, ii) clearly undervalued rent, iii) the existence in the lease of a contractual clause stemming from an increase in rent consecutive to the payment by the lessor of upgrade works, iv) conclusion of a collective agreement with tenant associations.

Furthermore, it must be noted that Article 17-a section 2 of the 1989 law allows lessors to freely determine their rent if the vacant unit has been upgraded to comply with standards.

Economic division

With respect to commercial leases, the three-year revision of rents is a matter of public policy. The resulting increase in rent, calculated to reflect changes in the quarterly Cost of Construction Index published by INSEE (ICC), must not exceed the rental value, barring modification in local commercial factors.

However, most leases include an automatic annual rent indexing clause (escalator clause) which provides an exemption from the three-year revision mechanism. Until recently, this indexing was systematically calculated for commercial and healthcare facilities rent as a function of the change in the quarterly Cost of Construction Index (ICC). According to the law, if, due to the effect of the escalator clause, rents increase by more than 25% over the last rent fixed by contract, the tenant (or the owner) can ask for the rent to be pegged on the rental value.

Given the erratic trend of the cost of construction index, new indices for commercial rent indexes (ILC) and tertiary activities rent index (ILAT) were created by the law. These indices are not automatically applicable; their application is discretionary and must be the subject of a contractual agreement with the lessees. These indices are composites (The ILC comprises consumer prices, the cost of construction index and the retail trade revenue index, while the ILAT also includes the consumer price index and the construction cost index as well as the GDP index in value).

Furthermore, contractual requirements related to the duration, cancellation or renewal of leases or the calculation of compensation due to evicted tenants are mostly justified under public policy and restrict Gecina's freedom to optimize its management of yields from its rental income.

This means that if the rental market were to be characterized by high demand for premises in the commercial sector (which is currently not the case), the Group would not be free to raise the rents of ongoing leases and could therefore not set the market rental value outside the foregoing revision rules. Similarly and in certain cases, pegging the renewal rent on the rental value is regulated and may be limited for certain types of leases (retail mostly), by cap rules.

Lastly, with respect to rebilling expenses, there is a risk of tenants challenging new levies or new taxes or new compliance obligations created during the lease.

1.6.1.3.3. Risks related to changes in some tax systems

Risks linked to constraints stemming from the SIIC tax regime

Gecina is subject to the tax system for French listed real estate investment trusts (hereinafter "SIIC") as provided for in Article 208 C of the French General Tax Code, which allows it to benefit from a corporate tax exemption on the portion of its profits generated from the rental of its buildings as well as from capital gains from disposals of properties or equity interests in real estate companies, and dividend payments from certain subsidiaries.

Despite the benefits of the SIIC regime, it entails a certain number of risks for Gecina and its shareholders, which are described in this section.

The benefit from the tax exemptions under the SIIC regime is contingent on compliance with the mandatory distribution of a significant percentage of Gecina's profits. The obligation to distribute could limit the resources available for financing new investments and oblige the Group to take on more debt or turn to the market to finance its development.

Gecina's business activities will be limited by the constraints of the SIIC regime

Under the SIIC regime, Gecina is not subject to an exclusive corporate purpose. It may, however, engage in activities incidental to its main corporate purpose (for example property trading, marketing and development) on the condition that the value of the assets used for and directly involved in the exercise of said business does not exceed 20% of the gross value of Gecina's assets. In case of the contrary, the benefit of the SIIC regime could be revoked. In any event, the profits accruing from incidental business are subject to corporate income tax based on the ordinary tax rate.

The 20% withholding tax due by the company under the Amended Finance Act for 2006, and applicable to distributions by SIICs to a shareholder being a legal entity (not an individual) paying little or no tax that holds at least 10% of the capital ("Deduction Shareholder") could affect Gecina insofar as this withholding tax must be paid back to Gecina by the Deduction Shareholder, although in practice this repayment is done by way of an offset with the dividend payable to such Deduction Shareholder. Nevertheless, Gecina's bylaws specify that this withholding tax is due by the Deduction Shareholder.

Gecina is subject to the risk of future amendments to the SIIC regime

The criteria of eligibility to the SIIC regime and the tax exemption conditions associated with this regime and the scope of the withholding tax may be amended by the legislator or on the strength of interpretations of the tax authorities. As an example, the amended Finance Act for 2006, the Finance Act for 2007, the amended Finance Acts for 2008, 2010, 2011 and 2012 brought certain changes to the regime, especially the aforementioned provisions concerning a holding of 60% or more of the capital or voting rights by one or several shareholders (except for the SIICs themselves) acting in concert, or to the 20% withholding tax, the exit tax rate which increased from 16.5% to 19% as at January 1, 2009, the extension of the regime to include certain property rights, sanctions in the case of definitive withdrawal from the SIIC regime and the SIIC III regime which ended on December 31, 2011, and the introduction in 2012 of an additional contribution to the corporate tax equal to 3% of the amount of distributed revenues set aside for payment on or after August 17, 2012. However, pursuant to the amended 3rd Finance Act for 2012, the distributions which the SIICs are required to make are exempted from this contribution if they are paid between January 1 and December 31, 2013. These successive amendments could leave room for interpretation by the tax authorities through investigations and advance rulings, the details of which are not known at the time of writing of this document. Furthermore, future amendments to the SIIC regime could have a materially adverse effect on the Group's business, financial position and earnings.

Tax environment

Gecina is exposed to risks related to changes in applicable tax rules, their interpretations and new taxes, duties and fees such as the "territorial economic levy" (*Contribution Économique Territoriale* – CET). Even if Gecina can sometimes pass on part of the corresponding costs to third parties, such changes could have an adverse effect on the Group's financial position and earnings.

Furthermore, the complexity, formalism and constant change typical of the tax environment of Gecina's business generates a risk of errors in complying with tax rules. Although Gecina takes all necessary steps to avoid them, it may be faced with proposed adjusted tax assessments and disputes. Any adjusted tax assessment or dispute could have adverse effects on Gecina's financial position and earnings.

1.6.1.4. INDUSTRIAL AND ENVIRONMENTAL RISKS

In every business sector in which it operates, Gecina must comply with laws on environmental protection, public health and personal safety in areas as varied as the use of hazardous materials (such as asbestos or lead), sanitary risks, performance of technical audits on termites, lead, energy efficiency and natural and technological hazards, fire risks, explosions, falls, accidents, leaks and floods (see paragraph 1.6.3.1.1. on "Real estate risk mapping").

The identified risk groups may have a range of diverse consequences:

- the presence of health risks or problems of pollution (in particular soils and subsoils) may generate significant costs and delays due mainly to the search and removal of toxic substances and materials during investment projects or building renovation;
- Gecina could be held liable under civil or criminal law for any environmental accident, infringements of safety rules and, more broadly, failure to comply with these legal and regulatory obligations. Any such incident would tarnish the Group's reputation.

1.6.1.5. FINANCIAL RISKS

1.6.1.5.1. Market risks

Gecina's market risks primarily cover the following:

- financial market risk: holding financial assets for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares;
- interest rate risk: the Group primarily borrows at variable rates and is subject to the risk that interest rates may increase with time;
- exchange rate risk: the Group is only very marginally exposed to an exchange rate risk on its two subsidiaries in the Logistics sector in Poland and Hungary.

Market risk management is described in Note 3.5.4.1 in the notes to the Consolidated financial statements.

1.6.1.5.2. Liquidity risks

Gecina finances its activities and investments through its capacity to harness financial resources, in particular in the form of bank loans and bonds. In certain cases (such as the disruption of debt markets, occurrence of events that affect the real estate sector, a credit crunch among banks or downgrading of Gecina's credit rating), the Group may find it difficult to raise funds or may have to borrow on less favorable terms.

Furthermore, the Group's principal loans are subject to contractual provisions requiring compliance with certain financial ratios or in the case of a change in control that impact the interest terms and early repayment clauses. Consequently, any failure to meet its financial commitments may have an adverse impact on Gecina's financial position, its earnings and the continuation of its development.

Liquidity risk management is described in Note 3.5.4.4 in the notes to the Consolidated financial statements.

1.6.1.5.3. Counterparty risks

Gecina uses derivative instruments principally to hedge interest rate risk associated with its financial operations. The default of a counterparty may result in late payments or defaults, which would have an impact on Gecina's results. Counterparty risk management is described in Note 3.5.4 in the notes to the Consolidated financial statements.

Counterparty risk also concerns the insolvency risk of tenants as mentioned in paragraph 1.6.1.2.3. above.

1.6.1.5.4. Risks linked to certain transactions in Spain

Up until 2009, Gecina, chaired by Mr. Joaquín Rivero, made a certain number of acquisitions in the Spanish real estate sector, including SIF Espagne's acquisition of a 49% stake in Bami Newco in 2009, and also made certain commitments, notably granting certain guarantees relating to these acquisitions, as referred in Notes 1.62, 3.5.5.13 and 3.5.8.3 to the consolidated financial statements.

These acquisitions and some of these commitments have been subject to depreciation and provisions in accordance with the regulations in force. Moreover, some of these guarantees were granted outside of the framework defined by Gecina's internal control arrangements and despite the specific measures put in place (see Section 5.2.5).

Gecina cannot entirely rule out the possibility of non-compliance with its internal control and risk management arrangements or the deterioration in Spain's economic environment resulting in additional financial, legal, tax or regulatory risks that have not been identified to date. If such risks were to occur, they could have an impact on the Group's financial position, earnings or reputation.

1.6.2. DISPUTES

Each of the known legal disputes, in which Gecina or the Group's companies are involved, was reviewed at the close of the accounts and the provisions deemed necessary have, where called for, been created to cover the estimated risks (see also Note 3.5.5.12. in the Notes to the Consolidated financial statements).

The *Association de Défense des Actionnaires Minoritaires* (minority shareholders association), the Gecina Works Council and a former Gecina director lodged a complaint in 2009 with the Dean of examining magistrates. The complaint pertains to certain transactions that may concern the former Chairman of Gecina's Board of Directors, Joaquín Rivero, who resigned as Chairman at the Board Meeting of February 16, 2010 and was replaced by Bernard Michel.

A judicial inquiry, led by Mr. Van Ruymbeke, an examining magistrate in Paris, has been opened following this complaint. The company is fully assisting the investigations and joined the proceedings as a civil party in 2010 to safeguard its interests.

To date, the company cannot assess any risks, in particular, regulatory, legal or financial risks, arising from the ongoing investigations. In particular, it cannot exclude the possibility that it may be joined as a party in the future, together with the company's officers and representatives.

On July 16, 2012, the company was informed by Banco de Valencia of the existence and recording in its ledgers of four promissory notes, issued in 2007 and in 2009, for a total amount of €140 million, three of which are in the name of "Gecina S.A. Succursal en Espana" and one in the name of Gecina S.A., in favor of a Spanish company known as Arlette Dome SL and which was allegedly transmitted to Banco de Valencia as collateral for loans granted by the latter.

Arlette Dome SL is a shareholder of the company.

After verifications, the company realized that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome SL which could have justified such an issuance. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the latter were confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities.

A ruling of September 10, 2012 ordered Bami Newco to refund €2.7 million (which corresponds to the residual amount of an advance granted by the Gecina group) plus legal interests to SIF Espagne. Bami Newco has appealed this decision. On January 18, 2013, the Madrid Appeal Court handed down a ruling that confirmed the sentence of September 10, 2012.

The Spanish company Bamolo, to which Gecina granted in 2007 a €59 million loan, which matured in October 2010, filed for bankruptcy in 2011. Gecina has reported this loan refund receivable as a loss, under the Spanish proceedings. The proceedings are ongoing in Spain.

In 2012, the company was informed of the existence of a guarantee granted by SIF Espagne, represented by Joaquín Rivero, on January 14, 2010, for the reimbursement by Bami Newco of a credit contracted on the same day, through a renewal, from Caja Castilla la Mancha, for an amount of €9 million in principal, with the company Inmopark 92 Alicante, also shareholder of Bami Newco and controlled by Joaquín Rivero. Following the summons of Caja Castilla la Mancha, SIF Espagne and Inmopark 92 Alicante (as the guarantors) were each sentenced to pay 50% of the principal in addition to the interests to Caja Castilla la Mancha; SIF Espagne has paid €5.2 million, and is demanding the reimbursement of this sum from Bami Newco.

A joint bond of €5 million involving SIF Espagne was granted to FCC Construccion for the development by Bami Newco of a corporate office in Madrid. In Spain, FCC Construccion went to court to demand the payment of this €5 million bond. On January 22, 2013, the court sentenced Bami Newco and its guarantors, including SIF Espagne, to pay the sum of €1 million to FCC Construccion. These €5 million are fully covered by provisions given the possibility of appeal proceedings (see Note 3.5.5.13).

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

1.6.3. RISK MANAGEMENT

Gecina's risk management control structure is intended to:

- create and protect the company's value, assets and reputation;
- secure decision-making and the company's procedures to ensure that it meets its targets;
- ensure that the company's actions are in line with its values;
- galvanize employees around a shared vision of the main risks.

Risk identification, analysis and management systems are implemented by the "Risks" department with respect to risks linked to the safety and environment of properties, and by Internal Audit with respect to general risks. The treatment of risks falls under the responsibility of the Group's various Group Committees, depending on the nature of the risks. Risk management will be strengthened in 2013 by setting up a Risks & Compliance function within the Internal Audit Department.

1.6.3.1. MANAGEMENT OF REAL ESTATE RISKS

The inventory of risks associated with building safety and environment is regularly reviewed by the Risk Department and validated by the Executive Committee.

Such risks are assessed based on a set of control standards defined for each area of risk, with indicators measuring the level of efficiency for the various buildings in relation to these reporting standards.

For certain subjects that are deemed to be more important or linked to regulatory requirements, preference has been given to an external assessment of compliance (asbestos, soil contamination, fire, floods, etc.).

Each evaluation results in the introduction of action plans based on objectives to be achieved.

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

1.6.3.1.1. Real estate risk mapping

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

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

The mapping now covers 18 areas of risk, hazard or factors relevant to environmental protection. Fire hazard was added in 2012.

Categories	Areas
Health protection	"Asbestos risk" "Management of cooling towers and risks of legionnaire's disease" "Management of risks associated with cell phone towers" "Management of risk from lead in cladding"
Control of customer safety and comfort	"General safety" "Passenger and freight elevators" "Fire safety" "Flood risk management" "Safety related to technical equipment "Management of natural risks" "management of industrial risks"
Environmental protection	"Management of regulated facilities for environmental protection (ICPEs)" "Water management" "Energy management of real estate assets" "termites and xylophagous organism risk" "management of subsoil contamination risk"
Protection of Gecina employees	"Prevention of occupational risks"
Responsibilities in leases and supplier contracts	"Management of operational risks concerning liabilities" in leases and supplier contracts

Underlying principles

The purpose of this approach is to:

- identify the real-estate risks to which Gecina is exposed;
- characterize these risks in order to prioritize them;
- establish best practices reporting standards for each identified risk;
- define and implement action plans for controlling risks.

This procedure is managed by the Architecture and Construction Department.

The Gecina group has been using the services of the Provexi company since 2006. Provexi provides Gecina with a secure web platform, where data linked to the risks for its assets in the 18 mapped areas is centralized, structured and harmonized. All the audits required by regulation and those stemming from Gecina's policy (flood, fire, general safety, etc.) are integrated and controlled on this platform.

Dynamic scorecards are used to constantly monitor the compliance of buildings with regulations and Gecina's policy and to control the actions to be taken to improve risk management and enhance the efficiency of assets.

Since 2011, in collaboration with Provexi, the "Technical Audit Files" (DDT) module has been added to the mechanism. This module allows the editing of the required documents on the platform (asbestos, lead (homes), state of natural and technological risks, EPA) in case of rental, in addition to verifications of the electrical, gas (homes) installations and parasitic statements in case of a sale. Warning systems have been set up to inform operational staff of actions to be implemented or non-satisfactory controls for compiling the Technical Audit Files. A simulation tool allows projection of the compliance level of documents on the estimated date of the sale or the arrival of a new tenant.

The scope of property holdings concerned

It covers the entire spectrum of the Group's activities. The risk mapping and the DDT module are used to process 286 assets under operation, while the sale DDT is used to monitor 44 assets under sale, with a unit floor space of under 200 sqm. The remaining 12% of assets are discarded because they are atypical (sites under reconstruction, under management for third parties on withdrawn from market).

Method

Assets are rated and ranked using measurement indicators by:

- introducing various sets of indicators adapted to the method of holding (full ownership or joint ownership) and renting (multiple tenants or single tenant);
- enhancing the performance of assets over and above regulatory compliance;
- introducing a method of rating for sites by area, on three levels modeled on the HQE® process:
  - **standard**: level corresponding to the regulatory performance. It may exceed the level required by the regulation if that regulation is not considered sufficiently demanding with regard to the efficiency of buildings,
  - **efficient**: Standard + level corresponding to acceptable performance defined by Gecina;
  - **highly efficient**: efficient + level corresponding to best industry practices;
- application of weighting on a scale of 1 to 9 for risk areas;
- integrating weighting according to the financial value of the assets.

The 18 areas are assessed:

- either through self-assessment by Operational Departments and audited by an independent external auditor;
- or by qualified and independent external third parties.

The efficiency of an area on each asset is then calculated according to whether the Standard, Efficient and Highly Efficient indicators were assessed and/or met:

An area will be rated:

- **standard:** if all "Standard" indicators are assessed and met;
- **efficient:** standard level reached and all "Efficient" indicators are assessed and met;
- **highly efficient:** efficient level reached and 2/3 of "Highly Efficient" indicators are met.

The efficiency of an asset is obtained by calculating the sum of its various efficiency levels by weighted risk according to the risk level of the areas. Obtaining an award (bronze, silver or gold) depends on the result obtained.

Note: at the very least, all 18 areas of an asset must be assessed under the standard criteria before it can qualify for a medal.

A specific web platform also ensures transparency for customers with regard to risk. For six years now, customers can access the asbestos technical documents and the Statement of Natural and Technological Risks (SNTR) of their building. This viewing right was extended in 2012 to files on ICPEs (regulated facilities for environmental protection), TARs (wet cooling towers), and lead paint. The general and specific instructions in case of a major risk (natural and/or technological) are also provided on the platform.

Transparency is also available to companies contracted by Gecina, which provides them with a login/password to specifically access information on the buildings in which they operate.

There was an 83% increase in the number of external logons in 2012, thereby confirming the utility of this tool.

A risk management system audited by an external auditor every year

An external audit was performed late 2012 – early 2013 to verify the mapping on the following four areas:

- verification of the appropriateness of the change in the mapping system following the recommendations made by the auditor and Gecina's Executive Committee in 2012;
- assessment of the quality of self-assessments and the quality of the data transmission and consolidation process;
- conduct of assessments and the integration into the mapping of the fire area on 95% of the financial value of Gecina's property holdings;
- checking of the results obtained against Gecina's commitments (assessment rate, rate of indicators complied with, weighted overall efficiency level and obtaining gold and silver trophies on at least 50% of the financially weighted property holdings).

The auditor's findings are once again encouraging this year:

"We consider that Gecina has an efficient risk assessment and management system that offers genuine control over risks and constant monitoring of its property holdings. By giving both a global and targeted view, the risk mapping mechanism is an operational tool, geared towards continuous improvement.

As a daily property holdings management tool, risk mapping centralizes all the information and documents required for teams, offering them a real-time vision of the efficiency level of the property holdings under their responsibility. The tool also allows teams to view the actions to be carried out, at the technical level and property holdings management, according to a specific schedule. This is evidenced by the involvement of operational staff, resulting in the enhanced efficiency of their property holdings.

Risk mapping is also a communication tool on regulatory changes. These are identified by Provexi and/or Gecina depending on the areas. The changes are translated into operating indicators and into action plans for compliance upgrades.

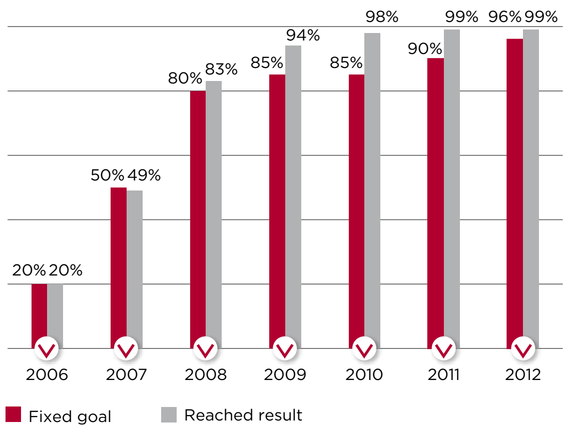
We find that risk mapping allows the compilation of an objective and representative view of the quality of Gecina's property holdings."

The audit certificate is presented at the end of this section.

98.8% of indicators assessed

The quantitative and qualitative control of assessments confirms "that the overall assessment rate for risk control indicators was 98.8%, which exceeded Gecina's goal to reach 96% at the end of 2012."

The auditor also confirmed the very high quality of the self-assessments carried out by Gecina's staff.



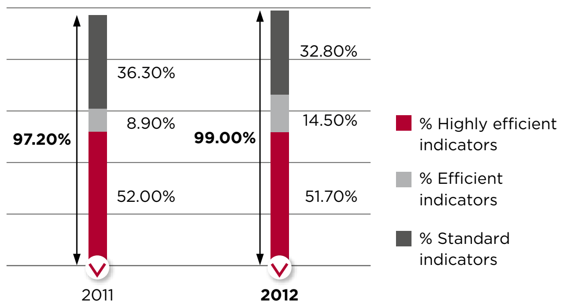
82.7% of indicators complied with

Out of a total of 51,870 indicators, 82.7% are complied with, representing an increase of 0.8% compared to the rate reached in 2011 and demonstrating the regular involvement of teams.

A weighted overall efficiency rate of 99%

The initial goal of 95% (after integration of the fire area) was exceeded, representing an increase of 1.8% on 2011.

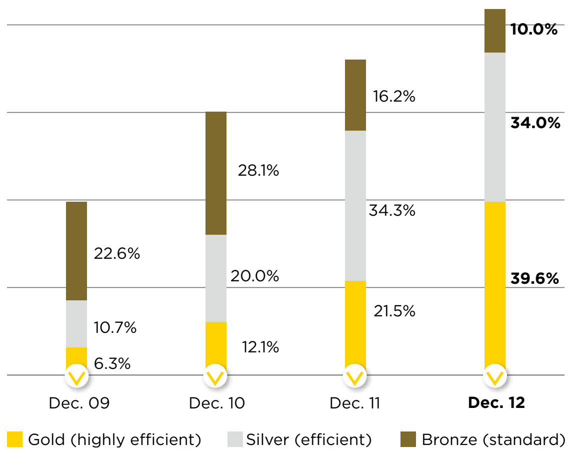
Breakdown of indicators by efficiency criterion (after inter-area and financial weightings)



The decline of the percentage of "standard" indicators complied with is in line with the drop in the Group's property holdings (sale of logistics assets).

83.6% of the weighted property holdings obtained a trophy

Weighted breakdown of trophies for the entire Gecina property holding

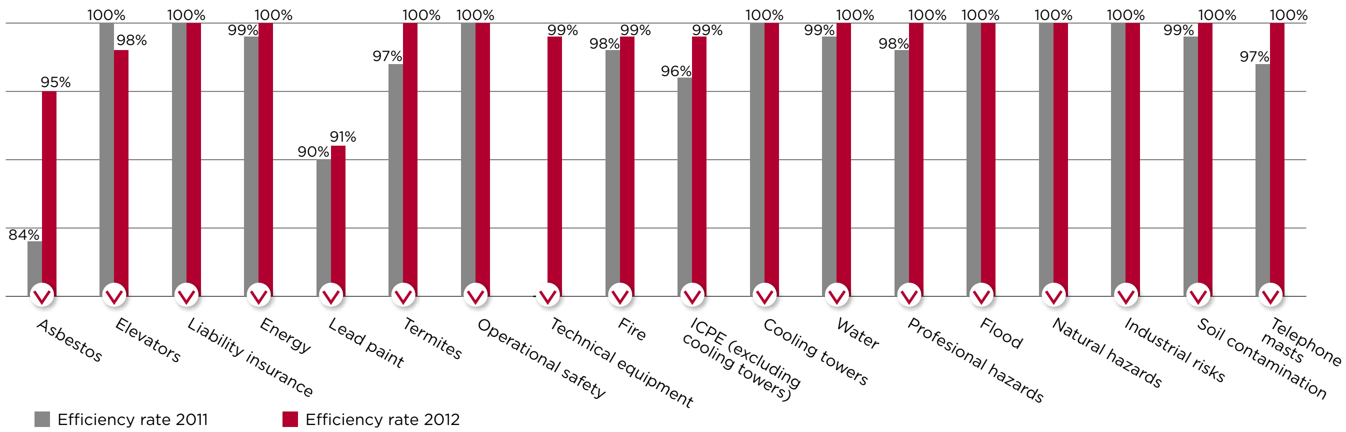


The goal of obtaining gold or silver trophies for 50% of the weighted property holdings at end-2012 was largely overshot at 73.6% and shows a very clear increase in earnings for the "gold" trophies (18.1% compared to 2011).

Adjusted to the number of sites, the Group has a total of 204 gold and silver assets (of which 126 in gold).

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

1.6.3.1.2. Measured classification of Gecina's risk exposure

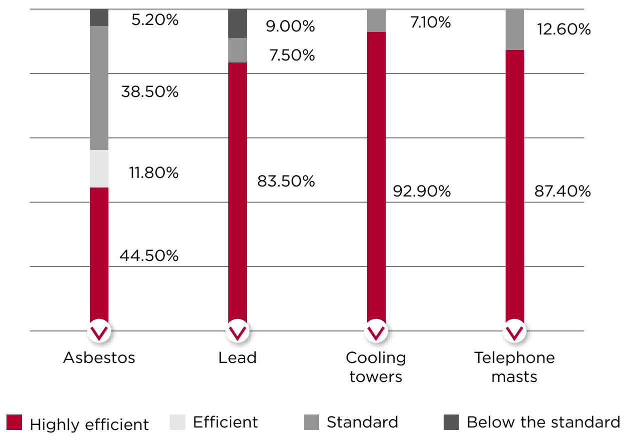


Out of the seven self-assessed areas, six were audited in 2012 (paint lead, water, ICPEs, TARs, technical equipment and elevators) from a 10% sampling of the assets concerned and randomly selected.

a. Healthcare protection

Gecina pursues a preventive policy concerning health risks subject to statutory and regulatory requirements specific to the real-estate business (*e.g.* asbestos, lead poisoning, Legionnaire's disease, etc.).

The areas involved here represent health, legal and media risks.



Asbestos

Asbestos represents a health risk for all persons exposed. These include customers/tenants as well as employees and personnel of construction and maintenance contractors. All Gecina's property holdings, for which the building permits were issued before July 1, 1997, were subject to an audit of all materials and the compilation of an Asbestos Technical File (ATF).

When buying properties, the Group requires complete appraisals based on the French Public Health Code and, if possible, goes further than the mandatory appraisal for the sale. This is supplemented by an inspection prior to any construction or demolition work. During the lease period, complete asbestos removal is carried out on the building units concerned.

At time of sale, Gecina will provide a complete appraisal certifying that the building is free of hidden problems.

Additionally, no property put up for unit-by-unit sale contains any toxic asbestos materials. Finally, in order to preserve the environment for future generations, Gecina is careful to render all its asbestos waste inert.

Gecina's progress in the asbestos area has not been affected by the tightening of regulations: the weighted overall performance rate increased by more than 12% in 2012 to reach 94.8%.

Gecina and Provexi have been working together to factor into the mapping the changes and obligations stemming from the publication of the three new Interministerial orders, published in December 2012 and issued for the application of the June 3, 2011 decree.

Lead in coatings

66 assets are concerned including 13 assets held for sale.

Gecina is very sensitive to the presence of lead paint and exceeds regulatory requirements by applying the obligations to comply with for living in all its property holdings (offices, healthcare).

Audits and any treatment required are undertaken when renovation work is performed on its building units.

To preserve the environment and comply with regulations, waste from removing lead paint is sent to a regulated disposal site accompanied by a tracking slip.

No tenant has reported significant deterioration in its private area and as in previous years, no case of lead poisoning was reported in 2012.

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

Wet cooling towers (TARs) are locations where legionella can grow.

At the end of 2012, Gecina had only ten assets equipped with TARs and continues its policy of dismantling installations.

To respond to this risk, Gecina:

- protects the environment and complies with the regulations in force by implementing controls and carrying out the necessary maintenance of water distribution, heating or cooling systems with selected contractors;
- checks the quality of the elements discharged by the wet cooling towers (discharges into the air, into sewers, etc.);
- ensures transparency by placing documents on the management of TARs online for its tenants.

Electromagnetic waves and cell phone towers

In view of the controversy surrounding the effects of wave emissions from cell phone towers, the Group has implemented a pre-emptive risk policy. Gecina seeks to ensure maximum safety by maintaining the compliance of the installations located on its grounds.

25 installations are located on the balconies of buildings and no new cell phone tower has been installed on property holdings since 2007.

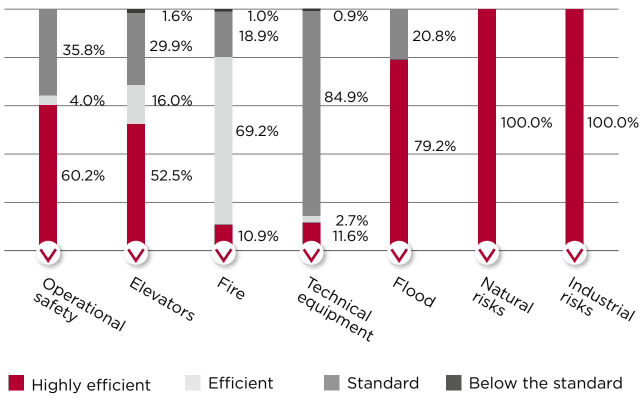
As the renegotiation of the charter of base transceiver stations between the City of Paris and operators was only completed on December 13, 2012, Gecina, in the absence of new directives and in agreement with operators, maintained the emission levels of the old charter.

In addition to ongoing oversight, the Group has entrusted a specialized research agency with the task of monitoring the terms set out in operator contracts.

Tenants or their representatives may request access to the technical documents relating to the safety of the mobile telephone installations. They are informed about any modification programs and planned work.

In 2013, Gecina undertakes to amend its reporting standards to include the upgrades caused by the new Paris charter and will also apply it on sites in other French cities unless there are more restrictive local constraints.

b. Customer and building safety, comfort



General safety

Since 2001, audits covering risks associated with fire, explosions, falls, traffic accidents, accidents and falls from a height, intrusions, electrical accidents, leaks, flooding, ICPEs and other miscellaneous risks are performed on all of the group's property holdings by independent consultants, in collaboration with technical managers.

Gecina performs these audits in order to classify its assets into three categories (low-risk buildings, average risk buildings with emergencies identified during inspection, risky buildings which require attentive additional inspection). These audits, reported to property managers, are used to assess the vulnerability of assets and to introduce preventive actions along with risk mitigation measures.

Elevators

In the wake of recent elevator accidents, the government has adopted regulations to reinforce the safety of elevators. In its desire to assure occupants of the quality and safety of such mechanisms, Gecina has decided to take preventive action and adopt a pro-active approach.

Precautions have been taken to minimize the risk for users and workers:

- all elevator cars are inspected annually by technical service companies working under standardized contracts;
- these machines are covered by a full maintenance contract tailored to the latest regulatory changes;
- technical inspections are conducted by an independent inspection company at the intervals required by regulations, especially in high-rise buildings and after any new standards are introduced;
- the safety and modernization programs described above are currently underway: the pro-active work of updating elevators to meet new standards was undertaken in 2012, notably in several office buildings. This work involved nine elevators and has already made the elevators compliant with regulations required by 2013 or 2018 at a total cost of €0.1 million. The slight fall in the performance rate can be explained by the fact that in the three unoccupied offices awaiting demolition, the elevators had not been upgraded to standards.

Neither Gecina nor its occupants/users were involved in any accidents in 2012.

Fire safety

100% of Gecina's properties in service have been audited by consultants accredited by the Group's insurer and guarantees a good level of the Group's assets.

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

Technical equipment

Gecina group is subject to strict regulations concerning technical equipment on which, for the most part, the safety and quality of service provided to occupants depend (fire equipment, electricity, lightning rods, boiler rooms, CMV gas, etc.).

The extent of Gecina's obligation means that all of its properties are appropriately equipped with safety devices and technical systems that function properly. The inspections, tests and technical examinations provide an opportunity to identify the installations in order to detect any possible defects that could endanger people and property, and to rapidly implement the recommendations made during these operations.

Natural phenomena or events, floods and industrial hazards

With regard to natural or industrial events or accidents, the law requires preparation of Natural Risk Prevention Plans (NRPPs) and Technological Risk Prevention Plans (TRPPs), and calls for better public information. In this respect, general and specific instructions in case of major risks (natural and/or technological) have been placed online and are accessible to tenants.

In response to the regulatory requirement of providing a State of Natural and Technological Risks (SNTR) as part of property transactions (leasing, sale), Gecina has implemented a process guaranteeing the production of systematically valid Statements of Natural and Technological Risks.

The mapping of these risks enables the necessary economic and strategic information to be consolidated, and the cumulative risk involving the same event to be identified.

Flood hazards

All Gecina sites have been analyzed with the help of outside experts. The 75 assets exposed to the risk and their vulnerability levels have been identified.

Gecina has included among the buildings at risk those located in service areas susceptible to disruptions in the supply of water, electricity and heating. This brings the number of sites exposed to 95.

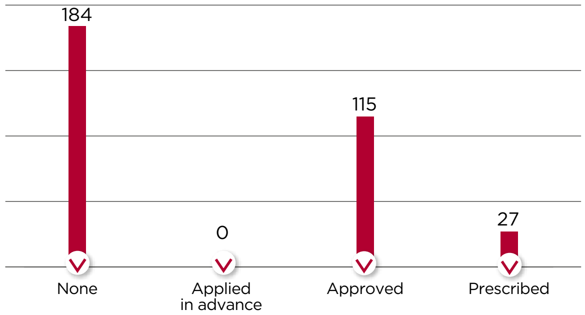
These buildings have already undergone a flooding hazard audit and action plans are being implemented.

Natural hazards

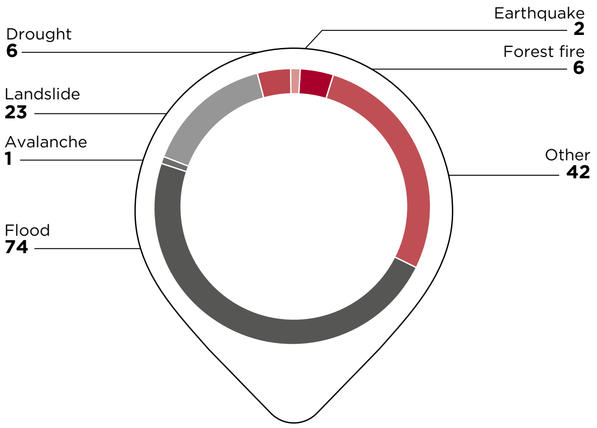
The assessments were made using the information provided by the SNTRs.

Filling work has been completed with regard to any building constructed on underground cavities, quarry areas or land exposed to natural hazards. To Gecina's knowledge, no building has to be subjected to a special survey procedure to reveal any possible risk of collapse.

Number of buildings situated within an area covered by a natural risks prevention plan (NRPP) in 2012



Assessment of Natural Hazards



Industrial and technological hazards

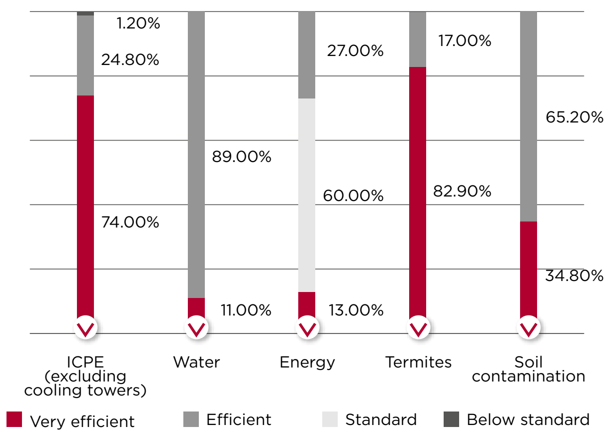
The assessments were prepared based on information provided by the State of Natural and Technological Risks and a French mapping of all "Seveso" classified sites that was provided by the Préfecture.

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

In addition to a better understanding of the risks involved, Gecina strives to:

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

c. Environmental protection



ICPEs (excluding wet cooling towers)

The existence and operation of regulated facilities for environmental protection (ICPEs) expose Gecina to risks of harm or pollution. These risks can also affect the health and safety of tenants and nearby residents. The group is very attentive to compliance with these facilities; only 37 sites are concerned. Nine are operated by Gecina

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

Water management

The management of water presents Gecina with several challenges:

- on the one hand, from the health and legal point of view, in terms of water quality (presence of lead, particulates or bacteria, etc. above regulated levels);
- and on the other hand, from the environmental viewpoint: management of water resource.

Gecina checks the sanitary quality of water at pumping points and the transparency of analyses and results.

Control over "water management" is described in the chapter devoted to CSR.

Energy management

The measures taken with regard to the energy risks mapped and analyzed by Gecina are explained in the chapter on CSR.

Termites and other parasites

The presence of termites can have serious consequences on the building structure, resulting in material damage and often significant repair costs or the risk of contaminating neighboring buildings.

Tenants, through the web platform, are informed of whether or not there is an administrative order indicating whether their building is located in an infested area.

Traces of the presence of termites were detected on a site in the Bordeaux region, and the building is currently being treated.

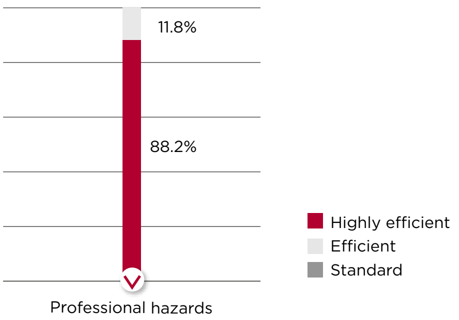
Soil contamination

The presence of pollutants in the soil can be a health hazard for the people staying on a site. These reports and associated regulations give rise to legal and market risks, as well as a risk to Gecina's image.

The Group systematically checks if its assets are in a zone with a soil contamination risk (BASIAS, BASOL database) and 101 sites have been subject to historical and documentary studies and/or soil analyses. Based on these results and the activities that are subsequently conducted there, Operational Departments have verified the absence of risks for occupants and the environment.

The risks to the environment are not covered by any provision or guarantee, and no compensation was paid during fiscal year 2012.

d. Protection of employees



Occupational hazards

All 75 unique documents produced for assets where Gecina employs staff are updated annually. The Architecture and Construction Department and the Human Resources Department monitor workplace accidents. As appropriate, corrective or preventive actions are carried out to mitigate identified significant risks. For example, this year, each superintendent received a kit of mandatory individual protective gear in addition to training for electrical skills certification (H0B0). The group also acquired traction equipment for garbage containers.

For more details please refer to the chapter 7.6.

e. Responsibility in leases

Gecina's entire property holding has undergone a lease analysis. The efficiency rate is 100%.

Assessments relating to these reporting standards are described in the "Insurance" section of this chapter.

1.6.3.1.3. Crisis management

To be responsive and effective when an incident or accident occurs, a 24-hour monitoring and crisis management system has been set up to boost skills required to deal with a major accident.

The system is based on three successive response levels to match the seriousness of the identified incidents:

- the first involves a call center (Gecina Sécurité) where tenants can call for "everyday" problems;
- the second involves the intervention of an on-call officer for events considered as more serious;
- lastly, the crisis unit can be mobilized for accidents considered as "serious" or exceptional events that may have serious consequences for the Group.

The crisis unit was set up in 2001 and updated in 2011, following Gecina's restructuring. It is updated on a regular basis. The existing procedures have been supplemented with the preparation of potential crisis scenarios.

Number of calls for minor incidents outside office hours (example: water damage, various breakdowns, etc.)

	2005	2006	2007	2008	2009	2010	2011	**2012**
Number of calls to the call center	481	552	584	574	641	614	584	494

Gecina Sécurité recorded 494 calls which required an intervention and 156 without any immediate follow-up.

No serious incident required the mobilization of the crisis unit in 2012.

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CERTIFICATE

Oxéa was mandated by Gecina to issue an external opinion on its risks control device. The audit conducted between December 19th, 2012 and January 21st, 2013 led us to provide a moderate level of assurance on the following points:

Achievement of evaluation objectives:

Oxéa certifies that, as at the 10/01/12, the global rate of estimated indicators equals to 98, 9%. The objective of 96% evaluation rate is reached. Besides, the global rate of weighted performance reaches 98,9 %, which is very satisfactory and illustrates a high level of risk control. The target was initially of 95 %. Oxéa certifies as well that, as at the 16/01/2013, 73,6% of the real estate was granted either a gold or a silver trophy which is far beyond the 50% rate targeted.

Achievement of integration objective related to Fire segment

As at the 16/01/2012, Oxéa certifies that 100% of the sites which are active and included in the risks cartography have been integrated into the fire domain. The objective of integration of 95% of the real estate weighted in financial value is exceeded.

Quality of self-assessments:

Regarding self-assessments quality, the audit covered six segments: Elevators, Technical Equipments, Installations Classified for Environmental Protection, Cooling Towers, Lead and paint, Water. According to the results of the inquiries we performed during our audit, we can assume that the quality of self-assessments for these segments is globally satisfactory.

Quality of data transmission & consolidation process:

We identified no issue on data transmission quality & consolidation process between data input and output. The strict quality controls performed by the contractor in charge of the data consolidation ensure good quality of the process.

Evolution of the risks control device:

Oxéa noticed the improvements made on the risks dispositive in 2012, that is to say: tenants have been granted access to new risk segments (Lead paintings, Energy, Termites, Installations Classified for Environmental Protection, Cooling Towers), general and specific instructions in case of major risk (natural and/or technologic) are now available online, the fire domain has been fully integrated into the fire domain.

In 2012, 39,6% of Gecina real estate was granted a gold trophy against 21,5% in 2011. Both the improvement of the global rate of weighted performance respectively to 2011 and the integration in the cartography of the fire domain with a global rate of weighted performance of 99,3% in 2012 contributed to this result.

At PARIS, January 23th, 2013
Nicolas MOREL
CEO Oxéa Group

1.6.3.2. MANAGEMENT OF OPERATIONAL RISKS

With regard to the Group's operational risks management, Gecina's Internal Audit oversees the preparation and annual updating of their mapping and assessment based on frequency and severity criteria. This work was performed as part of the self-assessment approach, which includes an evaluation of the internal controls associated with each risk. The assessment was conducted by holding interviews with the Group's various Executive Committees based on analytical and credit rating systems defined in advance. The material used by the Group for self-assessments is progressively revised in line with questionnaires and the application guide that completes the reference framework published by the French market regulator, AMF. The system gave rise to action plans focusing on priority areas in which control procedures need to be improved. It also served as a support for setting Internal Audit's work program by identifying critical areas in which control must be regularly checked.

Risk mapping is a reflection of management's assessment.

For each risk, the assessment concerns the impact, probability and the system in place to control the risk. This system is taken into account when the impact and occurrence of the risk are evaluated. The scales used are on all four levels. The final risk is expressed as a product of occurrence and impact, which gives a final scale ranging from 1 (very low, minimum level) to 16 (very high, maximum level).

The impact scales take the different types of impacts into account:

- financial;
- image/reputation;
- social.

The scale of probability ranges from "unlikely" to "very likely" and includes "possible" and "likely".

The management of these risks is described in paragraph 5.2.5.1 of chapter 5 "Corporate governance".

1.6.4. INSURANCE

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

It is focused on assuring the Group's long-term viability faced with various risks, reducing the costs of these risks when they occur, constant improvement of guarantees and management of indemnification flows, and providing quality service to its tenants.

The principal risks for which Gecina has taken out insurance coverage are property damage and consequent loss of rents, construction risks and civil liability as a property owner and real estate professional.

The insurance program consists of four distinct parts:

- insurance for developed real estate assets, including owner third-party liabilities (RCPI);
- construction insurance policies (constructor's liability, all construction risks);
- third-party liabilities (general, environmental and officers liability);
- other policies (cars, staff travel, etc.).

To ensure that there is adequate coverage and management of the major risks, the Group has traditionally given preference to high levels of coverage with deductibles, enabling it to keep insurance costs down.

Cover for damage to properties and/or loss of use and RCPI account for the bulk of the budget, because of its strategic importance to the Group in terms of risk management.

These risks are insured in a program that covers Gecina as well as all its subsidiaries or partnerships with leading insurers, principally ACE Europe, Affiliated FM, Allianz and Liberty Mutual, through its insurance broker, Assurances-Conseils, SIACI Saint-Honoré, Marsh and Besse.

In addition, in commercial leases Gecina favors a mutual waiver of appeal to facilitate the management of claims and reduce its frequency risk and that of its insurers.

There is no captive insurance company in the Group.

1.6.4.1. COVERAGE OF DAMAGES AND LIABILITIES ASSOCIATED WITH PROPERTIES

Because of the broad geographic dispersion of the Group's assets, and its custom insurance coverage, a major claim affecting one of the Group's properties should have little impact on its financial situation. Indeed, cover has been set at levels that would easily cover a major claim for the largest property of the Group.

The deductibles applicable under the insurance program are at levels able to absorb recurrent claims without repercussions, which are therefore shared among all the Group's properties. Risks above these levels are transferred to the traditional insurance market.

Gecina benefits from a Group insurance program that covers damage to its property holding, including that caused by natural events, acts of terrorism and attacks, claims by neighbors and third parties, loss of rental income, and consequential losses and indemnities. The program also covers replacement value as at the day of the loss.

The bulk of the property holding is covered without any liability limit up to its brand new value. For certain assets, Gecina has decided, after another prior appraisal in 2012, to determine the MPLs (Maximum Possible Losses) and RFRs (Reasonably Foreseeable Risks):

- to keep the LOL (Limit of Liability) of €150 million extended in July 1, 2011 to all high-rise office or residential buildings;
- to subscribe to a second LOL line of €150 million for the seven largest office or residential buildings.

Multi-risk insurers, encouraged by the reported good results, have already signaled their interest in continuing the plan on good terms, by already renewing coverage until June 30, 2013.

Property damage and casualty policies include building owner third-party liability and environmental risks.

The general exclusions common to the insurance market as a whole (*e.g.* act of war, damage consequential to the possible presence of asbestos, etc.) normally apply to the coverage taken out by Gecina.

The insurance program for buildings also includes construction insurance, namely, primarily contractor's liability insurance (in France "Dommages Ouvrages" or DO), in accordance with the Spinetta Law 78-12 of January 4, 1978, and All construction risks insurance.

A master agreement signed with Allianz, through the firm Marsh, was set up on July 1, 2012 and provides All construction risks, contractor's liability and promoter (*Constructeurs Non Réalisateurs*) coverage to all construction sites for up to €15 million.

For works entailing sums greater than €15 million, contracts are negotiated and concluded on a case-by-case basis.

1.6.4.2. GENERAL AND PROFESSIONAL THIRD-PARTY LIABILITY

The consequences of bodily, material and immaterial third-party liability due to employee malpractice or flawed professional work are insured under a Group policy. The quality of risks presented by Gecina made it possible to significantly improve the coverage amount with a renewal for a period of two years on January 1, 2012.

Mandatory coverage for professional third-party liability of subsidiaries whose activities come under the Hoguet Law is incorporated into the Group's civil liability program. The program was renewed for two years on January 1, 2012.

1.6.4.3. ENVIRONMENTAL THIRD-PARTY LIABILITY

This innovative coverage in the real estate sector was instituted as early as 2007 (see below) to cover Gecina's liability for damage suffered by third parties as well as damage to biodiversity when such damage is the result of the impact of the Group's activities on the environment, and also any costs incurred from on-site pollution cleanup operations to neutralize or eliminate an environmental hazard. The program was renewed for two years on January 1, 2012.

1.6.4.4. LEASE MANAGEMENT AND MANAGEMENT OF SUPPLIER CONTRACTS

The real estate risk assessment approach described in this chapter contains guidelines on the management of the insurance clauses and liability in the leases described herein.

Since 1998, liability law has been toughened considerably and made much more complex with the integration of European Directives harmonizing the legal provisions of member states. In the aim of ensuring indemnification of the victim, origin of a third-party liability is no longer to be found solely in the fault but rather more and more in the responsibilities and competence required of professionals (the "deep pocket" principle).

The importance of liability risk has to do with its complexity and growing importance as laws and regulations evolve. This risk is difficult to foresee. It materializes when court proceedings are initiated by one or more third parties without it being possible to prejudge the validity of their reasons.

Aside from court costs, and the expenses and internal costs of defense, these steps to respond to court injunctions may also have major indirect effects on earnings and the company's finances. Whatever the case, they can adversely affect Gecina's image.

Like all other professionals, organizations or individuals, the Gecina group is bound by four types of commitment, which must all be followed:

- its technical commitments;
- control over them;
- its disclosure and advisory obligations;
- its contractual obligations.

To each of them must be added the notion of security, which is increasingly taking the form of a quasi performance guarantee.

Although Gecina accepts in its commercial leases an equitable mutual appeal waiver clause with its tenants and the relevant insurers, the regulation specific to residential leases requires the tenant to take out insurance for damage that might be sustained by the lessor and for which the tenant may be judged liable. However, even though the regulations authorize the lessor to require an appeal waiver from tenants for damage they might sustain due to the owner's fault, Gecina does not wish to systematically include such a clause in its leases out of concern for fairness towards its customers.

1.6.4.5. CLAIMS

There was no significant claim in 2012 and until the date of the publication of this document.

COMMENTS ON THE FISCAL YEAR

The Group's consolidated income is presented in a format that is appropriate for its real estate business and specifically includes the following items:

- Income recorded in the Group's income statement (gross rental revenues), which mainly comes from rent paid by tenants of the Group's properties;
- EBITDA (total of gross rental revenues and income from services and other items minus total net property expenses, services and other items and overheads including salaries and fringe benefits and net management fees) represents income from operations related to the properties and service businesses.

The company also uses recurring earnings as an indicator (which is EBITDA less net financial expenses and current tax). This indicator is used to assess changes in the Group's earnings from operations before disposals, valuation adjustments and non-current taxes.

Value adjustments include changes in the fair value of properties as well as changes in the value of financial instruments. Gains or losses due to these changes in value are unrealized and do not generally correspond to actual transactions: the Group has no intention of disposing of its entire real estate portfolio in the short term, while most of the derivatives are hedges for long-term debt to safeguard the Group from interest rate rises and thus cap the cost of debt.

2.1. BUSINESS REVIEW

2.1.1. GECINA HAS A SOLID FINANCIAL BASE TO RESUME AN INVESTMENT STRATEGY

Gecina emerges from 2012 ready and equipped to resume an active investment strategy and seize opportunities, especially in office real estate in Paris, while ensuring that it does not stray from the financial discipline defined at the end of 2011, *i.e.*, a maximum debt ratio of 40%.

The Group did win some financial and operational battles in 2012. First, its successful financial restructuring was recognized by Standard & Poor's and Moody's which raised its credit rating to BBB/Baa2 respectively. Gecina respected its commitment to deleverage by selling off assets while maintaining cash flow and dividend. Secondly, in a context of high rental challenges at the end of 2011, in 2012, Gecina succeeded in renting out more than 127,000 sqm of office space (including new rentals, re-lets, renegotiations and renewals) worth more than €56 million of annualized headline rent.

Net recurring income for 2012 amounts to €308.6 million, unchanged compared with 2011, and 2% higher than the revised forecast of July 2012. The dividend of €4.4 per share that will be proposed at the General Meeting on April 18, 2013 is unchanged compared with the dividend distributed in 2011.

2.1.2. LIKE-FOR-LIKE RENTAL REVENUES, EXCLUDING THE AON PENALTY, UP 1.8%, IMPROVING TREND IN OFFICE PROPERTY

Gross rental revenues amounted to €596.1 million at December 31, 2012, down 5.7% current basis compared with 2011. This decline primarily reflects losses in rental income as a result of disposals (€58 million), which was more than income from investments (€25 million). On a comparable basis and restated for the non-recurring nature of the €10.5 million contractual penalty paid by AON in the second quarter of 2011, rental income rose 1.8%, representing an acceleration compared with end September 2012 (+1.2%). Factoring in the impact of the AON penalty, rental income dropped 0.4% like-for-like. On a comparable basis, the positive impact of indexation (+2.6%) offset the increase in the vacancy rate (-0.7%). Overall, the effect of renegotiations and reletting had no impact on the increase in rental income like-for-like (+0.1%).

			Change *(%)*		
€ million	**12/31/2012**	12/31/2011	Current basis	Comparable basis	Comparable basis excl. AON
GROUP TOTAL	**596.1**	**632.5**	**–5.7%**	**–0.4%**	**1.8%**
Offices	332.0	350.2	–5.2%	–2.8%	0.7%
Traditional residential	150.4	171.1	–12.1%	3.6%	3.6%
Student residences	9.0	7.4	21.8%	13.3%	13.3%
Healthcare	72.3	58.2	24.2%	3.4%	3.4%
Logistics	12.6	26.0	–51.4%	2.8%	2.8%
Hotels	19.8	19.6	0.7%	0.6%	0.6%

The average financial occupancy rate (FOR) fell from 95.1% at year-end 2011 to 93.4% at year-end 2012.

The occupancy rate was particularly higher for office real estate following the full effect of AON's departure from the Défense Ouest building in Q2 2011, combined with the deliveries of pre-leased projects (Mercure, Horizons, Newside) and Magistère, which has been delivered but is not yet occupied.

The occupancy rate for offices is expected to rise in 2013 when the leases on the Magistère, Défense Ouest, Horizons and Mercure buildings, representing nearly 38,000 sqm., take effect.

The occupancy rate of traditional residential property remained very high at nearly 98%. Lastly, the occupancy rate of healthcare property and hotels remained unchanged at 100%.

Average FOR	**12/31/2012**	12/31/2011
Economic division	**90.8%**	**93.4%**
Offices	90.9%	94.3%
Logistics	82.0%	77.7%
Hotels	100.0%	100.0%
Demographic division	**98.3%**	**98.1%**
Residential	97.7%	97.6%
Student residences	94.3%	93.0%
Healthcare	100.0%	100.0%
GROUP TOTAL	**93.4%**	**95.1%**

OFFICE PROPERTY (56% OF GROUP RENTAL INCOME)

Change on a like-for-like basis 2012 *vs.* 2011

Like-for-like change	Indices	Renegotiations & renewals	Vacancy	Other
-2.8%	2.7%	-0.2%	-1.3%	-4.0%
Excluding AON penalty +0.7%	2.8%	-0.2%	-1.3%	-0.6%

Rental income amounted to €332.0 million, indicating a 5.2% drop on a current basis and 2.8% on a like-for-like basis. Restated for the penalty paid by AON in 2011, rental income grew 0.7% like-for-like, as the positive impact of indexation (+2.8%) offset the increase in vacancy rates (-1.3%). Overall, the effect of renegotiations and renewals was neutral for the period (-0.2%). On a current basis, rental income dropped 5.2%, which reflects in particular the loss of €20 million in rental income due to disposals. This was only partially offset by rental income of €11 million from buildings delivered or acquired in 2011 and 2012: Horizons (Boulogne), Park Azur (Montrouge) and 96-104 avenue Charles de Gaulle (Neuilly).

For the whole of 2012, 77 leases were re-let or renegotiated/renewed, representing a total surface area of more than 127.000 sqm. and approximately €56 million of headline annualized rent.

RESIDENTIAL (27% OF GROUP RENTAL INCOME)

Change on a like-for-like basis 2012 *vs.* 2011

Like-for-like change	Indices	Renegotiations & renewals	Capex with penalty rents	Vacancy	Other
4.1%	2.0%	1.5%	0.1%	0.3%	0.3%

As at December 31, 2012, gross rental income stood at €159.4 million, down 10.7% on a current basis, reflecting the impact of 2011 and 2012 property sales. However, on a like-for-like basis, rental income rose 4.1%, under the combined effect of indexation (+2%), re-lets (+1.5%) and the improvement in the occupancy rate (+0.3%).

The residential tenant turnover rate was 13.7%, with re-lets resulting in an 8.6% increase in rents, representing a slight slowdown compared with 2012 (+9.9%).

HEALTHCARE (12% OF GROUP RENTAL INCOME)

Change on a like-for-like basis 2012 *vs.* 2011

Like-for-like change	Indices	Capex with penalty rents	Renegotiations & renewals
3.4%	3.7%	0.3%	-0.7%

Gross rents amounted to €72.3 million at the end of 2012, up by 24.2% on a current basis. This increase includes the consolidation in July 2011 of 30 homes for dependent elderly people (EHPAD) from the Foncière Sagesse Retraite portfolio, as well as the acquisition of six more EHPAD homes in April 2012. On a like-for-like basis, rents are up 3.4%, driven by the positive effect of indexation, and the additional revenue generated by works (+0.3%).

The terms of the leases entered into with Générale de Santé were reviewed, with the aim of limiting the high impact of indexation recorded in the last few years and thus maintaining the affordability ratio of the healthcare facilities concerned. This had a brought down rents by 0.7% on a like-for-like basis. However, extending renegotiated leases by nearly three years has helped to maintain visibility on cash flows and the valuation of assets.

HOTELS (3% OF GROUP RENTAL INCOME)

Change on a like-for-like basis 2012 *vs.* 2011

Like-for-like change	Indices
0.6%	0.6%

Gross rental revenues in 2012 totaled €19.8 million, up 0.7% compared with 2011 on a current basis. Like-for-like, rental income rose 0.6%, driven by positive indexation.

The Group's **rental margin** increased by 40 bps to 90.8% as at December 31, 2012 compared with 90.4% in 2011.

This rise was in particular the result of the sale of the logistics portfolio, the rental margin of which in 2011 was 59.4% or significantly lower than that of the Group's other property segments. The rental margin is under pressure in the office property segment, because of the increase in vacancy rates and the non-recurring penalty paid by AON in the 2nd quarter of 2011.

The rental margin for residential property dipped slightly by 70 bp over the year. This change, of –30 bps, was due, in particular to the inclusion of part of the non-recoverable rental charges in the gross rents of student residences, reflecting the total rent charged to tenants. Net rents remained unchanged.

Rental margins in hotels and healthcare properties are covered by 'triple net' leases and therefore have margins close to 100%.

	Group	Offices	Residential	Logistics	Healthcare	Hotels
Rental margin at 12/31/2011	90.4%	94.6%	82.7%	59.4%	98.5%	100.4%
Rental margin at 12/31/2012	90.8%	93.0%	82.0%	83.7%	98.8%	98.9%

2.1.3. NET RECURRING INCOME PER SHARE UP 0.7% IN 2012, SIGNIFICANTLY HIGHER THAN FORECAST

Overheads dropped by nearly 15% (or €11.2 million) compared with end 2011. Gecina achieved its target of saving €10 million for the year.

Net **financial expenses** dropped 8.6% for the year, to €175.1 million, for two reasons. First, the drop in the cost of debt from 4.1% in 2011 to 4.0% in 2012, driven by the positive impact of the restructuring of the hedging portfolio and the drop in Euribor rates. Second, the reduction in the volume of debt, since the Group reduced its debt by €700 million in 2012.

Recurring net income was €308.6 million, up 0.2% on 2011 and significantly higher than the revised forecast of July 2012, which had projected a 2% drop. Recurring net income per share rose 0.7% thanks to the accretive effect of the €44.6 million share buyback program rolled out in the first half of 2012.

€ million	**12/31/2012**	12/31/2011	Change (%)
Gross rental income	**596.1**	**632.5**	**–5.7%**
Property expenses	(142.4)	(156.6)	–9.1%
Recharges to tenants	87.2	94.7	–7.9%
Net rental income	**541.0**	**570.6**	**–5.2%**
Services and other expenses (net)	9.6	7.3	+31.3%
Overheads	(64.7)	(75.9)	–14.7%
EBITDA	**485.9**	**502.0**	**–3.2%**
Net financial expenses	(175.1)	(191.6)	–8.6%
Gross recurring income	**310.9**	**310.4**	**+0.2%**
Recurring taxes	(2.2)	(2.4)	–7.1%
NET RECURRING INCOME	**308.6**	**308.0**	**+0.2%**

2.1.4. TURNOVER OF ASSETS: NET DIVESTMENT OF NEARLY €900 MILLION IN 2012

Gecina carried out €450 million of sales in the fourth quarter, bringing the total amount of disposals in 2012 to €1.3 billion, higher than the annual target of €1.2 billion. This amount is broken down as follows: 59% from residential property disposals (including 44% of block sales and 15% of unit-by-unit sales), 24% from sales of offices, and 16% in logistics.

The net exit rate for these sales was 5.2%. The average premium on asset sales amounted to 2% compared with appraisals at year-end 2012, of which 34% on residential assets sold in units.

Gecina had also signed purchase agreements for €143 million of additional assets by end 2012, of which €49 million were residential assets. In all, the Group has set itself a disposal target for 2013 of over €700 million, nearly €350 million of which are residential assets.

At the same time, investments stood at €426 million in 2012, €283 million of which was committed to the developments pipeline (including €119 million on the Beaugrenelle shopping centre), €77 million for acquisitions (primarily six nursing homes acquired in April) and €65 million of Capex (including upgrades leading to additional rents).

At December 31, 2012, there was still €282 million to be invested for committed developments in the pipeline. €92 million are focused on the Beaugrenelle shopping centre, which is scheduled to open in September 2013. This asset should be entirely pre-let when it opens, 87% of assets have already been pre-let.

2.2. FINANCIAL RESOURCES

In 2012, Gecina improved all its financial ratios and indicators by carrying out an in-depth financial restructuring process the main characteristics of which are as follows:

- reducing nominal debt by approximately €700 million during the year;
- reducing the loan-to-value (LTV) ratio to 39.7% excluding transfer taxes and fees (compared with 42.6% the previous year, namely a decrease of 290 basis points);
- continued diversification of its financial resources in terms of market and counterparty;
- extending the average maturity of its debt to 4.7 years;
- adjusting the portfolio of hedging instruments following fixed-rate debt issuance and debt decreases;
- control the cost of debt at 4.0%;
- easing of its main bank covenants (LTV, ICR and secured indebtedness);
- improving its credit rating by S&P and Moody's at BBB/Stable and Baa2/Stable.

The main transactions carried out in 2012 include:

- signing €1.6 billion of new financings (a €650 million bond issue and €900 million of credit lines) with an average maturity of 5.4 years;
- reorganizing its hedging instruments with the cancellation of €1.4 billion of firm hedges, following the fixed-rate bond issue and the debt reduction. This reorganization is in line with the strategy followed over the last two years (seeking short term flexibility and extending the maturity of the hedges – fixed-rate debt and derivatives);
- easing its main Group covenants. Thus, at end 2012, the strictest covenants for Gecina were for its Net financial debt to Block value ratio at 55% (50% at 12/31/2011) and for its EBITDA (excluding disposals) to net Financial charges ratio at 2x (2.25x at 12/31/2011);
- continued issue of treasury notes with an average balance of €168 million. This amount rose sharply after the credit rating was upgraded by S&P on October 17, 2012 (balance of €550 million at end 2012).

All these actions taken by the Group were rewarded with the upgrading of the Group's credit rating to BBB/Stable Outlook by S&P on October 17, 2012 from BBB-/Stable Outlook previously and to Baa2/Stable Outlook by Moody's on November 5, 2012 from Baa3/Stable Outlook.

Following the significant refinancing transactions completed in 2012, the Group's next important maturity will be in the 2nd quarter of 2014 with €325 million of credit lines.

With €2,050 million of unsused credit facilities at end December, Gecina has already covered all its credit maturities for 2013 and 2014 (more than two years).

2.2.1. DEBT STRUCTURE AT DECEMBER 31, 2012

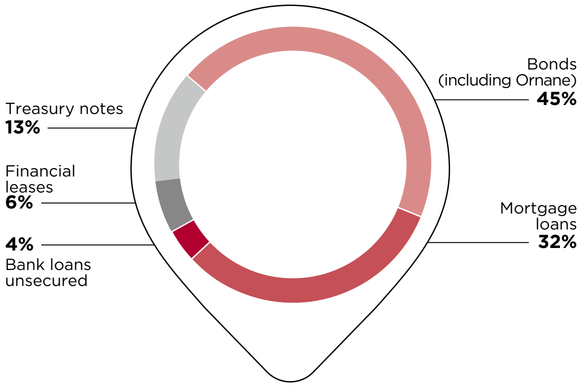
Gecina's consolidated gross financial debt amounted to €4,431 million as at December 31, 2012 *versus* €5,060 million at December 31, 2011, representing a decrease of €629 million. Consolidated net financial debt reached €4,429 million at the end of 2012, corresponding to a decrease of €588 million, mainly as a result of the disposals during the year.

The main characteristics of the debt are:

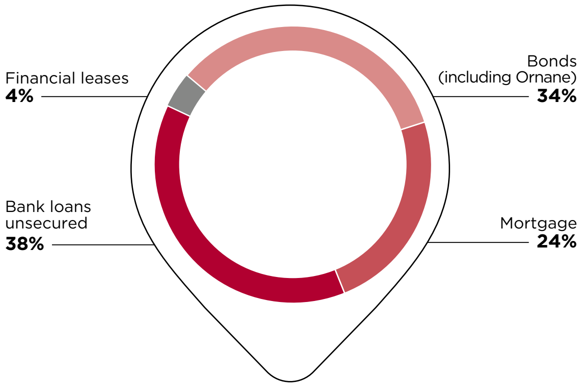
	12/31/2011	12/31/2012
Gross debt (consolidated) *(€ million)*	5,060	4,431
Net debt (consolidated) *(€ million)*	5,017	4,429
Nominal debt (gross, consolidated) *(€ million)*	5,025	4,333
Unused credit lines *(€ million)*	1,360	2,050
Average maturity of debt *(years, restated by available unused credit lines)*	4.1	4.7
Average maturity of financings *(years)*	3.4	4.0
LTV	42.6%	39.7%
LTV (including transfer taxes)	40.7%	37.8%
ICR	2.62	2.78
Secured debt/Properties	18.7%	15.0%

DEBT BY TYPE

Breakdown of gross nominal debt



Breakdown of authorized financing (including €2,050 million of unutilized credit lines as at 12/31/2012)



Thanks to the transactions executed in the last 12 months, Gecina has succeeded in continuing to diversify the Group's financial resources. Nominal debt currently comprises 45% of long-term market resources (compared with 25% at end 2010 and 36% at end 2011).

The market accounts for 34% of Group resources (EMTN or convertible bonds) compared with 22% at end 2010 and 29% at end 2011.

Gecina's nominal financial debt at December 31, 2012 comprised:

- €1,650 million of notes issued under the EMTN (Euro Medium Term Note) program;
- €320 million of "Ornane" convertible bonds;
- €1,549 million of bank loans, of which €1,399 million of mortgage financing and €150 million of corporate financing;
- €253 million of financial leases;
- €550 million treasury notes, covered by medium and long-term confirmed credit lines;
- €11 million of other financial debts

2.2.2. LIQUIDITY

As at December 31, 2012, Gecina had €2,050 million of unused credit lines, covering all credit maturities for the next two years (€1,383 million).

Gecina's 2012 financing and refinancing transactions include:

- the raising of €1,550 million through the following:
  - the issuance in April 2012 of a €650 million bond with seven-year maturity and a 4.75% coupon, maturing on April 11, 2019,
  - the signing of seven bilateral bank loan agreements for a total amount of €900 million. These financings (back-up lines aimed at providing liquidity for the Group) have an average maturity of 4.2 years;
- the termination or premature repayment of three corporate credit agreements totaling €865 million (mainly syndicated loans) maturing in November 2012 and March 2013 (x2);
- the premature repayment of two mortgage loans totaling €441 million maturing in the 3rd quarter of 2013;
- taking over an agreement for a mortgage loan of €26 million, maturing at the end of 2017, following the purchase of a portfolio of six assets for the healthcare division in April 2012.

In 2012, Gecina thus continued to diversify its sources of financing and its banking counterparties. The improvement in its credit rating has further opened up access to and improved the terms of Gecina's various sources of financing, particularly on the bond and treasury note markets.

Gecina thus continued its program of issuing treasury notes reaching a balance of at €550 million compared with €40 million in 2011 (average in 2012: €168 million) at an average interest rate of 0.32% (a margin of approximately 10 bps over Euribor).

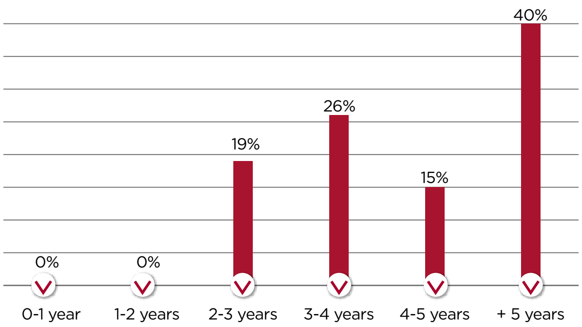
Gecina also updated its EMTN program by €2.5 billion in June 2012 with the AMF and updated its Treasury Note program with Banque de France in June 2012. This latter program was raised from €500 million to €1 billion in November 2012.

Lastly, Gecina's loan repayments in the next 12 months are largely covered by unused credit lines. As at end December 2012, Gecina had a total of €699 million in nominal debt repayments due in 2013, compared with €2,050 million of unused long-term credit lines at the same date.

2.2.3. DEBT REPAYMENT SCHEDULE

The average life of Gecina's debt, after allocation of the unused credit lines, is 4.7 years (an improvement of 0.6 year).

The chart below shows Gecina's debt repayment schedule as at December 31, 2012 (after allocation of the unused credit lines).



All the loan maturities for the next two years are covered by unutilized credit lines as at December 31, 2012. Furthermore, 81% of the debt has maturity of more than three years.

The average life of all Gecina's financings (used and unused) was 4.0 years as at December 31, 2012, an improvement of 0.6 year compared with year-end 2011.

2.2.4. AVERAGE COST OF DEBT

The average cost of debt in 2012 was 4.0%, *versus* 4.1% in 2011. This improvement is primarily due to the positive impact of restructuring the hedging portfolio and the drop in Euribor rates (average 1-month Euribor was 0.32% in 2012 compared with 1.18% in 2011) and by the unfavorable impact of the repayment of loans with low margins signed prior to 2006.

Capitalized interest on development projects amounted to €23.2 million in 2012 (*versus* €24.4 million in 2011).

2.2.5. CREDIT RATING

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

- in October 2012, Standard & Poor's upgraded its rating to BBB with stable outlook;
- Moody's also raised its credit rating to Baa2 with stable outlook, in November 2012.

2.2.6. MANAGEMENT OF INTEREST RATE RISK HEDGES

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

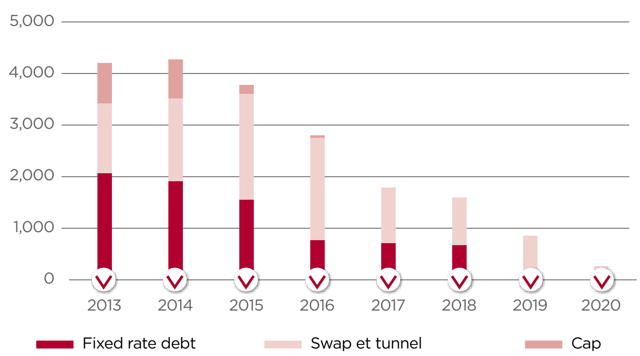
Gecina continued to adjust and optimize its hedging policy in 2012 aimed at:

- maintaining an optimal hedging ratio;
- adjusting its hedging portfolio after the issue of the fixed-rate bond and when the debt volume decreases;
- extending the average maturity of hedges (fixed-rate debt and derivative instruments).

Consequently, as at December 31, 2012, the average maturity of hedges (fixed-rate debt and derivative instruments) was 4.4 years.

The chart below shows the hedging portfolio:

(In € million)



The main transactions consisted in the complete cancellation of five swaps amounting to a nominal value of €925 million and the cancellation of a collar with a nominal value of €500 million.

Gecina's interest rate hedging policy is primarily a blanket, long-term policy for all its loans and not specifically assigned to certain loans. As a result, it does not meet the accounting definition of hedging instruments and the change in fair value is therefore posted to the income statement.

MEASURING INTEREST RATE RISK

Gecina's net financial debt forecast for 2013 is 77% to 94% hedged against falls and rises in interest rates in 2013 (depending on actual Euribor levels).

Based on the existing portfolio of hedges, the contractual terms at December 31, 2012 and the debt expected in 2013, a 0.5% increase in interest rates would generate an additional interest expense of €5.3 million in 2013. A 0.5% fall in interest rates would result in a reduction in interest expense of €5.3 million in 2013.

2.2.7. FINANCIAL STRUCTURE AND BANK COVENANTS

Gecina's financial position as at December 31, 2012 meets the various ratios likely to affect repayment terms or to trigger premature repayment clauses provided for in the various loan agreements.

The table below reflects the status of the main financial ratios outlined in the loan agreements:

	Benchmark standard	Balance at 12/31/2012
LTV Net financial debt to Revalued block value of property holding	Maximum 55%	39.7%
ICR EBITDA before disposals to Financial expenses	Minimum 2.00	2.78
Outstanding secured debt to Block value of property holding	Maximum 20%/25%	15.0%
Revalued block value of property holding (€ million)	Minimum 6,000/8,000	11,048

The methods of calculating the financial ratios shown above are the same as those used in the covenants included in all the Group's loan agreements.

The LTV fell to 39.7% at December 31, 2012 compared with 42.6% at December 31, 2011 (a fall of 2.9%). ICR also improved by 0.16 (from 2.62 at December 31, 2011 to 2.78 at December 31, 2012).

2.2.8. GUARANTEES GIVEN

The amount of consolidated nominal debt guaranteed by real sureties (*i.e.* mortgages, lender's liens, unregistered mortgages, and financial leasing) amounted to €1,652 million at year-end 2012, compared with €2,207 million at year-end 2011. Furthermore, the nominal outstanding of financial leases reached €253 million, *versus* €374 million in 2011.

Thus, at December 31, 2012, the total amount of asset-backed loans in the form of mortgages and leases accounted for 15.0% of the total (block) property holding, *versus* a maximum limit of 25% authorized by the various loan agreements (with the exception of two agreements at 20%), compared with 18.65% at December 31, 2011. This reduction is primarily due to early repayment of two mortgage loans with an initial maturity at the third quarter of 2013.

2.2.9. EARLY REPAYMENT IN CASE OF A CHANGE OF CONTROL

Certain loan agreements to which Gecina is party and certain bonds issued by Gecina provide for mandatory early repayment and/or cancellation of loans granted and/or a mandatory early repayment liability if there is a change of control of Gecina.

Based on a total amount of €5,833 million authorized (including drawn-down debt and available undrawn bank credit lines) at December 31, 2012, €2,772 million of bank debt and €1,970 million in bonds (falling due on September 19, 2014, February 03, 2016, April 11, 2019 and the "Ornane" on January 1, 2016) is affected by such a clause concerning a change of control of Gecina.

For the bond loan falling due in September 2014 to become due for early repayment, the change of control must cause a downgrading of Gecina's rating to below BB, and not upgraded within 120 days to BB+.

With respect to the bond issue maturing in February 2016, a change of control resulting in the rating being down-graded to the Non-Investment Grade and not upgraded to Investment Grade within the next 120 days, may trigger the early repayment of the debt.

With respect to the bond issue maturing in April 2019, a change of control followed by a Non-Investment Grade credit rating, not upgraded to Investment Grade within the next 120 days, may trigger the early repayment of the debt.

2.3. APPRAISAL OF PROPERTY HOLDINGS

The entire property holding of Gecina Group undergoes appraisals each year at June 30 and December 31 conducted by a board of five independent appraisers: CBRE Valuation, BNPP Real Estate, Foncier Expertise, Jones Lang LaSalle, and Catella; the fees of these appraisers are based on the number of assets appraised and not on the value of those assets.

The values presented in this chapter stem from the appraisals conducted by specifically mandated real estate appraisers.

The Group's properties include commercial assets (offices and retail outlets), residential assets, logistics assets, hotels and healthcare facilities. For purposes of its Consolidated Financial Statements, the Group opted for the fair value model of appraisal for its properties in accordance with IAS 40, with the fair value being measured by the independent appraisers twice a year. In accordance with this standard, changes in fair value of the properties (after factoring in capitalized work) in each accounting period are posted to the income statement.

The value of each appraised asset is measured by one of the appraisers on the board; the appraisers are rotated in accordance with a procedure reviewed by the Group's Audit, Risk and Sustainable Development Committee, which stipulates that each appraiser should be given a portfolio of properties to value and that an annual average turnover of 10% be maintained by transferring properties between appraisers. This Committee checked that this procedure was applied. The appraisers determine the value of the properties based on two approaches: individual sale of units comprising the properties (appraised unit value) and sale of entire properties (appraised block value). The method used by the appraisers is described in Note 3.5.3.1.1 of the Appendix to the Consolidated Financial Statements. The appraisers produce a detailed report for each building valued.

The appraisals were carried out in accordance with standard procedures that remain consistent from year to year on the basis of net sales prices, *i.e.*, exclusive of costs and duties. Gecina does not disclose values inclusive of duties, given that they do not add value for the shareholders. Gecina deems that disclosures including such costs that artificially increase the value of the assets are not appropriate.

The gross or net capitalization rates are determined as the ratio of gross or net potential rents respectively over the appraisal values excluding transfer duties.

Information on the sensitivity of the property holding valuation to changes in the economic situation is indicated in the Consolidated Financial Statements section, in Note 3.5.6.6.

During a real estate valuation, the appraiser performs the appraisal on the basis of the rental statement that he receives from the company.

If this statement includes vacant surface areas, the appraiser uses the market rental value to measure the rents of vacant surface areas.

Potential rent is then obtained by the combination of rents for ongoing leases and the rental values of vacant surface areas. The appraiser uses this overall rent as the basis for pricing the building's value by applying the rate of return linked to the type of asset under review in the case of income-based methods.

In the case of the Discounted Cash Flow method, the appraiser values vacant premises in the same way based on the market rental value.

In the case of a DCF over 10 years, the appraiser will use at the end of each lease under consideration, the market rental value (*Valeur Locative de Marché*, or *VLM* in French) of the surface areas that have been released.

For measuring the market rental value, the appraiser takes account of the market situation in question on the date on which the appraisal is performed.

Gecina's property holdings are valued twice a year by independent appraisers. Changes in the balance sheet according to the Group's accounting standards in 2012 are as follows:

Breakdown by segment	Block value			Change current basis		Change like-for-like
€ million	**12/31/2012**	06/30/2012	2011	12/31/2012 *vs.* 12/31/2011	12/31/2012 *vs.* 06/30/2012	12/31/2012 *vs.* 12/31/2011
Offices	6,660	6,813	6,644	0.2%	–2.2%	0.7%
Residential	2,965	3,241	3,610	–17.9%	–8.5%	1.7%
Healthcare	1,108	1,102	1,002	10.6%	0.5%	2.9%
Logistics	6	209	256	–97.7%	–97.1%	1.0%
Hotels	271	275	274	–1.2%	–1.6%	–0.5%
Sub-total	**11,009**	**11,641**	**11,786**	**–6.6%**	**–5.4%**	**1.2%**
Equity affiliates	*5*	*5*	*6*	–	–	–
TOTAL GROUP	**11,015**	**11,646**	**11,792**	**–6.6%**	**–5.4%**	**1.2%**
TOTAL VALUE UNITS	**11,654**	**12,366**	**12,478**	**–6.6%**	**–5.8%**	**1.2%**

The property holding amounts to €11,015 million, the main factors include:

- a like-for-like structure representing €9,166 million, an increase of €107 million (or 1.2%) in the year, including €60 million of costs and upgrades completed during the year;
- €597 million of projects delivered during the year (value at December 31, 2012), including the following deliveries: Park Azur in Montrouge (€143 million), Magistère in Paris (€106 million), 96/104 in Neuilly-sur-Seine (€104 million), Newside in La Garenne-Colombes (€86 million), Pointe Métro 2 in Gennevilliers (€65 million), the Annemasse private hospital (€51 million) and Mercy-Argenteau in Paris (€42 million);
- €633 million of buildings under construction (of which €531 million on the Beaugrenelle project, €45 million on the Le Velum project in Lyon and €36 million on the Docks de Saint-Ouen project) representing a total investment of €168 million in 2012;
- €73 million of acquisitions (portfolio of 6 nursing homes acquired to MAPI Invest);
- €334 million of assets in unit-by-unit sales at December 31, 2012, of which €138 million of units were sold;
- €95 million of assets in the process of block sale, for which €1 million was booked in 2012 for works;
- €47 million of land reserves for which €6 million of expenses and works were booked in 2012;
- €65 million of head office book value including depreciation of €1 million in 2012;

Net capitalization rates for the year rose slightly by 6 basis points like-for-like.

	Gross cap rate			Net cap rate		
	2012	2011 (1)	Change	**2012**	2011 (1)	Change
Offices	6.42%	6.32%	10 bp	6.13%	6.07%	6 bp
Residential	5.09%	5.06%	3 bp	4.27%	4.20%	7 bp
Logistics	N/A	N/A	N/A	N/A	N/A	N/A
Hotels	7.19%	7.11%	8 bp	7.18%	7.15%	3 bp
Healthcare	6.97%	6.84%	14 bp	6.89%	6.74%	15 bp
TOTAL LIKE-FOR-LIKE BASIS	**6.13%**	**6.05%**	**8 bp**	**5.71%**	**5.64%**	**6 bp**

(1) Like-for-like basis 2012.

For each asset category, the property appraisers established working assumptions based mainly on their knowledge of the market and in particular of the latest transactions. It is in this context that they determine the various capitalization and discount rates.

The table hereafter indicates, by asset category, the range of discount rates used by the property appraisers to prepare the Discounted Cash Flow (DCF method) in their current appraisals.

Sector-specific premium risks were determined with reference to the French Treasury's 10-year OAT (with an interest rate of 2.0% as at December 31, 2012).

	Discount rate December 2012			Specific risk premium December 2012		
Offices	**4.00%**	**–**	**14.00%**	**2.00%**	**–**	**12.00%**
Paris	*4.00%*	*–*	*9.25%*	*2.00%*	*–*	*7.25%*
Paris Central Business District	4.00%	–	9.25%	2.00%	–	7.25%
Paris, excl. Central Business District	4.86%	–	9.25%	2.86%	–	7.25%
Paris Region	*5.72%*	*–*	*14.00%*	*3.72%*	*–*	*12.00%*
Inner suburbs	5.72%	–	8.15%	3.72%	–	6.15%
Outer suburbs	8.50%	–	14.00%	6.50%	–	12.00%
Other regions	*6.00%*	*–*	*7.00%*	*4.00%*	*–*	*5.00%*
Logistics	**11.00%**	**–**	**11.00%**	**9.00%**	**–**	**9.00%**
Outside France	11.00%	–	11.00%	9.00%	–	9.00%
Healthcare	**6.75%**	**–**	**8.50%**	**4.75%**	**–**	**6.50%**
Paris	7.55%	–	7.55%	5.55%	–	5.55%
Paris region	7.00%	–	8.50%	5.00%	–	6.50%
Other regions	6.75%	–	7.50%	4.75%	–	5.50%
Hotels	**7.00%**	**–**	**7.00%**	**5.00%**	**–**	**5.00%**
Other regions	7.00%	–	7.00%	5.00%	–	5.00%

The value of the property holding (block) is down €777 million or -6.6% on a current basis.

This drop is mainly the result of the sale of €1,278 million of assets during the year, partially offset by the increase in value of assets delivered or acquired during the year (€234 million, of which €187 million of investments), of assets under development (€141 million) and on a like-for-like basis (€107 million, of which €63 million of investments).

- Like-for-like, property holdings rose slightly by 1.2% (or €107 million):

  (i) the value of residential properties rose 1.8% (€44 million) for traditional residential properties and 0.2% for student residences. Unit valuations increased by 1.6%.
  The retail value of traditional residential properties stood at €4,826/sqm. as at December 31, 2012 with a capitalization rate of 4.98%. The retail value of student residences was €3,971/sqm. with a capitalization rate of 7.41%;
  (ii) comparable office property was flat over the year (+0.7% or €38 million). Capitalization also remained relatively stable (+10 bps at 6.42%);
  (iii) Healthcare assets grew 2.9% in 2012 (€26 million). This increase in value was due in particular to value-added works undertaken on certain assets.

- On a current basis:

  (i) seven assets were delivered in 2012 for a value of €597 million as at December 31, 2012: the 96/104 building in February (€104 million), Park Azur, Magistère and Newside in July (€143 million, €106 million and €86 million respectively), Mercy-Argenteau in August (€42 million), the Annemasse Private Hospital delivered in October (€51 million) and Pointe Métro 2 (€65 million);
  (ii) the balance sheet value of the pipeline as at December 31, 2012 rose by €141 million. This increase in value is due to the €168 million of works and a €28 million reduction in fair value, mainly on the Beaugrenelle shopping centre;
  (iii) block sale of 57 assets for a total sale price of €1,113 million and a value at December 31, 2011 of €1,136 million of which:
    - €576 million of residential assets at a net capitalization rate of 4.7%,
    - €307 million of office assets (including Carré Saint-Germain for a sale price of €148 million and appraisal value of €146 million as at December 31, 2011), at a capitalization rate of 6.3%,
    - €214 million of logistics assets at a net capitalization rate of 11.3%,
    - €14 million of healthcare assets and €2 million of hotel properties, at capitalization rates of 7.4% and 11.4% respectively.

  The overall net capitalization rate of these assets on the basis of their sale price at December 31, 2012 amounts to 6.3%;
  (iv) €190 million of apartments and car parks (€141 million in book value at December 31, 2011) were sold to private customers in 2012;
  (v) furthermore, €95 million of assets are currently covered by purchase agreements. The total capitalization rate of these assets was 6.3% as at December 31, 2012. The value retained as at December 31 for these assets corresponds to the value of the signed promise as applicable after deducting any costs and fees required for the sale.

Equity-accounted investments (€5 million compared to €6 million at year end 2011) only concern the company La Buire, given that since December 31, 2010 the company Bami Newco is no longer accounted for using the equity method.

The breakdown of the value in the balance sheet as at December 31, 2012 is as follows:

Segments	2012 *(€M)*	2012 *(%)*
Offices	6,660	60%
of which Beaugrenelle	*531*	*5%*
Logistics	6	0%
Hotels	271	2%
Total Economic division	**6,937**	**63%**
Residential	2,965	27%
Healthcare	1,108	10%
Total Demographic division	**4,073**	**37%**
TOTAL GECINA	**11,009**	**100%**

2.3.1. BUILDINGS IN THE REAL ESTATE PROPERTY HOLDINGS OF THE ECONOMIC DIVISION

Valuation of office properties in the balance sheet

€ million	**12/31/2012**	12/31/2011	Change
Valuation of office properties	6,660	6,644	0.2%
Valuation of office properties on a like-for-like basis	5,357	5,319	0.7%

Given the disposals made during the fiscal year (€307 million at 2011 values), the value of office properties remained stable at €6,660 million with an increase of 0.2% compared with December 31, 2011 (or €15 million).

There has been barely any change in investment fundamentals, risk aversion is still high with buyers and most transactions concern recent and prime location office assets. The increase in the office building portfolio in the Paris Central Business District particularly offset the decline of assets in the other segments. The market value of Gecina's commercial assets remained unchanged, like-for-like, in 2012. The portfolio's gross capitalization rate on potential rents was also unchanged in 2012 at 6.42%.

Office portfolio assets in operation (on a comparable basis)

	Appraisal value *(€M)*	Value *(€/sqm.)*	Gross capitalization rate	Net capitalization rate
Paris CBD	2,257	11,848	5.51%	5.26%
Paris non CBD	559	5,721	7.23%	6.91%
Paris	2,816	9,771	5.85%	5.59%
1st Rim	2,356	5,795	6.92%	6.61%
2nd Rim	92	1,991	9.39%	8.97%
Paris Region	2,448	5,408	7.01%	6.70%
Lyon region	57	3,382	7.18%	6.85%
Other countries	37	3,018	9.53%	9.11%
TOTAL	**5,357**	**6,959**	**6.42%**	**6.13%**

On a like-for-like basis 52.6% of the Group's office properties are located in Paris a sector in which the rates of return fell slightly in 2012, and 45.7% in the Paris Region.

Valuation of logistics properties in the balance sheet

€ million	**12/31/2012**	12/31/2011	Change
Valuation of logistics property holdings	6	256	–97.7%
Valuation of logistics properties on a like-for-like basis	5	5	1.0%

On a like-for-like basis, logistics properties dropped 97.7% or €250 million. This portfolio was almost completely sold in 2012.

Logistics properties in use on a like-for-like basis

	Appraisal value (€M)	Value (€/sqm.)	Gross capitalization rate	Net capitalization rate
Other countries	5	203	N/A	N/A
TOTAL	**5**	**203**	**N/A**	**N/A**

Valuation of hotel properties in the balance sheet

€ million	12/31/2012	12/31/2011	Change
Valuation of hotel properties	271	274	–1.2%
Valuation of hotel properties on a like-for-like basis	271	272	–0.5%

Comprising four Club Med hotels with long-term leases, the values were unchanged in 2012 (down 0.5%).

Hotel properties in use on a like-for-like basis

	Appraisal value (€M)	Value (€/sqm.)	Gross capitalization rate	Net capitalization rate
Other regions	271	3 000	7,19%	7,18%

2.3.2. BUILDINGS IN THE REAL ESTATE PROPERTY HOLDINGS OF THE DEMOGRAPHIC DIVISION

Valuation of residential properties in the balance sheet

€ million	12/31/2012	12/31/2011	Change
Valuation of residential property holdings	2,965	3,610	–17.9%
Valuation of residential properties on a like-for-like basis	2,611	2,567	1.7%

Following the disposals of 2012 (€576 million of which were block sales), the residential portfolio contracted by 17.9% to €2,965 million.

Like-for-like, the value of residential properties rose 1.7%, of which 1.8% (or €44 million) for traditional residential properties and 0.2% for student residences. This increase in value was in line with the market trend in 2012.

On a like-for-like basis, the overall block/unit value for traditional residential properties slipped slightly by 19 bps at 17.53% as at December 31, 2012 because of the slightly lower increase in unit values. This is the result of renewed interest by investors in buying block residential buildings, at least early on in the year. Unit values rose 1.6% for the whole year, whereas block values rose 1.8% over the same period. The retail value of these assets stood at €4,826/ sqm. as at December 31, 2012 with a capitalization rate of 4.98%.

Residential properties in use on a like-for-like basis

	Appraisal value (block) (€M)	Value (€/sqm.)	Gross capitalization rate	Net capitalization rate
Paris Region	2 506	4,874	5.01%	4.21%
Other regions	106	3,258	7.01%	5.90%
TOTAL	**2 611**	**4,778**	**5.09%**	**4.28%**

95.9% of the Group’s residential property in use is located in the Paris region, of which 69.6% in Paris. Capitalization rates for traditional residential properties remained unchanged and rose slightly for student residential properties.

Valuation of healthcare properties in the balance sheet

€ million	12/31/2012	12/31/2011	Change
Valuation of healthcare properties	1,108	1,002	10.6%
Valuation of healthcare properties on a like-for-like basis	921	896	2.9%

Healthcare assets grew 10.6% in 2012 at €1,108 million, mainly thanks to the acquisition of the MAPI Invest portfolio for €73 million.

Healthcare assets grew 2.9% in 2012 (€26 million). This increase in value was due in particular to value-added works made on some assets.

Healthcare properties in use on a like-for-like basis

	Appraisal value *(€M)*	Value *(€/sqm.)*	Gross capitalization rate	Net capitalization rate
Paris Region	193	2,748	6.50%	6.42%
Other regions	729	1,805	7.10%	7.02%
TOTAL	**921**	**1,944**	**6.97%**	**6.89%**

2.3.3. SUMMARY REPORT BY PROPERTY APPRAISERS

GENERAL BACKGROUND TO THE APPRAISAL ENGAGEMENT

General background

Gecina consulted the property appraisers:

- CBRE Valuation;
- BNPP Real Estate Valuation;
- Catella Valuation Advisors;
- Foncier Expertise;
- Jones Lang LaSalle,

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

		Number of assets	Valuation as at 12/31/2012 *(€M)*
CBRE Valuation	Offices	57	4,287
	Healthcare	8	186
BNP RE	Offices	44	2,255
	Logistics	1	5
Catella	Healthcare/Hotels	62	1,057
Foncier Expertise	Offices/Activities	8	123
	Residential	55	1,175
Jones Lang LaSalle	Residential	35	1,730
	Healthcare	6	73
Non-appraised assets		54	153
TOTAL GECINA GROUP ASSETS		**330**	**11,044**

In accordance with Gecina's instructions, the property appraisers drafted appraisal reports and determined the requested values, the objective value as at December 31, 2012.

No conflict of interest was recognized.

This engagement represents less than 2.5% of the annual revenues of each property appraiser, except for Catella Valuation Advisors where the percentage is 5.5% of its annual revenues. The fees of property appraisers are determined on the basis of a lump sum per asset examined and never on the basis of an amount proportional to the value of the building.

It was conducted in response to AMF recommendations on the presentation of valuation items, and the property holding risks of listed companies, published on February 8, 2010.

Mission

All the concerned real estate assets have been inspected by the appraisal teams over the last five years, including 56 assets in 2011 and 53 assets in 2012.

To carry out the appraisal, no technical, legal, environmental or administrative audit was required. The valuation is based on the documents given by the principal, specifically:

- Leases;
- descriptive sections of purchase deeds;
- details of receipts;
- details about the tax regime and certain charges.

CONDITIONS FOR CONDUCTING APPRAISALS

This appraisal was conducted on the basis of documents and information sent by Gecina to the appraisers, in particular rental statements sent out in October, all supposedly genuine and representing all the information and documents held by or known to the principal and likely to have an impact on the market value of the property.

The appraisal procedures and assessments were made in accordance with:

- the recommendations of the Barthès de Ruyter report on assessing the real estate portfolios of publicly-listed companies, published in February 2000;
- the Charter of Professional Real Estate Appraisers;
- the "European Valuation Standards", published by TEGoVA (The European Group of Valuers' Associations);
- the "Appraisal and Valuation Manual" of the Royal Institution of Chartered Surveyors (RICS);
- the "International Valuation Standards" of the International Valuation Standard Committee.

The following methods were used to estimate the market value of assets:

- comparison method;
- revenue method;
- cash flow method;
- so-called developer's balance sheet method (only applied to buildings under construction).

The valuation method is summarized in Note 3.5.3.1.1 of the Notes to the Consolidated Financial Statements.

This value applies subject to market stability and absence of significant changes in the buildings between the date of the appraisals discussed in this report and the value date.

With respect to properties and rights *in rem* covered by a financial lease, the appraisers exclusively valued the properties and the underlying rights *in rem* and not the assignment value of the financial lease.

Similarly, the appraisers did not take account of any specific financing methods that may have been used by property owners.

COMMENTS

Market values are stated exclusive of costs and duties.

All appraisers have declared that they were independent and held no stake in Gecina; each appraiser has certified the values of the properties measured thereby without assuming liability for appraisals performed by any of the other appraisers and has agreed that this summary report be included in Gecina's Reference Document.

CBRE Valuation	BNPP Real Estate Valuation	Catella Valuation Advisors	Foncier Expertise	Jones Lang LaSalle

2.4. BUSINESS AND CORPORATE EARNINGS AND MAIN SUBSIDIARIES

2.4.1. GECINA

2.4.1.1. BUSINESS AND EARNINGS

2012 rental income amounted to €268 million compared with €302 million in 2011. Residential sector rents fell from €155 million in 2011 to €137 million in 2012 as a result of asset disposals in 2011 and in 2012.

Commercial sector rental income slipped from €148 million in 2011 to €131 million in 2012. This drop was primarily due to the one-time penalty of €12.7 million paid by AON in 2011. The level of rental income for the commercial sector is therefore the same as in 2010.

With respect to the write-backs of provisions in 2012, €2.6 million were written back for impaired receivables, €1.6 million were written back for tax provisions and €0.7 million concerned share buyback plans (in 2011 they concerned €6 million of provisions for receivables and €3 million for pension liabilities).

Operating income includes €44 million of re-charges to tenants and, under other income, re-charges of inter-company services amounting to €27 million.

2012 operating expenses amounted to €236 million, *versus* €247 million the previous year. External expenses decreased by €3 million and specifically include €3 million of management fees and €5 million for the cost of acquisition of the shares of Geci 1, Geci 2 and Montbrossol.

Depreciation expense increased in 2012 by €1 million (new assets in use).

Operating income amounted to €112 million compared with €138 million the previous year.

The financial result for the year amounted to a net income of €317 million compared with a net expense of €93 million the previous year. This reflects:

- interest and related expenses (net of cash revenues) of €230 million (including €111 million payments of balances resulting from the restructuring of transactions on hedging financial instruments);
- dividends received from subsidiaries and income from equity investments of €170 million;
- write-backs on depreciations of €381 million related to shares and receivables from subsidiaries, of which €344 million concerned GEC 4 and €17 million concerned Parigest, as well as €17 million for Gecina treasury shares.
- financial depreciations of €4 million.

A net expense of €17 million was recorded under exceptional items, €347 million of which concerned capital gains on the disposal of buildings, €383 million of capital loss on the sale of securities (primarily linked to the sale of Gec4 shares), €14 million of net write-backs on provisions on properties and €8.5 million of income from contribution of business operations.

2012 net earnings amounted to €411 million, up from €273 million for €2011.

2.4.1.2. FINANCIAL POSITION

The Company's total assets at December 31, 2012 amounted to €7,737 million, compared with €7,968 million at December 31, 2011.

Fixed assets include intangible assets, primarily consisting of €446 million of unrealized merger gains from the SIF property holding (taken over in 2007) and its subsidiaries for €171 million, as well as €62 million on the property holding of Horizons taken over in 2011 and €213 million on the property holding of Parigest, Montbrossol, Geci 1 and Geci 2 (taken over in 2012).

Gecina's directly held property holding fell €16 million, from a net amount of €4,035 million at year end 2011 to €4,019 million at year end 2012.

The changes were as follows:

• capitalized expenditures	428
• net book value of assets sold	(426)
• net depreciation and provisions	(18)
	(16)

Investments in subsidiaries, equity interests and related receivables represented a total net amount of €2,792 million at December 31, 2012 compared with €3,273 million at the end of 2011.

The main changes were as follows (€ million):

• sale of securities of the subsidiary GEC 4	(270)
• merger-absorption of the Parigest subsidiary	(415)
• total transfer of property holdings of the subsidiary Monttessuy	(40)
• total transfer of property holdings of the subsidiary SPL	(25)
• total transfer of property holdings of the subsidiary Tour H15	(8)
• capital increase of the subsidiary Gecimed	65
• capital increase of the subsidiary Colvel Windsor	30
• capital increase of the subsidiary Anthos	30
• Decrease in related receivables	(312)
• Net change in provisions	450
• various net increases	14
	(481)

At December 31, 2012, the most significant equity investments were, in gross value: Geciter (€782 million of shares and €38 million of receivables), Gecimed (€314 million of shares and €389 million of receivables) and SIF Espagne (€33 million of shares and €232 million of receivables and loans).

Other equity investments consisted of 1,154,146 treasury shares amounting to €82 million, plus 955,079 shares recorded as transferable securities held for stock option and performance share plans granted to employees and company officers amounting to €69 million (gross value). Total treasury shares represented 3.36% of share capital.

Current assets totaled €153 million at December 31, 2012 compared with €193 million at December 31, 2011. They include:

- "other receivables" (€50 million net) mainly composed of inter-company receivables (€23 million), €8 million of VAT receivables, €5 million of income receivables (group rebilling) and €8 million for unit-by-unit sales of property;
- investment securities and cash of €66 million, made up of treasury shares reserved for employees (net of provisions).

Prepaid expenses (€28 million), which primarily concern deferred loan issuance costs.

Shareholders' equity increased by €153 million as a result of the following changes:

€ million	
Shareholders' equity at December 31, 2011	3,703
Capital increase and merger premium resulting from the exercise of stock options and subscriptions to the company savings scheme (PEE)	2
Merger premiums	8
Dividends paid in 2012	(268)
2012 earnings	411
Shareholders' equity at December 31, 2012	3,855

Merger premiums result from the total transfers of the property holdings of SPL and AIC that took place in 2012.

Financial debt at December 31, 2012 totaled €3,705 million compared with €4,078 million at the end of 2011, of which €353 million represented inter-company liabilities.

During the fiscal year, the company launched a new bond issue in April 2012 for €650 million.

Provisions for risks and charges amounted to €19 million, compared with €20 million the previous year.

The provisions mainly concern €9 million of provisions for pension commitments and long service awards and €6 million of provisions for future charges caused by the allocation to employees of performance shares and stock options.

Disclosures about Gecina's terms of payment (art. D.441-4 of the French Commercial Code)
The table below presents the breakdown of outstanding trade payables by maturity date, as at December 31, 2012.

	Not due				
Balances in €'000	< 30 days 2012	Between 30 and 60 days 2012	Due at year end 2012	Off schedules 2012	Total 2012
Trade payables	7,594	69	(3,468)		4,195
Provisions for invoices not received				67,054	67,054
Other				(352)	(352)
TOTAL GECINA	**7,594**	**69**	**(3,468)**	**66,703**	**70,898**

2.4.2. BUSINESS AND EARNINGS OF THE MAIN SUBSIDIARIES

Key details of the Group's principal subsidiaries, based on their individual financial statements, are as follows:

PARIGEST

Parigest, a wholly-owned Gecina subsidiary, owns residential properties consisting of nine Paris and Paris Region-based buildings. The block value of its buildings in use, exclusive of duties, amounted to €309.7 million as at December 31, 2012.

The total amount of rents billed for 2012 amounted to €15 million, compared with €15.5 million in 2011. Net earnings for 2012 amounted to €21.4 million *versus* €3.8 million in 2011. The difference in earnings is due to the capital gain of €20.7 million generated by the various disposals.

In 2012, Parigest paid out a dividend of €3.8 per share or €3.7 million.

On December 31, 2012, takeover of Parigest by Gecina.

GECITER

This subsidiary, wholly owned by Gecina, owns 32 office buildings with a block value, exclusive of duties, of €1,330.2 million at December 31, 2012.

In 2012, Geciter disposed of a building generating a capital loss of €0.4 million as well as a financial lease that generated a capital gain of €63.3 million.

The total amount of rents billed for 2012 amounted to €86.6 million, compared with €92.3 million in 2011. This fall is primarily the result of disposals completed during the year. Net earnings for the year amounted to €116.8 million *versus* €102.5 million in 2011. This can be explained by the increase in capital gains on asset disposals.

In 2012, Geciter paid out a dividend of €395 per share or €69 million.

LOCARE

Locare is a wholly-owned real estate services subsidiary of Gecina. It primarily markets residential real estate, by renting out or selling individual apartment units. Its other activities include commercial real estate consulting services, pre-construction sale services to property developers and investors in new products and first-time rentals of new assets.

It billed fees of €10.1 million in 2012 compared with €11.1 million in 2011. Inter-company revenue accounted for 81% of total revenues.

Pre-tax current income was €3.2 million in 2012 compared with €3.4 million in 2011.

GECIMED

This wholly-owned Gecina subsidiary owns 35 healthcare properties and two others on a financial lease, with an appraised value in total, exclusive of duties, of €682 million as at December 31, 2012.

On December 18, 2012, Gecina decided to increase the capital of its subsidiary Gecimed by €65 million, by the creation of new shares.

The total amount of rents billed for 2012 amounted to €48.7 million, compared with €47.3 million in 2011. Net earnings for the year amounted to €6.6 million compared with €5.3 million in 2011 (mainly as a result of the €0.9 million increase in net financial profits).

In 2012, Gecimed disposed of a clinic and generated a capital loss of €0.3 million.

In 2012, Gecimed distributed a dividend of €0.04 per share for fiscal year 2011, for a total amount of €6.7 million.

Gecimed decided to increase the capital of its subsidiary GEC 9 by €90 million, by the creation of new shares.

GECIOTEL

This wholly-owned Gecina subsidiary owns the buildings of two Club Med villages, located at La Plagne and Val-d'Isère. It also holds financial leases on two other villages, at Opio and Peisey-Vallandry.

The property holding of Geciotel, a wholly-owned Gecina subsidiary, had a total value exclusive of duties, of €271 million at December 31, 2012.

The total amount of rents rose from €19.4 million in 2011 to €19.5 million in 2012. Net earnings for the year showed a profit of €5.2 million *versus* €5.0 million in 2011.

2.4.3. RELATED PARTY TRANSACTIONS

2.4.3.1. TRANSACTIONS BETWEEN GECINA GROUP AND ITS SHAREHOLDERS

At December 31, 2012, Gecina had no material transaction with the company's major shareholders, other than those described in Note 3.5.8.3 of the Notes to the Consolidated Financial Statements.

2.4.3.2. TRANSACTIONS BETWEEN GROUP COMPANIES

The Group structure is highly centralized. Gecina is the direct employer of most of the administrative staff, with the exception of Locare's sales teams and the property personnel, consisting mainly of caretaker staff, who are paid by the property companies.

All the Group's financing requirements are organized by Gecina (with the exception of some financing specific to certain assets held by subsidiaries).

Cash pooling agreements and loan agreements of associates and shareholders provide for optimized management of cash flow based on the various subsidiaries' excess funds and cash requirements.

2.5. TRIPLE NET ASSET VALUE

TRIPLE NET ASSET VALUE – BLOCK (EPRA FORMAT)

The diluted triple Net Asset Value is calculated according to the EPRA recommendations. The calculation is based on the group's shareholders' equity obtained from financial statements, which include the fair value by block, excluding duties, of investment properties, buildings under reconstruction and properties held for sale, as well as financial instruments.

The foregoing elements are restated of the group's shareholders' equity to calculate diluted NAV and diluted triple net NAV:

- unrealized capital gains on buildings valued at their historic cost such as operating buildings and inventory buildings are calculated on the basis of block appraisal values excluding duties, determined by independent appraisers;
- consideration of the deferred tax systems of companies not covered by the SIIC system;
- the fair value of fixed rate financial debts;
- revaluation at year end of potential earnout payables and debt.

The number of diluted shares includes the number of shares likely to be created through the exercise of equity instruments to be issued in the right conditions. The number of diluted shares does not include treasury shares.

The diluted EPRA triple Net Asset Value amounted to €6,137 million as at December 31, 2012 or €100.53 per fully diluted share. Diluted EPRA NAV totaled €6,436 million as at December 31, 2012, or €105.42 per share.

The diluted triple net unit NAV came to €110.44 per share at December 31, 2012, compared with €112.14 per share at December 31, 2011.

The table below, compliant with EPRA recommendations, presents the transition between the group's shareholders' equity derived from financial statements and the diluted triple net NAV:

	12/31/2012		12/31/2011	
	Amount/ No. of shares	€/share	Amount/ No. of shares	€/share
Number of fully diluted shares	61,049,425		61,581,036	
GROUP SHAREHOLDERS' EQUITY DERIVED FROM IFRS FINANCIAL STATEMENTS	**6,182.2**		**6,264.2**	
+ Effect of the exercise of stock options	15.1		18.6	
DILUTED NAV	**6,197.3**	**101.51**	**6,282.8**	**102.02**
+ Fair value reporting of properties, if the amortized cost option is adopted	35.4		29.2	
+ Fair value reporting of inventory properties	2.3		1.9	
– Fair value of financial instruments	211.1		252.0	
– Beaugrenelle earnouts	(6.5)		(16.5)	
– Deferred taxes due to fair value reporting of properties and financial instruments	(3.4)		(12.9)	
= DILUTED EPRA NAV	**6,436.1**	**€105.42**	**6,536.5**	**€106.15**
+ Fair value of financial instruments	(211.1)		(252.0)	
+ Fair value of payables and debt	(90.8)		(34.6)	
+ Deferred taxes on the revaluation of assets at fair value	2.8		12.2	
= DILUTED EPRA NET TRIPLE NAV	**6,137.1**	**€100.53**	**6,262.1**	**€101.69**

2.6. DEVELOPMENTS, OUTLOOK AND TRENDS

2.6.1. TRENDS AND OUTLOOK

In 2013, Gecina's robust financial strength will allow it to compete on acquisitions of offices that offer medium or long-term potential for value creation, or implement reconstruction, redevelopment or reconversion projects for assets already in portfolio. The first of these intensive reconstruction projects will be launched in 2013 on a 10,402 sqm building in Boulogne. Furthermore, Gecina will focus on optimizing the portfolio's yield, on the investment policy and on the turnover of its assets through a cross-disciplinary asset management mission.

All repayments for 2013 and 2014 are covered by unutilized credit lines. The Group will continue to refinance its medium term repayments. It will continue to optimize its sources of finance, which will benefit in particular from the upgrade in credit rating in 2012.

Lastly, Gecina will continue its asset turnover strategy and has set itself a disposal target of over €700 million, nearly €350 million of which concerns residential assets. In view of the limited commitments in the development pipeline, these sales will enable the Group to reduce more of its debt or to build up its capacity for investment again, depending on the opportunities.

Gecina forecasts unchanged net recurring income in 2013 compared with 2012.

2.6.2. DEVELOPMENTS

As at end December 31, 2012, Gecina's development pipeline amounted to €754 million, €282 million of which is to be paid out by the end of 2015.

These developments concern three office property projects: The Velum building which will be delivered in June 2013 in Lyon and which is already fully pre-let to EDF, the Docks de Saint-Ouen in the First Rim which will be delivered in December 2013, and a property in Boulogne that will be reconstructed by 2015. Gecina is also continuing with the full reconstruction of the Beaugrenelle shopping centre in the 15th arrondissement of Paris. The construction is scheduled for delivery in September 2013, and 87% of the surface area had been pre-let at the end of 2012.

For the residential property segment, Gecina will develop five student residences in the Paris region and in Bordeaux, representing an additional 800 beds.

These developments are expected to generate a forecast net return of 7.1%. Annual net rent is estimated at nearly €54 million.

Concise overview of the developments pipeline

Project	Location	Delivery date	Floor space *(sqm.)*	Total investment *(€M)*	Investment already made *(€M)*	Remaining investment *(€M)*	Provisional net rate of return
Beaugrenelle	Paris 15th arr.	Sept. 2013	50,089	480	389	92	6,9%
Le Vélum	Lyon (69)	June 2013	14,050	54	34	19	9,1%
Docks de Saint-Ouen	Seine-Saint-Denis (93)	Dec. 2013	16,155	76	36	40	7,4%
122, avenue du Général Leclerc (Boulogne)	Hauts-de-Seine (92)	March 2015	10,670	68	1	67	7,5%
Total offices and shops			**90,964**	**678**	**460**	**218**	**7,2%**
Saint-Denis Pleyel	Seine-Saint-Denis (93)	2nd quarter 2014	4,609	18	5	13	6,6%
Bagnolet	Seine-Saint-Denis (93)	2nd quarter 2014	4,077	19	0	19	6,1%
Bordeaux	Gironde (33)	2nd quarter 2014	3,500	12	0	12	6,8%
Lançon	Paris 13th arr.	2015	1,465	11	6	5	5,5%
Lecourbe	Paris 15th arr.	3rd quarter 2014	2,674	17	1	16	5,3%
Total student residences			**16,325**	**76**	**12**	**64**	**6,0%**
GROUP TOTAL			**107,289**	**754**	**472**	**282**	**7,1%**

CONSOLIDATED FINANCIAL STATEMENTS

3.1. CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2012

Assets

€'000	Note	12/31/2012 Net	12/31/2011 Net
Non-current assets		**10,600,740**	**11,001,338**
Investment properties	3.5.5.1.	9,865,418	9,951,373
Properties under reconstruction	3.5.5.1.	637,966	936,998
Operating buildings	3.5.5.1.	65,453	66,429
Other tangible fixed assets	3.5.5.1.	3,814	4,158
Intangible fixed assets	3.5.5.1.	5,126	4,558
Financial investments	3.5.5.2.	12,549	14,058
Equity-accounted investments	3.5.5.3.	5,328	5,835
Financial instruments	3.5.5.12.	5,086	4,445
Deferred taxes	3.5.5.4.	0	13,484
Current assets		**580,713**	**1,026,142**
Properties held for sale	3.5.5.5.	428,391	825,849
Inventories	3.5.5.1.	7,220	5,788
Trade receivables	3.5.5.6.	68,144	62,649
Other receivables	3.5.5.7.	48,745	63,971
Prepaid expenses	3.5.5.8.	27,025	24,114
Financial instruments	3.5.5.12.	0	850
Cash and equivalents	3.5.5.9.	1,188	42,921
Assets classified as held for sale (1)	3.5.5.10.	6,694	
TOTAL ASSETS		**11,188,147**	**12,027,480**

Liabilities and equity

€'000	Note	12/31/2012	12/31/2011
Capital and reserves	**3.5.5.11.**	**6,182,243**	**6,308,127**
Capital		470,829	469,878
Issue, merger and contribution premiums		1,886,410	1,870,443
Consolidated reserves		3,599,457	3,512,639
Group consolidated earnings		225,511	411,225
Group equity		**6,182,207**	**6,264,185**
Total minority interests		**36**	**43,942**
Non-current liabilities		**3,934,529**	**4,390,544**
Financial debt	3.5.5.12.	3,667,827	4,063,767
Financial instruments	3.5.5.12.	216,119	257,306
Deferred tax liabilities	3.5.5.4.	3,069	14,573
Provisions for risks and charges	3.5.5.13.	44,769	50,904
Tax and social security payables	3.5.5.16.	2,745	3,994
Current liabilities		**1,070,672**	**1,328,809**
Short-term portion of debt	3.5.5.12.	763,514	996,158
Financial instruments	3.5.5.12.	32	25
Security deposits		58,776	61,981
Trade payables	3.5.5.14.	154,453	153,178
Tax and social security payables	3.5.5.16.	53,607	60,660
Other payables	3.5.5.17.	40,290	56,807
Liabilities classified as held for sale (1)	3.5.5.18.	703	
TOTAL LIABILITIES		**11,188,147**	**12,027,480**

(1) Please refer to Note 3.5.2.6 related to the application of IFRS 5 Non-current assets held for sale and discontinued operations.

3.2. CONSOLIDATED INCOME STATEMENT

€'000	Note	12/31/2012	Proforma (1) 12/31/2011	12/31/2011
Gross rental income	**3.5.6.1.**	**583,517**	**606,486**	**632,468**
Property expenses	3.5.6.2.	(137,150)	(140,624)	(156,623)
Recharges to tenants	3.5.6.2.	84,080	89,326	94,723
Net rental income		**530,447**	**555,188**	**570,568**
Services and other income (net)	3.5.6.3.	9,269	6,557	7,340
Overheads	3.5.6.4.	(64,389)	(75,442)	(75,918)
EBITDA		**475,327**	**486,303**	**501,990**
Gains or losses on disposals	3.5.6.5.	36,099	20,891	15,541
Change in value of properties	3.5.6.6.	69,980	214,895	142,206
Depreciation		(5,157)	(4,566)	(4,566)
Net impairments and provisions		342	(11 037)	(4,491)
Operating income		**576,591**	**706 486**	**650,680**
Net financial expenses	3.5.6.7.	(175,248)	(188,855)	(191,617)
Financial impairment and amortization	3.5.5.2.	(168)	(513)	(513)
Change in value of financial instruments	3.5.6.8.	(155,617)	(108,950)	(108,950)
Net income from equity-accounted investments	3.5.5.3.	1,645	1,969	1,969
Income before tax		**247,203**	**410 137**	**351,569**
Tax	3.5.6.9.	1,272	60,186	60,026
Minority interests	3.5.5.11.	7,070	(370)	(370)
Net gains or losses from continued operations		**255,545**	**469,953**	**411,225**
Net gains or losses from discontinued operations (1)		(30,034)	(58,728)	
Consolidated net income (Group Share)		**225,511**	**411 225**	**411,225**
Consolidated net earnings per share	3.5.6.11.	€3.71	€6.74	€6.74
Consolidated diluted net earnings per share	3.5.6.11.	€3.70	€6.69	€6.69

Other comprehensive income items

€'000	Note	12/31/2012	Proforma (1) 12/31/2011	12/31/2011
Consolidated net income (Group share)		**225,511**	**411,225**	**411,225**
Impact of share-based payments		3,162	3,815	3,815
Gains or losses from translation differentials		(226)	526	526
Change in value of financial instruments		944	1,071	1,071
Actuarial gains and losses on pension commitments and similar		(2,473)		
Share of minority interests		(7,070)	370	370
TOTAL INCOME		**219,848**	**417,007**	**417,007**

(1) Presented under IFRS 5 as stated Note 3.5.3.1.2.

3.3. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€'000 (except for number of shares)	Number of shares	Share capital	Consolidated premiums and reserves	**Shareholder equity**	Intérêts minoritaires	Total capitaux propres
Balance at January 1, 2011	62,615,368	469,615	5,632,199	6,101,814	45,801	6,147,615
Dividend paid in 2011			(268,515)	(268,515)		(268,515)
Assigned value of treasury shares (1)			(2,898)	(2,898)		(2,898)
Change in value of financial instruments (2)			1,071	1,071		1,071
Impact of share-based payments (3)			3,815	3,815		3,815
Actuarial differences on post-employment benefits			247	247		247
Gains or losses from translation differentials			526	526		526
Group capital increase (4)	35,080	263	2,363	2,626		2,626
Changes in consolidation (5)			14,222	14,222	(2,012)	12,210
Other changes			51	51	(217)	(166)
Net Income at December 31, 2011			**411,225**	**411,225**	**370**	**411,595**
Balance at December 31, 2011	62,650,448	469,878	5,794,307	6,264,185	43,942	6,308,127
Dividend paid in 2012			(267,518)	(267,518)		(267,518)
Assigned value of treasury stock (1)			(37,099)	(37,099)		(37,098)
Change in value of financial instruments (2)			944	944		944
Impact of share-based payments (3)			3,162	3,162		3,162
Actuarial differences on post-employment benefits			(2,473)	(2,473)		(2,473)
Gains or losses due to translation differentials			(226)	(226)		(226)
Group capital increase (4)	126,687	951	785	1,736		1,736
Change in consolidation (5)			(6,015)	(6,015)	(36,837)	(42,852)
Other changes			0	0		
Net Income at December 31, 2012			**225,511**	**225,511**	**(7,070)**	**218,441**
BALANCE AT DECEMBER 31, 2012	**62,777,135**	**470,829**	**5,711,378**	**6,182,207**	**36**	**6,182,243**

(1) Treasury shares :

	At 12/31/2012		At 12/31/2011	
€'000 (except for number of shares)	Number of shares	Net amount	Number of shares	Net amount
Shares recorded as a deduction from equity	2,109,225	151 003	1,621,476	117,819
Treasury shares in %		3.36%		2.59%

(2) Recognition in shareholders' equity of the effective portion of the change in fair value of cash flow hedge derivatives (see Note 3.5.3.8.).
(3) Impact of benefits related to shares award plans (IFRS 2).
(4) Share issue for the capital increase reserved for Group employees as part of the set up of an employee mutual fund (28,807 shares in 2012 and 35,080 shares in 2011).
(5) Beaugrenelle put, and Montbrossol and Beaugrenelle additional prices.

3.4. CONSOLIDATED NET TAX FLOW STATEMENT

€'000	12/31/2012	12/31/2011 Proforma	12/31/2012 Published
Consolidated net income (including minority interests)	**218,441**	**411,595**	**411,595**
Net income from discontinued operating activities	**(30,034)**	**(58,728)**	**0**
Net income from continued operating activities	**248,475**	**470,323**	**411,595**
Net income from equity-accounted investments	(1,645)	(1,969)	(1,969)
Net depreciation, impairment and provisions	4,983	16,117	9,569
Changes in fair value and discounting of debt and receivables	85,637	(105,944)	(33,255)
Calculated charges and income from stock options	3,162	3,815	3,815
Tax charges (including deferred tax)	(1,272)	(60,187)	(60,026)
Current cash flow before tax	339,341	322,155	329,729
Capital gains and losses on disposal	(36,099)	(20,892)	(15,541)
Other calculated income and expenses	(10,172)	(1,200)	(1,287)
Cost of net debt	175,248	188,855	191,618
Net cash flow before cost of net debt and tax (A)	468,320	488,920	504,520
Tax paid (B)	(2,966)	42,312	41,981
Change in operating working capital (C)	(36,204)	(20,565)	(18,335)
Net cash flow from continued operating activities	**429,150**	**510,667**	**528,166**
Net cash flow from discontinued operating activities	**17,054**	**17,499**	**0**
Net cash flow from operating activities (D) = (A+B+C)	446,204	528,166	528,166
Acquisitions of tangible and intangible fixed assets	(348,584)	(448,921)	(449,286)
Disposals of tangible and intangible fixed assets	1,058,509	795,520	904,114
Disbursements for acquisitions of financial investments (non-consolidated investments)	0	0	0
Proceeds from disposals of financial investments (non-consolidated investments)	0	0	0
Impact of changes in consolidation	130,403	(83,737)	(83,737)
Dividends received (equity-accounted affiliates, non-consolidated securities)	2,152	0	0
Change in loans and agreed credit lines	1,269	(640)	(640)
Other cash flows from investing activities	(6,862)	(5,505)	(5,505)
Change in working capital from investing activities	(2,844)	16,460	10,473
Net financing cash flow from continued operating activities	**834,042**	**273,177**	**375,419**
Net financing cash flow from discontinued operating activities	**7,479**	**102,242**	**0**
Net cash flow from investing activities (E)	841,521	375,419	375,419
Capital contribution from minority interests of consolidated companies	0	0	0
Amounts received on the exercise of stock options	4,929	4,823	4,823
Purchases and sales of treasury shares	(40,291)	(5,043)	(5,043)
Dividends paid to shareholders of the parent company	(268,008)	(268,493)	(268,493)
Dividends paid to minority interests of consolidated companies	0	(217)	(217)
New borrowings	1,724,343	1,318,666	1,318,666
Repayment of borrowings	(2,404,363)	(1,721,720)	(1,744,502)
Net interest paid	(176,578)	(169,351)	(170,861)
Other cash flows from financing activities	(128,967)	(12,848)	(12,848)
Net investment cash flow used by continued activities	**(1,288,935)**	**(854,182)**	**(878,474)**
Net investment cash flow used by discontinued activities	**(42,459)**	**(24,292)**	**0**
Net cash flow from financing activities (F)	(1,331,394)	(878,474)	(878,474)
NET CHANGE IN CASH AND EQUIVALENTS (D+E+F)	**(43,669)**	**25,110**	**25,110**
Opening cash and equivalents	42,921	17,811	17,811
Closing cash and cash equivalents	(748)	42,921	42,921

3.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.5.1. HIGHLIGHTS

FOREWORD

Gecina holds, manages and develops property assets worth €11 billion as at December 31, 2012 located 88% in the Paris region. Gecina's operations are organized around an Economic division comprising France's leading office property holdings and a Demographic division of residential assets, student residences and healthcare facilities. Gecina has made sustainable development central to its strategy for creating value, staying a step ahead of its clients' expectations and investing while protecting the environment thanks to the involvement and expertise of its employees.

Gecina is a Real Estate Investment Trust (*Société d'Investissement Immobilier Cotée*, SIIC) listed on Euronext Paris, and is included in the FTSE4Good, DJSI Europe and World, Stoxx Global ESG Leaders and ASPI Eurozone® indices. To cement its social commitments, Gecina has created a corporate foundation dedicated to protecting the environment and supporting persons suffering from all forms of disability.

FINANCIAL YEAR 2012

For the fiscal year, Gecina reported 11 new rentals in six buildings corresponding to a total surface area of nearly 51,000 sqm of offices since early 2012, which generated nearly €25 million of annualized headline rent.

In January 2012, Gecina concluded a block sale of residential assets worth €342 million. These consisted of nine residential buildings in Paris and the First Rim, and one residential building in Lyon. This transaction is a record sale for the Group and represents the bulk of its target to dispose of €500 million worth of residential assets through block sales in 2012.

As part of its policy to refocus on its core business, Gecina sold off all its logistics assets in August 2012 for €203 million, with the exception of two non-significant assets.

In April 2012, Gecina acquired from MAPI Invest a property portfolio of six homes for dependent elderly people (EHPAD), valued at €70.5 million excluding transfer duties, based on an annualized rent of €4.6 million. After this transaction, Gecina's healthcare assets comprised nearly 8,400 beds split between 75 establishments throughout France.

Gecimed, Gecina's healthcare real estate subsidiary, completed the construction of the Hôpital Privé Pays de Savoie in Annemasse in October 2012. The private hospital was delivered to Générale de Santé, the tenant-operator, under a 12-year irrevocable lease. This transaction, which represented an investment of €50 million for Gecina, will generate long-term secure cash flows and a net return of 6.75%.

In July 2012, Gecina delivered the Newside building in La Garennes-Colombes (92), an office asset comprising a useable floor area of 17,955 sqm. This program was completed by the architectural firm Valode & Pistre and has received three certifications: HQE® Construction exceptional level (BBC label), BREEAM (Very Good) and LEED (Gold). In December 2012, Gecina delivered the "Pointe Métro 2" building in Gennevilliers (92), an asset with 15,000 sqm. of offices and signed by the architectural firm Jean-Paul Viguier, with the ambition of obtaining HQE® (BBC label) certification.

In April 2012, Gecina successfully completed a €650 million bond issue, maturing in seven years on April 11, 2019. The bond was issued over a spread of 290 bp on the mid-swap rate and offers a 4.75% coupon. Following the issuance of this fixed-rate debt and the expected fall in the debt volume in upcoming years, Gecina has considerably restructured its portfolio of financial instruments, having terminated six transactions for a nominal total of nearly €1.4 billion and paid a balance of €129 million. In return, new transactions were subscribed amounting to a nominal value of €460 million. These transactions were part of the Group's strategy to strengthen and diversify its financial structure while extending the maturity of Gecina's debt.

In this respect, Standard & Poor's acknowledged the substantial improvement in the Group's financial profile and its efforts for a leaner balance sheet between 2010 and 2012 by changing Gecina financial rating in October 2012 from BBB- / stable outlook to BBB / stable outlook. In November 2012, Moody's also upgraded Gecina's credit rating from Baa3 (stable outlook) to Baa2 (stable outlook).

On March 27, 2012, Gecina's Board of Directors duly noted the resignation of Joaquín Rivero as director.

The General Meeting of April 17, 2012 appointed Inès Reinmann as director to replace Jean-Jacques Dayries, whose term had expired. At the end of this General Meeting, the Board of Directors was comprised of 13 directors, five of whom were independent directors.

On July 16, 2012, Gecina received a letter from Banco de Valencia about four promissory notes. Details of this information are provided in Note 3.5.8.3.

In October 2012, the companies Alteco Gestión y Promoción de Marcas S.L and Mag Import S.L, holding 15.6% and 15.3% of Gecina's share capital respectively, requested the opening of bankruptcy proceedings at the Madrid Commercial Court.

3.5.2. GENERAL PRINCIPLES OF CONSOLIDATION

3.5.2.1. REPORTING STANDARDS

The consolidated financial statements of Gecina and its subsidiaries ("the Group") are prepared in accordance with IFRS as adopted by the European Union. The reporting standards can be viewed on the European Community's website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

As the Gecina Group is not concerned by the IAS 39 exclusion on the recognition of financial instruments, or by mandatory standards or interpretations for 2012 not yet adopted by the European Union, the financial statements are also compliant with IFRS as defined by the IASB.

The standards and interpretations applicable for the Group since January 1, 2012 have no significant impact on its results and financial position. The standards and official interpretations that may be applicable after the balance sheet date have not been applied in advance and are not expected to have any material impact on the financial statements.

The preparation of the financial statements in accordance with IFRS requires certain key accounting estimates to be made. The Group is also required to exercise its judgment on the application of accounting principles. The areas with the most important issues in terms of judgment or complexity or those for which the assumptions and estimates are material in relation to the consolidated financial statements are presented in Note 3.5.3.14. The disclosures required under IFRS 7 concerning the type and risk of financial instruments appear in Notes 3.5.3.8, 3.5.3.9 and 3.5.4.

Gecina applies the ethical code for French Real Estate Investment Trust (SIIC) as established by the *Fédération des Sociétés Immobilières et Foncières*.

3.5.2.2. CONSOLIDATION METHODS

All companies in which the Group holds direct or indirect exclusive control and companies in which Gecina exercises a notable or joint influence are included in the scope of consolidation. The former are fully consolidated and the latter are consolidated under the equity method.

3.5.2.3. SCOPE OF CONSOLIDATION

As at December 31, 2012, the consolidation included the following companies:

Scope of consolidation

Companies	SIREN	12/31/2012 % interest	Method of consolidation	12/31/2011 % interest
Gecina	592,014,476	100.00%	Parent company	100.00%
23-29, rue de Châteaudun	387,558,034	100.00%	FC	100.00%
5 rue Montmartre	380,045,773	100.00%	FC	100.00%
55, rue d'Amsterdam	382,482,065	100.00%	FC	100.00%
Anthos	444,465,298	100.00%	FC	100.00%
Beaugrenelle	307,961,490	75.00%	FC	75.00%
Braque	435,139,423	100.00%	FC	100.00%
Braque Inglatan	12,698,187	100.00%	FC	100.00%
Campusea	501,705,909	100.00%	FC	100.00%
Capucines	332,867,001	100.00%	FC	100.00%
Clairval	489,924,035	100.00%	FC	100.00%
Colvel Windsor	477,893,366	100.00%	FC	100.00%
Dassault Suresnes	434,744,736	100.00%	FC	100.00%
Denis	439,986,100	100.00%	FC	100.00%
Denis Inversiones	B63256457	100.00%	FC	100.00%
GEC 7	423,101,674	100.00%	FC	100.00%
GEC 8	508,052,149	100.00%	FC	100.00%
GEC 9	508,052,008	100.00%	FC	100.00%
Gecimed	320,649,841	100.00%	FC	100.00%
Gecina Management	432,028,868	100.00%	FC	100.00%
Geciotel	428,819,064	100.00%	FC	100.00%
Geciter	399,311,331	100.00%	FC	100.00%
Haris	428,583,611	100.00%	FC	100.00%
Haris Investycje		100.00%	FC	100.00%
HP. Annemassse	528,229,917	100.00%	FC	100.00%
Investibail transactions	332,525,054	100.00%	FC	100.00%
Khapa	444,465,017	100.00%	FC	100.00%
Labuire Aménagement	444,083,901	59.70%	EM	59.70%
L'Angle	444,454,227	100.00%	FC	100.00%
Le Pyramidion Courbevoie	479,765,874	100.00%	FC	100.00%
Locare	328,921,432	100.00%	FC	100.00%
Michelet-Levallois	419,355,854	100.00%	FC	100.00%
Nikad	433,877,669	100.00%	FC	100.00%
Sadia	572,085,736	100.00%	FC	100.00%
Saint-Augustin Marsollier	382,515,211	100.00%	FC	100.00%
Société des Immeubles de France (Spain)		100.00%	FC	100.00%
Société Hôtel d'Albe	542,091,806	100.00%	FC	100.00%
Société Immobilière et Commerciale de Banville	572,055,796	100.00%	FC	100.00%
SPIPM	572,098,465	100.00%	FC	100.00%

Companies	SIREN	12/31/2012 % interest	Method of consolidation	12/31/2011 % interest
Joined consolidation 2012				
GEC 12	751,139,163	100.00%	FC	
GEC 13	751,102,773	100.00%	FC	
SPL Exploitation	751,103,961	100.00%	FC	
GEC 15	444,407,837	100.00%	FC	
GEC 16	751,103,961	100.00%	FC	
Joined consolidation 2011				
GEC 10	529,783,649	100.00%	FC	100.00%
GEC 11	530,019,009	100.00%	FC	100.00%
Alouettes 64	443,734,629	100.00%	FC	100.00%
8 rue de Cheuvreul/Suresnes	352,295,547	100.00%	FC	100.00%
Clos Saint Jean	419,240,668	100.00%	FC	100.00%
Bordeaux K1	512,148,438	100.00%	FC	100.00%
Eaubonne K1	512,148,974	100.00%	FC	100.00%
Lyon K1	512,149,121	100.00%	FC	100.00%
Suresnes K1	512,148,560	100.00%	FC	100.00%
SCIMAR	334,256,559	100.00%	FC	100.00%
Tiers temps Aix les bains	418,018,172	100.00%	FC	100.00%
Tiers temps Lyon	398,292,185	100.00%	FC	100.00%
Grande Halle de Gerland	538,796,772	100.00%	FC	100.00%
Saulnier Square	530,843,663	100.00%	FC	100.00%
Left consolidation 2011				
Grands Bouessays	309,660,629		FC	Merged
Joba	392,418,216		FC	Merged
Saint Genis Industries	382,106,706		FC	Merged
Val Notre Dame	343,752,903		FC	Merged
Left consolidation 2012				
A.I.C.	351,054,432	Merged	FC	100.00%
Aralog	423,542,133	Sold	FC	100.00%
Aralog Inversiones y desarollo		Sold	FC	100.00%
Arnas	318,546,090	Merged	FC	100.00%
Camargue Logistique	482,539,087	Sold	FC	100.00%
Ernst	439,959,859	Sold	FC	100.00%
Ernst Belgie		Sold	FC	100.00%
GEC 4	490,526,829	Sold	FC	100.00%
Montbrossol	380,249,326	Merged	FC	100.00%
Monttessuy 357	423,852,185	Merged	FC	100.00%
Parigest	642,030,571	Merged	FC	100.00%
SPL	397,840,158	Merged	FC	100.00%
Tour H15	309,362,044	Merged	FC	100.00%

FC: full consolidation.
EM: accounted for under the equity method.
(1) Although Gecina owns more than 50% of Labuire Aménagement, it does not, under the shareholder agreement, control the company. Labuire Aménagement is therefore accounted for under the equity method.

3.5.2.4. CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS

3.5.2.4.1. Adjustments for consistency of individual financial statements

The rules and methods applied by consolidated companies are subject to adjustments for the purpose of consistency with those of the Group.

All companies closed their accounts (or drafted an account statement) at December 31, 2012.

3.5.2.4.2. Intercompany transactions

Intercompany transactions and any profits on disposal resulting from transactions between consolidated companies are eliminated.

3.5.2.4.3. Business combinations (IFRS 3)

The acquisition cost corresponds to the fair value on the date of exchange of the contributed assets and liabilities and the equity instruments issued in exchange for the acquired entity. Positive goodwill is recognized as an asset in respect of the surplus of the acquisition cost over the buyer's share of the fair value of the assets and liabilities acquired after deferred tax that is recorded under deferred tax. Negative goodwill is posted to the income statement.

The company regards its acquisitions (from buying companies or assets) as a group of assets and liabilities without a commercial activity, as defined in IFRS 3. As these acquisitions do not constitute a business combination, this standard is not applied but rather IAS 40 (Investment properties). The difference between the acquisition price and the fair value of the assets and liabilities is deemed to refer to the property asset and is allocated to the line item "Change in value of properties" at the post-acquisition balance sheet date.

3.5.2.5. FOREIGN CURRENCY TRANSLATION

The Group's operating currency is the euro. Transactions conducted by subsidiaries situated outside the Eurozone are translated at the closing exchange rate for balance sheet items and at the average exchange rate over the period of the income statement. Exchange differentials recognized in the balance sheet at the beginning of the period and on earnings for the year are recorded on a separate line under shareholders' equity.

3.5.2.6. CHANCES IN THE PRESENTATION OF THE FINANCIAL STATEMENTS

Applications of IFRS 5 relative to non-current assets held for sale and discontinued activities

As at December 31, 2012, the application of IFRS 5 to the sale of the logistics business (except two assets) results in a specific presentation of the financial statements.

At December 31, 2012, the balance sheet shows on a specific line, the residual assets and liabilities held for sale of discontinued operations while the income statement presents the net income from discontinued operations separately from the net income of continued operations. The statement of consolidated net cash flows also presents the net cash flows generated by discontinued operations. The consolidated statement of net cash flows also states net cash flows generated by discontinued activities on a separate line.

The full-year 2012 financial information has been restated for comparison purposes by the application of IFRS 5 to the income statement and the consolidated cash flow statement, in accordance with the principles cited above (proforma financial statements). The full-year 2012 published financial statements were not restated, as stipulated under IFRS 5.

For information purposes, the balance sheet and consolidated income statement without application of IFRS 5 is presented below.

Assets

	12/31/2012	12/31/2011
€'000	Net	Net
Non-current assets	**10,606,044**	**11,001,338**
Investment properties	9,870,418	9,951,373
Properties under reconstruction	637,966	936,998
Operating properties	65,453	66,429
Other tangible fixed assets	3,814	4,158
Intangible fixed assets	5,126	4,558
Financial fixed assets	12,549	14,058
Equity-accounted investments	5,328	5,835
Financial instruments	5,086	4,445
Deferred taxes	304	13,484
Current assets	**582,103**	**1,026,142**
Properties held for sale	428,391	825,849
Inventories	7,220	5,788
Trade receivables	68,407	62,649
Other receivables	49,011	63,971
Prepaid expenses	27,035	24,114
Financial instruments	0	850
Cash and equivalents	2,039	42,921
TOTAL ASSETS	**11,188,147**	**12,027,480**

Liabilities and equity

€'000	12/31/2012	12/31/2011
Capital and reserves	**6,182,243**	**6,308,127**
Capital	470,829	469,878
Issue, merger and contribution premiums	1,886,410	1,870,443
Consolidated reserves	3,599,457	3,512,639
Group consolidated net earnings	225,511	411,225
Group shareholder equity	**6,182,207**	**6,264,185**
Total minority interests	**36**	**43,942**
Non-current liabilities	**3,934,529**	**4,390,544**
Financial debt	3,667,827	4,063,767
Financial instruments	216,119	257,306
Deferred tax liabilities	3,069	14,573
Provisions for liabilities and expenses	44,769	50,904
Tax and social security liabilities	2,745	3,994
Current liabilities	**1,071,375**	**1,328,809**
Short-term portion of financial debt	763,514	996,158
Financial instruments	32	25
Security deposits	58,887	61,981
Trade payables	154,998	153,178
Tax and social security liabilities	53,651	60,660
Other debts	40,293	56,807
TOTAL LIABILITIES AND EQUITY	**11,188,147**	**12,027,480**

Consolidated income statement

€'000	12/31/2012	12/31/2011
Gross rental income	**596,146**	**632,468**
Property expenses	(142,356)	(156,623)
Recharges to tenants	87,225	94,723
Net rental income	**541,015**	**570,568**
Services and other income (net)	9,635	7,340
Overheads	(64,732)	(75,918)
EBITDA	**485,918**	**501,990**
Gains or losses on disposals	(4,212)	15,541
Change in value of properties	69,522	142,206
Depreciation	(5,157)	(4,566)
Net impairments and provisions	315	(4,491)
Operating income	**546,386**	**650,680**
Net financial expenses	(175,050)	(191,617)
Financial impairment and amortization	(168)	(513)
Change in value of financial instruments	(155,617)	(108,950)
Net income from equity-accounted investments	1,645	1,969
Pre-tax income	**217,196**	**351,569**
Tax	1,245	60,026
Minority interests	7,070	(370)
Consolidated net income (Group share)	**225,511**	**411,225**
Consolidated net earnings per share	€3.71	€6.74
Consolidated diluted net earnings per share	€3.70	€6.69

3.5.3. ACCOUNTING PRINCIPLES

3.5.3.1. PROPERTY HOLDINGS

3.5.3.1.1. Investment properties (IAS 40)

Properties held for the long term and intended to be leased under operating leases, and/or held for capital appreciation, are considered as investment properties.

On acquisition, investment properties are recorded on the balance sheet at cost, inclusive of duties and taxes.

The time spent by operational teams, directly attributable to disposals, rentals and development projects is monitored and priced, and then, as appropriate:

(i) Reported under fixed assets for the portion spent on development projects, studies or marketing actions;

(ii) Recognized under gains or losses on disposals if related to pre-sale activities.

Interest expenses related to construction operations and eviction compensation paid in connection with building reconstructions are capitalized.

Financial lease contracts are recognized as financial leases and recorded as assets on the balance sheet, and the corresponding borrowings are recorded as liabilities under financial debt. Accordingly, the fees are eliminated and the interest expense for financing and the fair value of the asset are recognized in accordance with the Group's accounting principles, as if the Group were the owner.

Gecina has opted for the valuation of investment properties at fair value. The company has elected, by convention, to retain the block value of properties as the fair value of investment properties in the consolidated financial statements. This block value excludes transfer duties and is determined by independent appraisers (as at December 31, 2012: BNPP Real Estate, Catella, CRE Valuation, Foncier Expertise and Jones Lang LaSalle), which value the Group's portfolio on the assumption of a long-term holding at June 30 and December 31 each year and which take into account capitalized construction work. Valuations are conducted in accordance with industry practices using valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. All Gecina assets are now appraised by independent appraisers.

The change in fair value of investment properties is recorded on the income statement. These properties are not therefore subject to depreciation or impairment. The income statement records the change in fair value of each property over the year determined as follows:

- current market value – (prior year market value + cost of construction work and expenditure capitalized in the current year).

Investment properties in the course of renovation are recognized at fair value.

Properties under construction or acquired with the intention of reconstruction or in the process of being reconstructed are recognized at fair value where that value can be reliably measured. In cases where fair value cannot be reliably determined, the property is recognized at its last known value plus any costs capitalized during the period. At each balance sheet date, an impairment test can show that the booked value does not exceed the building's recoverable value.

The fair value is determined by appraisers based on an evaluation of the property's realizable value less all direct and indirect future development costs.

The Group considers that a property in the process of construction can be reliably appraised at fair value when the foundations of the building are completed and its marketing is advanced. Whatever the case, the fair value appraisal will be performed when the asset is protected from the rain.

Nevertheless, when the asset is already leased and the signature of works contracts has sufficiently progressed to allow a reliable estimate of the construction cost, the asset under development may then be recognized at fair value.

Valuation procedure

Each investment property is measured separately by an independent appraiser. However, the appraisers use the same valuation methods as described below. When appraising a property, real estate appraisers exclude transfer duties, taxes and fees. Instead they follow the position of the French professional body of real estate appraisers, AFREXIM [1]., and use the following rates:

- 1.8% of legal fees for properties in VAT;
- 6.2% of registration fees and expenses for other properties

The property is assessed at fair market value, which corresponds to the price at which it could be sold between informed consenting parties operating under normal market conditions without reference to the financing conditions as at the valuation date. The value used in the consolidated financial statements is the value excluding transfer duties.

a) Office properties

The fair market value of each asset is based on the results of the following three methods. The simple arithmetic mean is used for the comparison, income capitalization and discounted cash flow (DCF) methods. In the event that a difference between the results of the three methods is 10% or more, the appraiser has the option of determining the most relevant value.

- Direct comparison method: this method consists of comparing the asset that is the object of the appraisal and transactions made on assets equivalent in type and situation, on dates close to the date of appraisal.
- Capitalization of net income method: this method consists of capitalizing recorded or potential income on the basis of a rate of return expected by an investor for a similar type of asset. The income base is generally constituted either of net annual rent excluding taxes and rental charges, or the market rent value. For occupied premises, the appraiser conducts an analysis of the legal and financial conditions of each lease and of the rental market. For vacant premises, the market rent value is used as a reference, taking account of re-letting delays, renovation work and other miscellaneous expenditure.
- Discounted cash flow method (DCF): the value of the asset is equal to the discounted cash flow expected by the investor, including its assumed sale following a 10-year holding period. The sale price at the end of the period is determined on the basis of the net cash flow in year 11 capitalized at a rate of return. Discounted cash flow is determined on the basis of a risk-free interest rate (10-year government bond equivalent) plus an appropriate risk premium for the property determined in comparison with standard discounted rates on cash flow generated by similar assets.

b) Residential real estate

The block market value of each asset is determined from the results of the following two methods: direct comparison and income capitalization. The simple arithmetic mean is used for the comparison and income capitalization methods. In the event that a difference between the results of the two methods is 10% or more, the expert has the option of determining the more relevant valuation.

- Direct comparison method: this is identical to the method used for office property.
- Income capitalization method: this is identical to the method used for office property applied to gross income pursuant to the recommendations of the French professional body of property appraisers, AFREXIM [1].

c) Unit-by-unit value for residential and mixed buildings

The unit-by-unit value is used for buildings on sale by apartments (see Note 3.5.3.1.2).

The unit-by-unit value is based on the unit prices per sqm. on the market for vacant premises. The valuation includes discounts to reflect marketing periods, costs and the margin earned on the sale of all the units. These discounts are differentiated according to the size of the property and number of units included. The estimated value of office units and commercial premises situated on the ground floor of buildings are then added based on both methods: direct comparison and income capitalization.

For properties where the unit-by-unit sale process has been started, the valuation follows the same method, adjusting the allowances applied to the property's actual marketing situation.

d) Logistics properties, healthcare facilities and hotels

The block fair market value of each asset is determined from the results of the following two methods: income capitalization and discounted cash flow. The simple arithmetic mean is used for the capitalization by income and discounted cash flow (DCF) methods. In the event that a difference between the results of the two methods is 10% or more, the appraiser has the option of determining the more relevant valuation.

3.5.3.1.2. Assets held for sale (IFRS 5)

IFRS 5, "Non-current assets held for sale and discontinued operations", states that a non-current asset should be classified as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continuing use. In such cases, the sale should be highly probable.

The sale of an asset is thus highly probable if the following three conditions are met:

- the appropriate level of management is committed to a plan to sell the asset;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to be concluded within one year except under special circumstances.

When the sale pertains to an asset or group of assets only, the assets held for sale are reported separately in the balance sheet under "Properties for sale" and measured at the lower of their carrying amount and fair value less costs to sell.

(1) Association Française des Sociétés d'Expertise Immobilière.

Properties recorded in this category were valued as follows:

- block valuation excluding transfer duties, subject to the deduction of expenses and fees necessary for their sale;
- properties where a sale has been agreed: sale value recorded in the agreed sale, subject to the deduction of expenses and fees necessary for their sale;
- properties sold unit by unit: appraisal value in units (see Note 3.5.3.1.1). If more than 60% (in value) of the property is sold, the asset is recognized at the fair value of the last recorded transactions.

When the sale pertains to a full activity, the consolidated assets and liabilities, which are recognized, as appropriate, in subsidiaries held for sale, are presented separately in the balance sheet as assets (Assets classified as held for sale) and liabilities (Liabilities classified as held for sale). Corresponding net income is presented separately in the income statement under "Net income from discontinued operations".

3.5.3.1.3. Operating properties and other tangible fixed assets (IAS 16)

The head office property at 16, rue des Capucines, Paris is valued at cost. It has been depreciated according to the component method, each component being depreciated on a straight-line basis over its useful life (10 to 60 years).

Other tangible fixed assets are recorded at cost and depreciated under the straight-line method for periods of 3 to 10 years. They are primarily composed of computer equipment and furniture.

In the event of a sign of impairment, the book value of an asset is immediately written down to its recoverable value, which is determined by an independent valuation conducted under the methods described in 3.5.3.1.1.

3.5.3.1.4. Intangible assets (IAS 38)

Intangible fixed assets correspond primarily to software.

The costs to purchase software licenses are recorded as an asset based on the costs incurred in acquiring and commissioning the software concerned. These costs are amortized over the estimated useful life of the software (3 to 5 years).

3.5.3.2. EQUITY INTERESTS

3.5.3.2.1. Equity-accounted investments

Equity interests in companies in which the Group exercises joint control or significant influence are recorded on the balance sheet at the Group share of their net assets as at the balance sheet date adjusted to the Group's accounting principles. Adjustments are related to the harmonization of methods.

In the event where the Group's share in the negative equity of a company accounted for under the equity method were to exceed the book value of its investment, the Group considers its share to be nil and it ceases to recognize its share in upcoming losses, unless the Group is obliged or intends to financially support such investment.

3.5.3.2.2. Non-consolidated interests

Non-consolidated equity interests are stated at fair value in accordance with IAS 39. Changes in fair value are recorded under shareholders' equity until their disposal date. For long-term impairment, underlying capital losses recognized in shareholders' equity are recorded as expenses.

3.5.3.2.3. Other financial investments

Loans, receivables and other financial instruments are recognized based on the depreciated cost method at the effective interest rate. When there is non-recoverability or default risk, this is recognized in the profit and loss statement.

3.5.3.3. INVENTORIES

Buildings relating to real estate development operations or acquired under the tax system governing properties held for rapid resale by real-estate traders, legally designated as "*marchands de biens*", are booked under inventories at their acquisition cost. An impairment may be recorded when the independent appraisal of the building is lower than its book value.

3.5.3.4. OPERATING RECEIVABLES

Receivables are recorded for the initial amount of the invoice, after deduction for impairment valued on the basis of the risk of non-recoverability. The cost of non-recoverability risk is posted under property expenses.

Rent receivables are systematically written-down according to the due date of the receivables and situation of the tenants.

An impairment rate is applied to the amount excluding value added tax of the receivable minus the security deposit:

- tenant has left the property: 100%;
- tenant still in the property:
  - receivable between 3 and 6 months: 25%,
  - receivable between 6 and 9 months: 50%,
  - receivable between 9 and 12 months: 75%,
  - over 12 months: 100%.

Impairment thus determined is adjusted to take account of particular situations.

3.5.3.5. CASH AND EQUIVALENTS

Cash and money-market UCITS are recorded on the balance sheet at fair value.

3.5.3.6. TREASURY SHARES (IAS 32)

Treasury shares held by the Group are deducted from consolidated shareholders' equity at cost.

3.5.3.7. SHARE-BASED PAYMENT (IFRS 2)

Gecina has instituted an equity-based remuneration plan (stock options and performance shares). The impact of services rendered by employees in exchange for the award of options or the allocation of performance shares is expensed against shareholders' equity. The total amount expensed over the rights vesting period year is determined by reference to the fair value of equity instruments granted, the discounted value of future dividends paid over the vesting period and the staff turnover rate.

At each balance sheet date, the number of options that may be exercised is reviewed. Where applicable, the impact of revising estimates is posted to the income statement with a corresponding adjustment in shareholders' equity. Amounts received when options are exercised are credited to shareholders' equity, net of directly attributable transaction costs.

3.5.3.8. HEDGING INSTRUMENTS (IAS 39)

IAS 39 distinguishes between two types of interest rate hedge as follows:

- hedging of balance sheet items whose fair value fluctuates with interest rates ("fair value hedge");
- hedging of the risk of future cash flow changes ("cash flow hedge"), which consists of fixing future cash flows of a variable-rate financial instrument.

Some derivative instruments attached to specific financing are classified as cash flow hedges pursuant to accounting regulations. Only the change in fair value of the effective portion of these derivatives, measured by prospective and retrospective effectiveness tests, is taken to shareholders' equity. The change in fair value of the ineffective portion of the hedge is posted to the income statement if material.

To a large extent, Gecina's interest rate risk hedging is covered by a portfolio of derivatives that are not specifically assigned and do not meet hedge accounting eligibility criteria. Furthermore, some derivatives cannot be classified as hedging instruments for accounting purposes. These derivative instruments can therefore be recorded at fair value on the balance sheet with recognition of changes in fair value on the income statement. The change in the value of derivatives is recognized for the recurring portion and where applicable (amortization of options premiums or periodic premiums) within financial expenses in the same capacity as interests paid or received for these instruments, and the non-recurring portion (fair value excluding amortization of premium or periodic premiums) within value changes of financial instruments. Where applicable, terminations of derivative instruments are considered as non-recurring, such that the gain or loss on disposal or termination is recognized in the income statement within changes in value of financial instruments.

Fair value is determined by an external financial organization using valuation techniques based on the discounted forward cash flow method, as well as the Black & Scholes model for optional products. Valuations are also confirmed by banking counterparties and in-house valuations.

Marketable securities are recorded under this heading as assets at fair value and changes in value are posted to the income statement.

3.5.3.9. FINANCIAL LIABILITIES (IAS 32 AND 39)

Bank borrowings are mostly constituted of repayable borrowings and medium and long-term credit lines that can be used by variable term drawings. Successive drawings are recognized in the financial statements at face value, with the unused portion of the borrowing facility representing an off-balance sheet commitment.

Financial liabilities including EMTN issues are stated at their outstanding balance (net of transaction costs) based on the effective interest rate, except for Ornane-type convertible bond borrowings, which are recognized at fair value through a matching entry in the income statement based on the quoted market price.

Security deposits are considered as short-term liabilities and are not subject to discounting.

3.5.3.10. LONG TERM NON-FINANCIAL PROVISIONS AND LIABILITIES

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the Group has a present obligation (legal or constructive) to a third party as a result of past events, and when it is probable or certain that this obligation will give rise to an outflow of resources to that third party, without at least the equivalent expected in exchange from that third party.

3.5.3.11. EMPLOYEE BENEFIT COMMITMENTS

IAS 19 specifies the accounting rules for employee benefits occurring during the vesting period. It excludes from its scope share-based payments, which come under IFRS 2.

Short-term benefits

Short-term benefits (*i.e.* salaries, paid holiday, social security contributions, profit-sharing, etc.), which fall due within twelve months of the end of the year during which members of staff provided corresponding services, are recognized as "accrued expenses" under the heading "Tax and social security payables and debt" under balance sheet liabilities.

Long-term benefits

Long-term benefits correspond to benefits payable during the employee's working life (anniversary premiums).

Post-employment benefits

Post-employment benefits correspond to end-of-career payments and supplementary retirement commitments to some employees. The valuation of these commitments is based on the assumption of the employee's voluntary departure.

These commitments that are related to the defined-benefit plans for supplementary pensions are paid to external organizations.

No post-employment benefits are granted to officers.

The net commitment resulting from the difference between amounts paid and the probable value of the benefits granted, recognized under salaries and benefits, is calculated by an actuary according to the method known as "projected unit credit method", the cost of the provision being calculated on the basis of services rendered at the valuation date.

Actuarial differences are posted under shareholders' equity.

3.5.3.12. TAX

3.5.3.12.1. Ordinary law treatment

For companies not eligible to the SIIC system, deferred taxes resulting from timing differences on taxation or deductions are calculated under the liability method on all timing differences existing in the individual accounts or deriving from consolidation adjustments or eliminations of internal profits and losses. This happens when the book value of an asset or liability is different from its tax value. A net deferred tax asset is only recognized on loss carry forwards provided that it is likely that it can be charged against future taxable income. Deferred tax is determined using the principles and tax rates of the finance laws in effect at the balance sheet date that are likely to be applied when the various taxes involved crystallize. The same rule applies to assets held abroad.

3.5.3.12.2. SIIC system

Opting for the SIIC system means an exit tax immediately falls due at the reduced rate of 19% (the rate was 16.5% before the amended finance law of December 28, 2008) on unrealized capital gains related to properties and investments in entities not subject to income tax.

Profits subject to the SIIC system are tax-exempt subject to certain distribution conditions. However, for newly acquired companies, a deferred tax liability is calculated at a rate of 19% corresponding to the amount of exit tax that these companies have to pay when opting for the SIIC system, this option coming under the acquisition strategy.

The discounting of the exit tax liability due to opting for the SIIC system is only recognized when considered material.

3.5.3.13. RECOGNITION OF RENTAL INCOME (IAS 17)

Rent is recorded in the income statement when invoiced. However, pursuant to IAS 17, benefits granted to tenants in the commercial real estate sector (mainly rent franchises and stepped rents) are amortized straight-line over the probable, firm period of the lease. Consequently, rents shown in the income statement differ from rents paid.

At the sale of an asset, the balance of the receivable arising from the straight-line recognition of benefits granted to tenants (mostly rent franchises and stepped rents) is fully reversed and posted in gain or loss on disposal.

Works carried out on behalf of tenants are capitalized and are not deferred over the probable term of the lease according to IAS 17.

3.5.3.14. ESTIMATES AND KEY ACCOUNTING JUDGMENTS

To establish the consolidated financial statements, the Group uses estimates and formulates judgments (on the latter, especially concerning disputes, commitments and provisions), which are regularly updated and are based on historic data and other factors, especially forecasts of future events considered reasonable in the circumstances.

Estimates that carry a major risk of leading to a material adjustment in the net book value of assets and liabilities during the following period are analyzed below.

The fair value of financial instruments that are not traded on an organized market (such as over the counter derivatives) is determined using valuation techniques. The Group uses methods and assumptions that it believes are the most appropriate, based primarily on market conditions at the balance sheet date. The realizable value of these instruments may turn out to be significantly different from the fair value used for the accounting statement.

The fair value of the property portfolio, whether it is held for the long term or for sale, is specifically determined based on the valuation of the portfolio by independent experts according to the methods described in paragraphs 3.5.3.1.1 and 3.5.3.1.2. However, given the estimated nature inherent in these valuations, it is possible that the actual sales value of some properties will differ significantly from the valuation, even in the event of disposal within a few months following the balance sheet date.

The value in use and the fair value of equity investment securities are determined on the basis of estimates based on the various information available to the Group as of the balance sheet date. New information, obtained subsequent to the balance sheet date, may have a material influence on this valuation.

3.5.4. MANAGEMENT OF FINANCIAL AND OPERATIONAL RISKS

3.5.4.1. PROPERTY MARKET RISKS

Holding property assets for rent exposes the Group to the risk of fluctuation of the value of property assets and rents.

However, this exposure is limited given that:

- the assets are currently held with a long-term view and valued in the accounts at fair value, even though fair value is based on estimates described in paragraph 3.5.3.1.1 above;
- the invoiced rents come from rental commitments, the term and spread of which contribute to moderating the impact of fluctuations on the rental market.

With respect to development projects, the search for tenants begins once the investment decision is taken and results in the signing of pre-construction leases (*Baux en l'État Futur d'Achèvement* – BEFA). These leases contain clauses on the definition of completion, the completion time and late penalties.

This risk is quantified in Note 3.5.6.6.

3.5.4.2. FINANCIAL MARKET RISK

Holding financial assets for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. The analysis and quantification of the risk on hedging financial instruments are stated under Note 3.5.6.8.

In particular, the Group's exposure to equity risk in a climate of falling stock market indices gives rise to a problem of valuing hedging assets against pension liabilities. This risk is very limited with respect to the amounts of the hedging assets subject to equity risk.

Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares. Gecina has set up a share buyback program and therefore holds a certain number of its own shares. A fall in the price of the Gecina share has no impact on the consolidated financial statements, only on the Individual financial statements. However, a 5% drop in Gecina's share price compared to the level of December 31, 2012 would require an additional provision of €0.9 million in Gecina's corporate financial statements.

3.5.4.3. COUNTERPARTY RISK

Having a portfolio of clients of around 600 corporate tenants, from a great variety of sectors, and more than 9,500 individual tenants, the Group is not exposed to significant concentration risks. In the course of its development, the Group aims to acquire assets for which the rental portfolio is closely based on tenant selection criteria and the security provided by them. When a property is rented out, a detailed application is submitted by the tenant and an analysis of the tenant's financial soundness is conducted. Tenant selection and rent collection procedures help to maintain a satisfactory rate of losses on receivables.

Financial transactions, especially hedging the interest rate risk, are carried out with a broad selection of leading financial institutions. Competitive tenders are conducted for all major financial transactions and the maintenance of a satisfactory diversification of sources of funds and counterparties is one of the selection criteria. Gecina has no material exposure to a single bank counterparty on its portfolio of derivatives.

The Group's maximum exposure on all its loans (used and unused) to a single counterparty is 13.7%.

3.5.4.4. LIQUIDITY RISK

The liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying finance sources. Liquidity is managed in the medium and long term as part of multi-annual financing plans and, in the short term, by using confirmed undrawn credit lines, and asset disposal programs. Details of debt maturity dates are provided in Note 3.5.5.12.1 and a description of the various limits that might affect interest conditions or early repayment, as stipulated in the credit agreements.

3.5.4.5. INTEREST RATE RISK

Gecina's interest rate risk management policy, which includes the use of derivative instruments, is aimed at limiting the impact of a change in interest rates on the Group's earnings, where a significant portion of the Group's loans is at a floating rate. With respect to the foregoing, a management framework was presented and validated by the company's Audit Committee. This management framework defines in particular the management horizons, a percentage of coverage required on the time horizons, new hedging targets and the instruments enabling such management (mostly caps, floors and swaps). The interest rate risk is analyzed and quantified in Notes 3.5.5.12 and 3.5.6.8, together with an analysis of interest rate sensitivity. Gecina's interest rate hedging policy is primarily implemented on a comprehensive basis for all its loans (*i.e.* not specifically assigned to certain loans). As a result, it does not meet the accounting qualification of hedging instruments and the fair value change therefore appears in the income statement, according to the procedures described in Note 3.5.3.8.

3.5.4.6. FOREIGN EXCHANGE RISK

The Group conducts the majority of its business in the Eurozone and almost all its revenues, operating expenses, investments, assets and liabilities are denominated in euros. The Group is therefore only very marginally exposed to an exchange rate risk through its two subsidiaries in the logistics sector in Poland and Hungary.

3.5.4.7. OPERATING RISKS

Gecina is exposed to a wide range of operating risks, the details of which are specified in Note 1.6 of Chapter 1. In July 2012, Gecina found out about the potential existence of alleged promissory notes which if confirmed, would have been fraudulently issued (see Note 3.5.8.3).

Furthermore, until 2009 when Joaquín Rivero was a company officer of Gecina or one of its subsidiaries, Gecina carried out a number of transactions including the acquisition by SIF Espagne of a 49% equity investment in BAMI Newco, and also undertook certain commitments, notably the grant of certain guarantees in relation to said transactions, as mentioned under Notes 3.5.5.13. and 3.5.8.3.

When said commitments and transactions were revealed, impairment and provisions were recorded against some of them pursuant to applicable regulations. Some of the guarantees were also granted outside Gecina's internal control framework despite the specific procedures implemented.

Gecina cannot totally rule out non-compliance with internal control and risk management procedures, the worsening economic environment in Spain or fraud attempts, will not result in further financial, legal, tax or regulatory risks, which have not been identified to date. Occurrence of such risks may impact the Group's reputation, results or financial situation.

3.5.5. NOTES TO THE CONSOLIDATED BALANCE SHEET

3.5.5.1. PROPERTY HOLDINGS

3.5.5.1.1. Statement of changes in property holding

Gross value *€'000*	At 12/31/2011	Acquisitions	Disposals	Change in fair value	Change in scope	Transfers between items	IFRS 5 Impact	At 12/31/2012
Investment properties	9,951,374	136,972	0	38,697	4,089	(28,733)	(236,980)	9,865,418
Properties under reconstruction	936,998	280,262	(366)	17,315	2,382	(594,420)	(4,204)	637,966
Operating buildings	76,223	460	0	0	0	0	0	76,683
Intangible assets	8,275	2,780	(25)	0	0	0	0	11,030
Other tangible assets	9,516	1,192	(234)	0	0	88	0	10,563
Properties for sale (current assets)	825,849	3,841	(1,026,040)	13,968	0	623,153	(12,380)	428,391
Properties in inventory (current assets)	5,788	4,057	(2,626)	0	0	0	0	7,219
GROSS VALUE	**11,814,023**	**429,564**	**(1,029,291)**	**69,980**	**6,471**	**88**	**(253,564)**	**11,037,270**

Depreciations *€'000*	At 12/31/2011	Acquisitions	Disposals	Change in fair value	Change in scope	Transfers between items	IFRS 5 Impact	At 12/31/2012
Operating buildings	9,794	1,436	0	0	0	0	0	11,230
Intangible assets	3,717	2,211	(25)	0	0	0	0	5,903
Other tangible assets	5,358	1,510	(207)	0	0	88	0	6,749
Depreciation	**18,870**	**5,157**	**(232)**	**0**	**0**	**88**	**0**	**23,882**
NET VALUE	**11,795,153**	**424,407**	**(1,029,059)**	**69,980**	**6,471**	**0**	**(253,564)**	**11,013,388**

In accordance with the accounting principles defined in Note 3.5.3.1.1, 2 assets under reconstruction are recorded at their historical cost for a combined total of €43 million.

The other changes concern marketing fees for €4.0 million and capitalized internal costs for €2.5 million.

3.5.5.1.2.Analysis of acquisitions (duties and costs included)

Acquisitions concerned the following:

€'000	12/31/2012
6 Healthcare assets (MAPI Invest)	76,994
Property acquisitions	**76,994**
Reconstruction work	257,299
Renovation work	63,819
Works	**321,118**
Inventories	3,823
Head office	460
Capitalized financial expenses	23,197
TOTAL ACQUISITIONS	**425,592**
Other tangible fixed assets	1,192
Intangible fixed assets	2,780
TOTAL FIXED ASSETS	**429,564**

3.5.5.1.3 Details of income from sales

Sales are detailed in Note 3.5.6.5.

3.5.5.1.4. Maturity dates of investment properties held on financial lease

The Group has 13 financial leases. This concerns fixed or variable-rate contracts taken out for an average duration of 4.40 years (weighted average of outstandings) with leading organizations.

€'000	**12/31/2012**	12/31/2011
Less than 1 year	26,430	62,335
1 to 5 years	204,702	241,745
Over 5 years	59,420	151,894
TOTAL	**290,553**	**455,974**

3.5.5.2. FINANCIAL INVESTMENTS

€'000	**12/31/2012**	12/31/2011
Non-consolidated investments	109,422	109,421
Advances on fixed asset acquisitions	65,519	66,433
Deposits and guarantees	1,668	2,037
Other financial investments	5,382	5,441
Total	**181,991**	**183,332**
Impairment	(169,442)	(169,274)
NET TOTAL	**12,549**	**14,058**

The impairment of €169 million concerns the 49% equity interest in the Spanish company Bami Newco which was fully written down (€109 million) and the advance on property acquisition granted to the Spanish company Bamolo written down by €60 million to reduce it to the latest appraisal value for the land, *i.e.* €5.4 million.

3.5.5.3. INTERESTS ACCOUNTED FOR BY THE EQUITY METHOD

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

As of December 31, 2012, this item only included the company's share in La Buire (a Lyon-based business that sells plots of land).

The consolidated balance sheet and income statement headings for these investments at December 31, 2012 were as follows:

€'000	**12/31/2012**
Property holdings	1,249
Other assets	12,146
Total assets	**13,395**
Equity	8,924
Other liabilities	4,471
Total liabilities	**13,395**
Revenues	0
Recurring income	257
Net income	**2,755**
% held	59.70%
SHARE IN NET INCOME	**1,645**
Equity	8,924
% held	59.70%
EQUITY-ACCOUNTED INVESTMENTS	**5,328**

3.5.5.4. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets include loss carry-forwards and tax timing differences on assets and liabilities of companies subject to income tax.

Capitalization of loss carry-forwards applies to the portion that can be used in five years' time in view of the taxable income forecasts of "translucent" companies after taking into account threshold rules applicable at the balance sheet date.

The Group thus wrote back a deferred tax asset of €8.5 million over the year relating to the partial use of its carryover losses. This amount is offset by a deferred tax liability write-back of €6.7 million. The balance of the deferred tax liability comprises the exit tax due after the recently acquired companies opted for the SIIC regime.

Impôts différés actif et passif

€'000	12/31/2011	Increases	Decreases	Changes in consolidation	Transfers between items	IFRS 5	**12/31/2012**
Investment property	(14,578)	(5,189)	3,644	10,941	2,113	0	(3,069)
Other [1]	5	0	0	0	(5)	0	0
TOTAL DEFERRED TAX LIABILITIES	**(14,573)**	**(5,189)**	**3,644**	**10,941**	**2,108**	**0**	**(3,069)**
Investment property	338	6,450	(104)	(6,380)	0	(304)	0
Carryover losses	13,049	0	0	(10,941)	(2,108)	0	0
Other	97	0	(97)	0	0	0	0
TOTAL DEFERRED TAX LIABILITIES	**13,484**	**6,450**	**(201)**	**(17,321)**	**(2,108)**	**(304)**	**0**

Deferred tax assets and liabilities are offset within a single tax entity

3.5.5.5. PROPERTIES HELD FOR SALE

Movements on properties for sale are included in the overall statement of changes in property holdings (see Note 3.5.5.1).

The amount of properties held for sale breaks down as follows:

€'000	**12/31/2012**	12/31/2011
Properties for sale (block basis)	94,521	620,876
Properties for sale (units basis)	333,870	204,973
TOTAL	**428,391**	**825,849**

3.5.5.6. TRADE RECEIVABLES

The breakdown of net receivables by sector is set out in Note 3.5.7 At December 31, 2012, the amount of overdue trade receivables with no impairment was not material.

€'000	**12/31/2012**	12/31/2011
Billed clients	**26,372**	**29,704**
Unbilled expenses payable	7,928	10,376
Balance of amortized rent – free periods and stepped rents (IAS 17)	44,086	40,662
TRADE RECEIVABLES (GROSS)	**78,386**	**80,742**
Impairment of receivables	(10,242)	(18,093)
TRADE RECEIVABLES (NET)	**68,144**	**62,649**

3.5.5.7. OTHER CURRENT ASSET RECEIVABLES

€'000	12/31/2012	12/31/2011
Value added tax	26,987	32,066
Income tax	2,272	2,516
Other [1]	29,390	34,135
GROSS AMOUNTS	**58,649**	**68,717**
Impairment	(9,904)	(4,746)
NET AMOUNTS	**48,745**	**63,971**
(1) Of which:		
Advance and deposit payments for Beaugrenelle orders	*53*	*14,000*
External agents and managers	*2,017*	*5,489*
Bami cash advance	*7,473*	*2,315*
Advances on equity investments	*2,300*	*2,300*

3.5.5.8. PREPAID EXPENSES

€'000	12/31/2012	12/31/2011
Loan application costs [1]	20,018	16,968
10-year warranty insurance	4,184	5,233
Other	2,823	1,913
NET VALUES	**27,025**	**24,114**

(1) Primarily including arrangement fees and mortgage costs.

3.5.5.9. CASH AND EQUIVALENTS

€'000	12/31/2012	12/31/2011
Money-market UCITS	1,188	9,674
Bank current accounts	0	33,248
CASH AND EQUIVALENTS (GROSS)	**1,188**	**42,921**
Bank overdrafts	(2,787)	0
CASH AND EQUIVALENTS (NET)	**(1,599)**	**42,921**

3.5.5.10. ASSETS CLASSIFIED AS HELD FOR SALE

In accordance with IFRS 5, assets held for sale are reported separately on the balance sheet. They concern the residual logistics activity related to two assets.

€'000	12/31/2012
Non-current assets	5,304
Investment properties – fair value	5,000
Deferred taxes	304
Current assets	1,390
Properties for sale	0
Trade receivables	263
Other receivables	266
Prepaid expenses	10
Cash and marketable securities	851
TOTAL ASSETS	**6,694**

3.5.5.11. CONSOLIDATED SHAREHOLDERS' EQUITY

See the accounting statement preceding this note in chapter 3, section 3 "Statement of changes in consolidated equity".

3.5.5.12. LOANS, DEBT AND FINANCIAL INSTRUMENTS

3.5.5.12.1. Borrowings and financial debt

Outstanding debt *€'000*	**Outstanding debt 12/31/2012**	Repayments < 1 year	Outstanding debt 12/31/2013	Repayments 1 to 5 years	Outstanding debt 12/31/2017	Repayments more than 5 years
Fixed-rate debt	**2,162,582**	**(78,430)**	**2,084,152**	**(1,416,251)**	**667,901**	**(667,901)**
Ornane	320,000	0	320,000	(320,000)	0	0
Fair value impact of Ornane	37,200	0	37,200	(37,200)	0	0
Bonds	1,637,714	0	1,637,714	(990,970)	646,744	(646,744)
Bank borrowings	24,904	(1,508)	23,396	(23,396)	0	0
Finance leases	70,706	(4,864)	65,842	(44,685)	21,157	(21,157)
Accrued interest and other liabilities	72,058	(72,058)	0	0	0	0
Floating-rate debt	**2,268,759**	**(685,084)**	**1,583,675**	**(532,290)**	**1,051,385**	**(1,051,385)**
Treasury notes	550,000	(550,000)	0	0	0	0
Floating-rate and variable-rate borrowing	1,282,669	(116,692)	1,165,977	(243,278)	922,699	(922,699)
Credit lines	241,000	0	241,000	(146,050)	94,950	(94,950)
Finance leases	192,303	(15,605)	176,698	(142,962)	33,736	(33,736)
Bank overdrafts	2,787	(2,787)	0	0	0	0
GROSS DEBT	**4,431,341**	**(763,514)**	**3,667,827**	**(1,948,541)**	**1,719,286**	**(1,719,286)**
Cash (floating rate)						
Open-end investment funds, deposits and income receivable	1,188	(1,188)	0	0	0	0
Liquid assets	0	0	0	0	0	0
TOTAL CASH AND EQUIVALENTS	**1,188**	**(1,188)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	2,162,582	(78,430)	2,084,152	(1,416,251)	667,901	(667,901)
Floating rate	2,267,571	(683,896)	1,583,675	(532,290)	1,051,385	(1,051,385)
TOTAL NET DEBT	**4,430,153**	**(762,326)**	**3,667,827**	**(1,948,541)**	**1,719,286**	**(1,719,286)**
Available credit lines	2,050,000	0	2,050,000	(2,050,000)	0	0
Future cash flows on debt	0	120,138	0	339,098	0	111,416

The interest that will be paid until maturity of the entire debt estimated on the basis of the interest rate curve at December 31, 2012, come to €571 million.

The breakdown of the €764 million repayment of gross debt at less than one year is as follows:

€'000	1st quarter 2013	2nd quarter 2013	3rd quarter 2013	4th quarter 2013	**TOTAL**
	(621,258)	(7,681)	(128,600)	(5,975)	**(763,514)**

The fair value of the gross debt used to calculate NAV was €4,522 million at December 31, 2012 (*i.e.* €4,431 million of gross debt and €91 million corresponding to the fair value adjustment of fixed-rate debt).

This statement highlights the outstanding notional amount of the Ornane-type convertible bond as well as the impact of its fair value. Consequently, the convertible bond appears at its market value comprised of its par value (€320 million) and the impact of the fair value adjustment (+€37 million). Furthermore, the debt is detailed at its balance sheet value.

Type of bond	Ornane	EMTN	EMTN	EMTN
Issue date	04/09/2010	09/17/2010	02/03/2011	04/11/2012
Issue amount *(€ million)*	320.0	500.0	500	650
Issue/conversion price	€111.05	€49,803.50	€99,348	€99,499
Redemption price	N/A	€50,000	€100,000	€100,000
Conversion rate	1.06	N/A	N/A	N/A
Number of bonds issued	2,881,586	10,000	5,000	6,500
Nominal rate	2.125%	4.50%	4.25%	4.75%
Maturity date	01/01/2016	09/19/2014	02/03/2016	04/11/2019

Covenants

The Group's principal loans are subject to contractual provisions requiring compliance with certain financial ratios determining the interest terms and early repayment clauses, the most significant of which are summarized below.

	Benchmark standard	**Balance at 12/31/2012**	Balance at 12/31/2011
Net debt/Revalued block value of property holding	maximum 55%	39,75%	42,64%
EBITDA (excluding disposals)/Financial expenses	minimum 2.00	2,78	2,62
Outstanding secured debt/Block value of property holding	maximum 20%/25%	15,04%	18,65%
Revalued block value of property holding *(€ million)*	minimum €6,000/€8,000	11,048	11,834

Change of control clauses

- Bond debt of €500 million due in September 2014: a change of control leading to the downgrading of Gecina's credit rating to Non-investment Grade, not raised to Investment Grade within 120 days, can lead to early repayment of the loan.
- Bond debt of €500 million due in February 2016: a change of control leading to the downgrading of Gecina's credit rating to Non-investment Grade, not raised to Investment Grade within 120 days, can lead to early repayment of the loan.
- Bond debt of €650 million due in April 2019: a change of control leading to the downgrading of Gecina's credit rating to No-investment Grade, not raised to Investment Grade" within 120 days, can lead to early repayment of the loan.
- €320 million Ornane bond: a change of control could lead to early reimbursement at the discretion of bondholders.

3.5.5.12.2. Hedging instruments

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

Portfolio of derivatives *€'000*	**Outstanding 12/31/2012**	Maturity or effective date < 1 year	Outstanding 12/31/2013	Maturity or effective date 1 to 5 years	Outstanding 12/31/2017	Maturity or effective date more than 5 years
Portfolio of outstanding derivatives at December 31, 2012						
Fixed-rate payer swaps	1,405,858	(187,295)	1,218,563	(378,563)	840,000	(840,000)
Caps, floors	250,000	0	250,000	(250,000)	0	0
Caps	1,118,000	(305,000)	813,000	(813,000)	0	0
Fixed-rate receiver swaps	0	0	0	0	0	0
Floors sale	250,000	(250,000)	0	0	0	0
Total	3,023,858	(742,295)	2,281,563	(1,441,563)	840,000	(840,000)
Portfolio of derivatives with deferred effect [1]						
Fixed-rate payer swaps						
Caps, floors	0	0	0	0	0	0
Selling of puts and calls on fixed rate payer swaps	0	0	0	117,000	117,000	(117,000)
Buying/selling of collar puts and calls	0					
Fixed-rate receiver swaps	0	112,300	112,300	(112,300)	0	0
Floors sale						
Total	0	112,300	112,300	4,700	117,000	(117,000)
Total portfolio of derivatives						
Fixed-rate payer swaps	1,405,858	(187,295)	1,218,563	(378,563)	840,000	(840,000)
Caps, floors	1,368,000	(305,000)	1,063,000	(1,063,000)	0	0
Selling of puts and calls on fixed rate payer swaps	0	0	0	117,000	117,000	(117,000)
Buying/selling of collar puts and calls						
Fixed-rate receiver swaps	0	112,300	112,300	(112,300)	0	0
Floors sale	250,000	(250,000)	0	0	0	0
TOTAL	**3,023,858**	**(629,995)**	**2,393,863**	**(1,436,863)**	**957,000**	**(957,000)**
future interest cash flows on derivatives	0	35,955	0	153,688	0	8,106

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

Gross debt hedging *€'000*	**12/31/2012**
Fixed-rate gross debt	2,162,582
Fixed-rate debt converted to floating rate	0
Residual debt at fixed rate	2,162,582
Gross debt at floating rate	2,268,759
Fixed-rate debt converted to floating rate	0
Gross debt at floating rate after conversion of debt to floating rate	2,268,759
Fixed-rate payer swaps	(1,655,858)
Gross debt at floating rate not swapped	612,901
Puts & calls (caps)	(1,118,000)
UNHEDGED FLOATING-RATE DEBT	**(505,099)**

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

€'000	**12/31/2012**	12/31/2011
Non-current assets	5,086	4,445
Current assets	0	850
Non-current liabilities	(216,119)	(257,306)
Current liabilities	(32)	(25)
TOTAL	**(211,065)**	**(252,036)**

The value adjustment on hedging instruments for €41 million reflects the restructuring of hedging instruments for €129 million (including €12 million on restructured instruments no longer held in the portfolio), and the negative value adjustment for €88 million linked to changes in rates since the end of 2011.

3.5.5.13. PROVISIONS

€'000	12/31/2011	Allocations	Write-backs	Utilizations	Reclassification	IFRS 5	12/31/2012
Tax reassessments	6,086	0	(4,814)	0	0	(297)	975
Employee benefit commitments	7,659	355	0	0	2,473	0	10,487
Spain commitments	34,403	1,140	0	(4,603)	0	0	30,940
Other disputes	2,756	997	(678)	(689)	0	(19)	2,367
TOTAL	**50,904**	**2,492**	**(5 492)**	**(5 292)**	**2,473**	**(316)**	**44,769**

Some companies within the consolidation have been the subject of tax audits leading to notifications of tax reassessments, the majority of which are contested. The Group has also, directly or indirectly, been the subject of liability actions and court proceedings instigated by third parties. Based on the assessments of the Group and its advisers, there is no risk that is not covered by provisions and that would be likely to materially impact Gecina's earnings or financial situation.

As at December 31, 2012, provisions for ongoing tax reassessments amounted to €1.0 million versus €6.1 million as at December 31, 2011. The decrease for the period (€5.1 million) was primarily due to a write-back of €4.8 million following the change in risk assessment regarding some of the ongoing disputes, mainly in the Logistics sector (a €3.2 million provision write-back in GEC 4, which was sold in August 2012).

In the first half of the year, the company was also contesting a total of €7.5 million of additional tax reassessments, for which no provisions had been made as at June 30, 2012, as a result of discussions with the tax authorities at the time and the arguments that the company intended to put forward. These proposed reassessments resulted in a payment in full settlement of €0.4 million recognized in the Tax section of the income statement.

Furthermore, the company has several ongoing litigations with the French tax administration, which could result in the reimbursement of sums that the group considers to have been unduly paid. These tax adjustments, collected by the French tax administration, were expensed at the time of their payment and do not appear on the company's balance sheet. At December 31, 2012, the amount of back taxes paid and contested which could be recovered at various dates depending on the outcome to the various ongoing proceedings amounted to nearly €42 million.

Employee benefit commitments (€10.5 million) concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. These commitments are calculated by independent appraisers and mainly increase as a result of the year's actuarial variances related to lower interest rates (€2.5 million) directly recognized in shareholders' equity.

Commitments made in Spain primarily concern:

(i) Gecina's €20 million guarantee (issued in 2010), counter-guaranteeing the SIF Espagne subsidiary's €20 million guarantee in connection with the restructuring of financing facilities for Bami Newco (with Eurohypo bank as the lead manager) in which Gecina has a 49% equity interest through its SIF Espagne subsidiary;

(i) a joint bond of €5 million involving SIF Espagne, granted to FCC Construccion for the development by Bami Newco of a corporate office in Madrid. In Spain, FCC Construccion went to court to demand the payment of this bond; proceedings are ongoing.

As at December 31, 2012, Gecina had recognized provisions to fully cover these two amounts (€25 million) due to the financial situation of Bami Newco.

In 2012, the Company was also informed about the existence of guarantees granted by SIF Espagne, represented by Mr. Joaquín Rivero as described in 3.5.8.3:

(i) on January 14, 2010, concerning Bami Newco's repayment of a loan taken out the same day in connection with a renewal with Caja Castilla La Mancha for a principal total of €9 million in its capacity as guarantor, alongside Inmopark 92 Alicante, also a shareholder in Bami Newco and controlled by Mr. Joaquín Rivero.

   Following the summons of Caja Castilla la Mancha, SIF Espagne and Inmopark 92 Alicante (as the guarantors) were each sentenced to pay 50% of the principal in addition to the interests to Caja Castilla la Mancha.

   Through a payment of €5.2 million made to Caja Castilla la Mancha in June 2012 (including cash from SIF Espagne debited by the bank, *i.e.*,€0.8 million), the company fully settled the endorsement granted to Bami Newco and wrote back the corresponding provision over the period (€4.6 million);

(i) on November 13, 2009, concerning Bami Newco's repayment of credit facilities granted to it until November 13, 2019 by Banco Popular for principal of €3.3 million and €1.5 million respectively. These credit facilities may be used by Bami Newco at any time to pay sums owed to Banco Popular. As at December 31, 2012, Gecina had recognized provisions to fully cover the guarantees amounting to a total of €4.8 million.

Lastly, considering SIF Espagne's decision in 2012 not to erect a building on one of its proprietary plots located in Madrid, a provision of €1.1 million was accrued for the fiscal year. This provision covers the possible implementation of a guarantee of an equivalent amount that SIF Espagne granted to the City of Madrid when it bought the land and promised to erect a building.

3.5.5.14. PENSIONS AND OTHER BENEFITS GRANTED TO EMPLOYEES

The amounts reported in the balance sheet as of December 31, 2012 are as follows:

€'000	2012	2011
Discounted value of the liability	16,698	13,596
Fair value of hedging assets	(5,305)	(5,937)
DISCOUNTED NET VALUE OF THE LIABILITY	**11,393**	**7,659**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	(906)	0
NET LIABILITY ON THE BALANCE SHEET	**10,487**	**7,659**

The change, during the period, of the schedule used to determine of lump-sum retirement benefits for building staff increased the discounted net value of the Group's obligation vis-à-vis this category of employee by €0.9 million. This amount, equal to past service costs, is included in the Group's off-balance sheet commitments.

As a result, the net commitment recorded in provisions for liabilities and charges amounted to €10.5 million after taking into account hedging assets estimated at €5.3 million at December 31, 2012.

Actuarial variance for the period amounted to €2.3 million, recorded directly in equity for €2.5 million.

Breakdown of expense €'000	2012	2011
Cost of services rendered during the year	532	540
Interest expense	645	598
Expected yield from the plan's assets	(250)	(136)
Actuarial losses and gains	(148)	(88)
Cost of past services	0	0
Effects of any change or liquidation of the plan	67	505
EXPENSE RECOGNIZED UNDER PAYROLL EXPENSE	**846**	**1 419**

Change in bond €'000	2012	2011
Discounted value of bond at beginning of period	13,596	13,652
Cost of services rendered during the year	532	540
Interest expense	645	598
Contributions of plan beneficiaries	68	368
Actuarial losses and gains	2,188	(534)
Benefits paid	(1,237)	(1,028)
Cost of past services	906	0
DISCOUNTED VALUE OF BOND AT END OF PERIOD	**16,698**	**13,596**

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

	2012	2011
Expected yield rate of hedging assets	3.00%	4.50%
Wage increase rate (net of inflation)	0.50%	0.50%
Discount rate	2.75%-3.00%	4.50%-5.00%
Inflation rate	2.00%	2.00%

3.5.5.15. TRADE PAYABLES

Fixed asset trade payables make up the bulk of the balance and relate to debt from the company's development projects. They also include earnout payables and debt calculated according to the procedures set up during the acquisition of equity interests in SCI Beaugrenelle (€3.6 million) and the debt relating to the sale option granted to SCI Pont de Grenelle on its shares (25% of the capital of SCI Beaugrenelle), *i.e.* €37 million. It is recalled that in application of IAS 32, the sale option for SCI Beaugrenelle shares held by a minority shareholder is considered as a debt as SCI Beaugrenelle is fully consolidated in the company's financial statements.

€'000	**12/31/2012**	12/31/2011
Trade payables	4,877	6,114
Trade payables (invoices not received)	19 675	21,219
Fixed asset trade payables	56,184	31,988
Fixed asset trade payables (invoices not received)	73 717	93,857
TRADE PAYABLES	**154,453**	**153,178**

3.5.5.16. TAX AND SOCIAL SECURITY PAYABLES AND DEBT

€'000	**12/31/2012**	12/31/2011
Social security liabilities (short term)	20,487	22,003
Exit tax	4,742	5,991
Other tax liabilities (representing VAT payable and local taxes)	31,123	36,660
TAX AND SOCIAL SECURITY PAYABLES	**56,352**	**64,654**
of which non-current liabilities	*2,745*	*3,994*
of which current liabilities	*53,607*	*60,660*

3.5.5.17. OTHER PAYABLES AND DEBT

€'000	**12/31/2012**	12/31/2011
Client credit balances	22,344	39,066
Other payables (1)	14,083	14,390
Deferred income	3,864	3,351
OTHER PAYABLES	**40,291**	**56,807**
(1) Of which:		
External agents and managers	*43*	*930*
Receipt of claim	*3,281*	*3,262*
Tenant compensations (Beaugrenelle centre)	*1,527*	*1,690*

3.5.5.18. LIABILITIES CLASSIFIED AS HELD FOR SALE

Liabilities held for sale are disclosed separately in the balance sheet pursuant to IFRS 5. These liabilities relate to the residual logistics business related to two assets.

	Note	**12/31/2012**
€'000		Net
Non-current payables and debt		**0**
Financial payables and debt		0
Deferred tax liabilities		0
Provisions for liabilities and charges		0
Current payables and debt		**703**
Security deposits		111
Trade payables		545
Tax and social security payables and debt		44
Other debts		3
TOTAL LIABILITIES		**703**

3.5.5.19. OFF-BALANCE SHEET COMMITMENTS

€'000	Details	12/31/2012	12/31/2011
Commitments given			
Off balance sheet commitments given related to operating activities			
Deposits and guarantees (in favor of subsidiaries and equity investments)		780	16,627
Asset-backed liabilities (1)		1,398,573	1,833,072
Options for acquisition of properties (including those in state of future completion)		272,220	405,884
Preliminary sale agreement for properties		141,172	641,707
Other		16,906	
TOTAL COMMITMENTS GIVEN		**1,829,651**	**2,897,291**
Commitments received			
Off balance sheet commitments received linked to financing			
Unused lines of credit	Note 3.5.5.12.	2,050,000	1,360,000
Off balance sheet commitments received linked to operating activities			
Options for acquisition of properties (including those in state of future completion)		272,220	405,884
Preliminary sale agreement for properties		141,172	641,707
Mortgage-backed receivable		5,418	5,586
Financial guarantees for management and transactions activities		7,640	7,030
Other (2)		107,580	85,080
TOTAL COMMITMENTS RECEIVED		**2,584,030**	**2,505,287**

(1) List of main mortgaged properties:
4 cours de l'île Seguin – 92 Boulogne-Billancourt
31-35, boulevard des Capucines – 75002 Paris
3-5, rue Paul-Dautier – 78 Vélizy-Villacoublay
148 et 152, rue de Lourmel – 75015 Paris
4-16, avenue Léon Gaumont – 93 Montreuil
Zac Charles-de-Gaulle – 92 Colombes
418-432, rue Estienne-d'Orves and 25-27 and 33, rue de Metz – 92 Colombes
10/12, place Vendôme – 75002 Paris
9 to 11 bis, avenue Matignon – 2, rue de Ponthieu – 12-14, rue Jean Mermoz – 15, avenue Matignon – 75008 Paris
16, rue des Capucines – 14-16 rue des Capucines – 5b-7 rue Voney – 75002 Paris
37, rue du Louvre – 25, rue d'Aboukir – 75002 Paris
4, cours de l'Île Seguin – 92 Boulogne-Billancourt
2-4, quai Michelet – 92 Levallois-Perret
ZAC Danton, 34, avenue Léonard-de-Vinci – 92 Courbevoie
101, avenue des Champs-Élysées – 75008 PARIS
8, avenue Delcassé – 75008 PARIS
505, rue Irène Joliot-Curie – 76 Le Havre
Mortgages related to the six nursing homes in Paris and the Paris Region.

(2) Of which, €16 million for liability guarantee granted in the GEC 4 subsidiary's equities disposal (logistics division).

(3) Of which, €69 million concerning the pledging of securities in SCI Pont de Grenelle.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years, and which do not appear in the table of given commitments because the cost of these commitments are not yet known. As of the date of this document, the Company does not believe that these commitments will have to be fulfilled.

In conjunction with the law on employees' entitlement to training (droit individuel à la formation – DIF), at December 31, 2012, the Group's employees earned 50,168 aggregate hours (after deduction of hours used since the establishment of the DIF).

3.5.5.20. RECOGNITION OF FINANCIALASSETS AND LIABILITIES

€'000	Assets/ liabilities valued at fair value through the income statement	Assets/ liabilities held to maturity	Assets available for sale	Loans and receivables	Liabilities at amortized cost	Historic cost	Fair value through shareholders' equity	Total	Fair value
Financial fixed assets (1)		7,050		5,418		81		12,549	12,549
Equity-accounted investments						5,328		5,328	5,328
Liquid assets	1,188							1,188	1,188
Financial instruments (2)	5,086							5,086	5,086
Other assets (1)	0					116,889		116,889	116,889
TOTAL FINANCIAL ASSETS	**6,274**	**7,050**	**0**	**5,418**	**0**	**122,298**	**0**	**141,040**	**141,040**
Non-current financial debt	357,200	1,672,913			1,637,714			3,667,827	3,721,482
Financial instruments (2)	215,182						969	216,151	216,151
Current debt	2,787	760,727						763,514	800,610
Other liabilities (1)						306,007		306,007	306,007
TOTAL FINANCIAL LIABILITIES	**575,169**	**2,433,640**	**0**	**0**	**1,637,714**	**306,007**	**969**	**4,953,499**	**5,044,251**

(1) Due to the short term nature of these receivables and debts, the book value represents a good estimate of fair value, as the discount effect is immaterial.
(2) According to IFRS 7, the fair value of derivatives is level 2 which means that the valuation is based on published market data.

3.5.6. NOTES TO THE CONSOLIDATED INCOME STATEMENT

3.5.6.1. GROSS RENTAL INCOME

In its revenues, Gecina distinguishes rental income by type of lease while the analysis by sector (Note 3.5.7) is based on the Group's internal management.

Gross rental for the period from "Student Residence" activity now includes all flat service charges received from tenants. Previously this service charge was recognized as recharged expenses.

The surplus of gross rents recognized in this regard at December 31, 2012 was €0.7 million. It would have been €0.7 million the previous year.

Minimum future rents receivable until the next possible termination date under the operating leases of commercial and diversification properties (hotels and logistics) are as follows:

€'000	12/31/2012	Proforma 12/31/2011	12/31/2011
Less than 1 year	399,384	349,168	368,233
1 to 5 years	1,273,988	1,196,417	1,271,796
Over 5 years	494,677	484,833	513,527
TOTAL	**2,168,049**	**2,030,418**	**2,153,557**

3.5.6.2. DIRECT OPERATING EXPENSES

These are composed of:

- rental charges that are payable by the owner, charges related to construction work, cost of disputes and property management fees;
- the portion of rechargeable rental charges by nature, which remains at the Group's expense, mainly on vacant premises;
- rental risk comprising net impairments plus the amount of losses and profits on unrecoverable debts for the period.

The cost of rental risk, which has been included in property expenses, amounted to €0.4 million for the period ended December 31, 2012 *versus* €6.0 million in 2011.

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

€'000	12/31/2012	Proforma 12/31/2011	12/31/2011
Other external expenses	(76,495)	(77,102)	(82,191)
Taxes and other payables	(52,303)	(53,803)	(59,441)
Salaries and fringe benefits	(7,497)	(8,125)	(8,125)
Other expenses	(855)	(1,594)	(6,865)
Property expenses	**(137,150)**	**(140,624)**	**(156,623)**
Rental expenses to be regularized	8,915	7,465	9,529
Inoccupation expenses for the fiscal year	(7,318)	(4,319)	(5,731)
Clearance of regularization expenses	(764)	(1,162)	(1,244)
Total on expenses	54,667	55,647	56,792
Leasehold	1,121	1,075	1,130
Miscellaneous recovery	27,459	30,620	34,247
Recharges to tenants	**84,080**	**89,326**	**94,723**
NET DIRECT OPERATING EXPENSES	**(53,070)**	**(51,298)**	**(61,900)**

3.5.6.3. SERVICES AND OTHER INCOME

These largely comprise the following items:

€'000	12/31/2012	Proforma 12/31/2011	12/31/2011
Income from service activities	6,134	4,206	4,206
Insurance refunds	0	511	571
Reversals of investment subsidies	378	274	274
Other	3,330	2,243	2,966
TOTAL GROSS	**9,842**	**7,234**	**8,017**
Expenses	(573)	(677)	(677)
TOTAL NET	**9,269**	**6,557**	**7,340**

3.5.6.4. OVERHEADS

Overheads breakdown as follows:

€'000	12/31/2012	Proforma 12/31/2011	12/31/2011
Salaries and fringe benefits [1]	(42,364)	(49,829)	(49,829)
Net management costs	(22,025)	(25,613)	(26,089)
TOTAL	**(64,389)**	**(75,442)**	**(75,918)**
(1) Including IFRS 2 impact	*(3,162)*	*(3,815)*	*(3,815)*

Payroll costs relate to the company's administrative staff, since the salaries of building staff are included in rental margins.

Management costs primarily include fees paid by the company and head office operating costs (computer maintenance, insurance, advertising, etc.).

Depending on their nature, some of the payroll costs were reclassified to the income statement or balance sheet where appropriate.

- €2.5 million in costs attributable to disposals were assigned to income from disposal at December 31, 2012, compared with €2.5 million in 2011.
- €2.3 million in costs attributable to development projects and marketing initiatives were capitalized for 2012, *versus* €2.4 million in 2011.
- €0.7 million in costs attributable to ongoing studies were booked as prepaid expenses for 2012, *versus* €0.5 million in 2011.

3.5.6.5. GAINS OR LOSSES ON DISPOSALS

The proceeds represented:

€'000	12/31/2012	Proforma 12/31/2011	12/31/2011
Block sales	899,360	659,910	773,266
Units sales	188,350	152,535	152,535
Disposal of inventory	2,005	0	0
Proceeds from disposal	**1,089,715**	**812,445**	**925,800**
Block sales	(887,263)	(650,095)	(764,039)
Units sales	(139,170)	(124,534)	(124,534)
Disposal of inventory	(2,626)	0	0
Net book value	**(1,029,059)**	**(774,629)**	**(888,573)**
Block sales	(18,490)	(13,671)	(18,433)
Units sales	(5,987)	(3,254)	(3,254)
Disposal of inventory	(80)	0	0
Cost of sales	**(24,557)**	**(16,925)**	**(21,686)**
Block sales	(6,393)	(3,856)	(9,205)
Units sales	43,193	24,747	24,746
Disposal of inventory	(701)	0	0
CAPITAL GAINS ON DISPOSAL	**36,099**	**20,891**	**15,541**
Tax capital gains	431,333	293,046	242,162

Payroll costs directly attributable to disposals and to a lesser extent management costs recorded under "Income from disposal" for the year ending December 31, 2012 amounted to €3.2 million *versus* €2.5 million in 2011.

3.5.6.6. CHANGE IN VALUE OF PROPERTIES

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

En million d'euros	12/31/2011	12/31/2012	Change	%
Offices	5,319	5,357	38	0.7%
Hotels	272	271	(1)	–0.5%
Residential	2,567	2,611	44	1.7%
Healthcare	896	921	26	2.9%
Investment properties – like for like	**9,054**	**9,161**	**107**	**1.2%**
Change in the value of projects delivered and 2012 acquisitions			53	
Change in value of projects in progress			(32)	
Change in value of assets on sale			14	
Change in value			**141**	
Capitalized works			(60)	
Capitalized salaries and fringe benefits			(3)	
Acquisition costs, goodwill and other			(9)	
CHANGE IN VALUE RECORDED INCOME STATEMENT			**70**	

An unfavorable situation on the real estate market could have a negative impact on the valuation of Gecina's property holdings, as well as its operating income. For instance, a downturn on the real estate market, resulting in an increase of 50 basis points (0.5%) in capitalization rates, could bring about a decrease of around 7.6% of the appraised value of the whole of Gecina's property holdings (on the assumption that such a downturn would affect all of the different segments of Gecina's real estate business), representing roughly €843 million based on the block valuation of appraised assets as of December 31, 2012 and would have a similar unfavorable impact on Gecina's consolidated earnings.

Sensitivity to changes in the capitalization rate

Sector	Change in capitalization rate	Valuation of assets *in €million*	Change of assets *in %*	Impact on consolidated earnings *in €million*
All sectors	0.5%	11,043	–7.6%	(843)
Offices	0.5%	6,696	–7.3%	(491)
Residential	0.5%	2,963	–9.1%	(269)

3.5.6.7. NET FINANCIAL EXPENSES

Net financial expenses specifically include (i) interest, coupons or dividends received or paid on financial assets and liabilities and (ii) net gains and losses on assets held for trading (UCITS and other shares held for the short term) and (iii) straight line depreciation of premiums on option and periodic premiums on option; (iv) the straight line depreciation of the cost of arranging these loans and credit lines:

€'000	**12/31/2012**	Proforma 12/31/2011	12/31/2011
Expense net of debt	(199,544)	(214,074)	(215,946)
Capitalized financial expenses	23,196	24,435	24,435
Gains (losses) from translation differentials	0	0	(929)
Income from investments	410	503	503
Other income (expense)	690	281	320
TOTAL	**(175,248)**	**(188,855)**	**(191,617)**

The average cost of debt amounted to 4.0% in 2012.

Based on the existing portfolio of hedges and taking account of the contractual conditions at December 31, 2012 and anticipated debt in 2013, a 0.5% increase in the interest rate would generate an additional expense in 2013 of €5.3 million. A 0.5% fall in interest rates would result in a reduction in interest expense in 2013 of €5.3 million.

The depreciation of premiums on derivatives recognized in financial expenses amounted to €5.8 million at the end of 2012 *versus* €3.5 million at the end of 2011.

3.5.6.8. CHANGE IN VALUE OF FINANCIAL INSTRUMENTS

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

The €156 million negative variation in fair value of financial instruments as of December 31, 2012 includes:

- an €89 million negative variation in the fair value of non-asset backed derivative instruments;
- a €67 million negative variation in the fair value of Ornane bonds.

The €89 million negative variation in the fair value of derivative instruments mainly comprises:

- a €77 million reduction in the fair value of hedging instruments still in portfolio at December 31, 2012;
- a €12 million reduction in the fair value of hedging instruments no longer in portfolio at December 31, 2012.

The increase in the fair value of asset-backed derivative instruments of €1 million is recorded in shareholders' equity, the same as for companies accounted for under the equity method.

On the basis of the portfolio as of December 31, 2012, the fair value of the derivatives portfolio following a 0.5% rise in interest rates would increase income by €48 million and shareholders' equity by €0.1 million. The fair value following a 0.5% decrease in rates would reduce income by €48.6 million and shareholders' equity by €0.1 million.

3.5.6.9. TAX

€'000	**12/31/2012**	Proforma 12/31/2011	12/31/2011
Corporate income tax	(2,047)	43,058	43,009
Exit tax	(1,194)	0	0
Deferred taxes	4,513	17,128	17,017
TOTAL	**1,272**	**60,186**	**60,026**

The French 2010 Finance law voted on December 30, 2009 cancelled the French business tax as from 2010 and replaced it with a territorial economic levy (*Contribution Économique Territoriale* – CET) which comprises two new levies: the business real estate tax (*Cotisation Foncière des Entreprises* – CFE) based on the real estate rental value of the business tax and the tax on wealth generated by businesses (*Cotisation sur la Valeur Ajoutée des Entreprises* –CVAE), based on the wealth generated according to the annual financial statements.

The Group recognizes CFE (mainly pertaining to head office) in operating charges. Concerning CVAE, the Group is considering it as income tax. Due to the CVAE's capping and sliding procedures, the deferred tax is not material as of the balance sheet date.

Income tax mainly includes the €2.5 million CVAE business tax and a tax credit of €0.4 million.

€'000	**12/31/2012**	12/31/2011
Income before tax	**214,698**	**350,697**
Theoretical tax rate of 34.43%	73,927	120,756
Impact of tax rate differences between France and other countries	0	826
Impact of permanent and timing differences	(5,492)	(13,151)
Companies accounted for by the equity method	(566)	(678)
Impact of the SIIC regime	(71,612)	(122,539)
Tax disputes	0	(46,111)
CVAE	2,471	871
TOTAL	**(75,199)**	**(180,782)**
Effective tax charge per income statement	(1,272)	(60,026)
EFFECTIVE TAX RATE	**–0,59%**	**–17,12%**

3.5.6.10. NET EARNINGS OF DISCONTINUED OPERATIONS

Abandoned businesses are disclosed separately in the income statement, in compliance with IFRS 5 and relate to the logistics business fully sold in August 2012, except two assets.

€'000	**12/31/2012**	12/31/2011
Gross rental income	12,629	25,982
Property expenses	(5,206)	(15,999)
Recharges to tenants	3,145	5,397
Net rental income	10,568	15,380
Services and other income (net)	366	783
Overheads	(343)	(476)
EBITDA	10,591	15,687
Gains or losses on disposals	(40,311)	(5,350)
Change in value of properties	(458)	(72,689)
Net impairments and provisions	(27)	(6,546)
Operating income	(30,205)	(55,806)
Net financial expenses	198	(2,762)
Pre-tax income	(30,007)	(58,568)
Tax	(27)	(160)
CONSOLIDATED NET INCOME (GROUP SHARE)	**(30,034)**	**(58,728)**

3.5.6.11. EARNINGS PER SHARE

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year. Diluted earnings per share are calculated by dividing net income for the year attributable to shareholders by the average weighted number of shares outstanding during the year, adjusted for the impact of equity instruments to be issued when the issue or conversion conditions (in the case of Ornane bonds for example) are met and the dilutive effect of the benefits granted to employees through the allocation of stock options and performance shares.

Since the Ornane conversion conditions had not been met at December 31, 2012, no dilutive effect was taken into account below. However, a conversion of Ornane bonds into Gecina shares during the financial year had an accretive effect on the net diluted earnings per share.

	12/31/2012	12/31/2011
Net income, Group share *(€'000)*	225,511	411,225
Weighted average number of shares before dilution	60,739,297	61,032,886
Undiluted earnings per share, Group share *(€)*	**3.71**	**6.74**
Net income Group share after effect of dilutive securities *(€'000)*	226,091	411,964
Weighted average number of shares after dilution	61,120,812	61,584,950
Diluted earnings per share (Group share) *(€)*	**3.70**	**6.69**

	12/31/2012	12/31/2011
Net income, Group share before dilution *(€'000)*	225,511	411,225
Impact of dilution on net income (securities allocations effect)	580	739
Net income group share after effect of dilutive securities *(€'000)*	**226,091**	**411,964**
Weighted average number of shares before dilution	60,739,297	61,032,886
Impact of dilution on weighted number of shares	381,515	552,064
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**61,120,812**	**61,584,950**

3.5.6.12. NOTE ON CONSOLIDATED STATEMENT OF CASH FLOWS

The cash impact of acquisitions and sales of consolidated subsidiaries breaks down as follows:

€'000	12/31/2012	12/31/2011
Acquisition price of shares	65,714	86,602
Cash acquired	(589)	(2,865)
Net cash acquired	**65,125**	**83,737**
Net sales price of shares	(2,513)	0
Cash transferred	(193,014)	0
Net disposals of transferred cash	**(195,527)**	**0**
Impact of changes in consolidation	**(130,403)**	**83,737**

3.5.7. SEGMENT REPORTING

The Group only operates in France (except for minimal operations in other European countries). It is structured into two divisions and one ancillary segment:

- economic division comprising the commercial segment (offices and retail outlets) and the portfolio of hotel buildings;
- demographic division composed of traditional Residential property (housing assets), student residences and healthcare facilities;
- ancillary segment of real estate services (Locare and Gecina Management).

Income statement for business lines at December 31, 2012

€'000	Economic division		Demographic division						
	Offices	Hotels	Residential	Healthcare	Students residences	Services	Total discontinued operations	Continued operations	Segments total
Operating income									
Rental revenues on offices properties	323,548		13,506				337,054		337,054
Rental revenues on residential properties	8,501		136,870				145,371		145,371
Logistics rents								12,629	12,629
Hotels rents		19,754					19,754		19,754
Healthcare rents				72,321			72,321		72,321
Student residences rents					9,017		9,017		9,017
Gross rental income	332,049	19,754	150,376	72,321	9,017		583,517	12,629	596,146
Operating expenses	78,867	871	45,973	8,991	2,448		137,150	5,206	142,356
Recharges to tenants	(55,474)	(656)	(19,705)	(8,143)	(102)		(84,080)	(3,145)	(87,225)
Total net direct operating expenses	**23,393**	**215**	**26,268**	**848**	**2,346**		**53,070**	**2,061**	**55,131**
Net rental income	308,656	19,539	124,108	71,473	6,671		530,447	10,568	541,015
Other transferred expenses	32					(573)	(541)		(541)
Other income	1,012		1,038	1,305	321	6,134	9,810	366	10,176
Net income from properties and services	309,700	19,539	125,146	72,778	6,992	5,561	539,716	10,934	550,650
Margin on rents	93%	99%	83%	99%	74%		91%	84%	91%
Operating margin	93.27%	98.91%	83.22%	100.63%	77.54%	90.66%	92.49%	86.58%	92.37%
Salaries and fringe benefits							(42,364)		(42,364)
Net management costs							(22,025)	(343)	(22,368)
EBITDA							475,327	10,591	485,918
Gains from inventory disposals									
Net gains on sale of properties	(33,339)	18	71,109	(1,689)			36,099	(40,311)	(4,212)
Change in value of properties	35,273	(1,720)	33,091	3,926	(590)		69,980	(458)	69,522
Depreciation							(5,157)		(5,157)
Net impairments							342	(27)	315
Operating income							576,591	(30,205)	546,386
Net financial expenses							(175,248)	198	(175,050)
Financial provisions and amortization							(168)		(168)
Change in value of financial instruments							(155,617)		(155,617)
Net income from equity-accounted investments							1,645		1,645
Pre-tax income and minority interests							247,203	(30,007)	217,196
Tax							1,272	(27)	1,245
Minority interests							7,070		7,070
CONSOLIDATED NET INCOME (GROUP SHARE)							255,545	(30,034)	225,511
Assets and liabilities by segments as at December 31, 2012									
Investment properties	6,595,170	270,962	2,831,279	1,107,627	133,958		10,938,996	5,000	10,943,996
of which acquisitions				76,994			76,994		76,994
of which properties for sale	32,059		333,871	62,461			428,391		428,391
Amounts due from tenants	61,028	9	15,004	1,665	209	471	78,386	627	79,013
Tenant Provisions	(2,552)		(7,488)		(84)	(118)	(10,242)	(364)	(10,606)
Security deposits received from tenants	42,963		14,231	691	890		58,775	112	58,887

Income statement for business lines at December 31, 2011 Proforma

€'000	Economic division: Offices	Economic division: Hotels	Demographic division: Residential	Demographic division: Healthcare	Demographic division: Students residences	Services	Total discontinued operations	Continued operations	Segments total
Operating income									
Rental revenues on offices properties	341,356		15,301				356,657		356,657
Rental revenues on residential properties	8,787		155,771				164,558		164,558
Logistics rents							0	25,982	25,982
Hotels rents		19,626					19,626		19,626
Healthcare rents				58,242			58,242		58,242
Student residences rents					7,404		7,404		7,404
Gross rental income	**350,143**	**19,626**	**171,071**	**58,242**	**7,404**	**0**	**606,486**	**25,982**	**632,468**
Operating expenses	74,939	658	54,161	8,604	2,261	0	140,623	15,999	156,623
Recharges to tenants	(55,419)	(741)	(24,659)	(7,732)	(775)	0	(89,326)	(5,397)	(94,723)
Total net direct operating expenses	**19,520**	**(83)**	**29,503**	**872**	**1,486**	**0**	**51,298**	**10,602**	**61,900**
Net rental income	**330,623**	**19,709**	**141,568**	**57,370**	**5,918**	**0**	**555,188**	**15,380**	**570,568**
Other transferred expenses	373	0	0	(104)	0	(677)	(408)	0	(408)
Other income	741	0	777	849	392	4,206	6,965	783	7,748
Net income from properties and services	**331,737**	**19,709**	**142,345**	**58,115**	**6,310**	**3,529**	**561,745**	**16,163**	**577,908**
Margin on rents	94%	100%	83%	99%	80%		92%	59%	90%
Operating margin	94.74%	100.42%	83.21%	99.78%	85.22%	83.90%	92.62%	62.21%	91.37
Salaries and fringe benefits							(49,829)	0	(49,829)
Net management costs							(25,613)	(476)	(26,089)
EBITDA							**486,303**	**15,687**	**501,990**
Gains from inventory disposals							0		0
Net gains on sale of properties	2,469	1	18,437	(17)	1		20,891	(5,350)	15,541
Change in value of properties	(54,014)	(1,026)	261,292	3,488	5,155		214,895	(72,689)	142,206
Depreciation							(4,566)		(4,566)
Net impairments							(11,037)	6,456	(4,491)
Operating income							**706,486**	**(55,806)**	**650,680**
Net financial expenses							(188,855)	(2,762)	(191,617)
Financial provisions and amortization							(513)		(513)
Change in value of financial instruments							(108,950)		(108,950)
Net income from equity-accounted investments							1,969		1,969
Pre-tax income and minority interests							**410,137**	**(58,568)**	**351,569**
Tax							60,186	(160)	60,026
Minority interests							(370)	0	(370)
CONSOLIDATED NET INCOME (GROUP SHARE)							**469,953**	**(58,728)**	**411,225**
Assets and liabilities by segments as at December 31, 2011									
Investment properties	6,608,715	274,375	3,448,053	1,001,813	127,699		11,460,655	253,564	11,714,219
of which acquisitions	328,522			237,608			566,130		566,130
of which properties for sale	145,987	1,975	665,507				813,469	12,380	825,849
Amounts due from tenants	48,669	122	14,954	1,753	163	1,078	66,739	14,003	80,742
Tenant Provisions	(2,871)	(23)	(8,542)		(68)	(100)	(11,603)	(6,490)	(18,093)
Security deposits received from tenants	39,204		18,082	691	855		58,833	3,149	61,981

Income statement for business lines at December 31, 2011

	Economic division			Demographic division				
€'000	Offices	Logistics	Hotels	Residential	Healthcare	Student residences	Provision of services	Total segments
Operating income								
Rental revenues on offices properties	341,356			15,301				356,657
Rental revenues on residential properties	8,787			155,771				164,558
Logistics rents		25,982						25,982
Hotels rents			19,626					19,626
Healthcare rents					58,242			58,242
Student residences rents						7,404		7,404
Gross rental income	350,143	25,982	19,626	171,071	58,242	7,404	0	632,468
Operating expenses	74,939	15,999	658	54,161	8,604	2,261	0	156,623
Recharges to tenants	(55,419)	(5,397)	(741)	(24,659)	(7,732)	(775)	0	(94,723)
Total net direct operating expenses	**19,520**	**10,602**	**(83)**	**29,503**	**872**	**1,486**	**0**	**61,900**
Net rental income	330,623	15,380	19,709	141,568	57,370	5,918	0	570,568
Other transferred expenses	373		0	0	(104)	0	(677)	(408)
Other income	741	783	0	777	849	392	4,206	7,748
Net income from properties and services	331,737	16,163	19,709	142,345	58,115	6,310	3,529	577,908
Margin on rents	94%	59,%	100%	83%	99%	80%	,	90%
Operating margin	94.74%	62.21,%	100.42%	83.21%	99.78%	85.22%	83.90%	91.37%
Staff expenses								(49,829)
Net management fees								(26,089)
EBITDA								501,990
Gains from inventory disposals								0
Net gains on sale of properties	2,469	(5,350)	1	18,437	(17)	1		15,541
Change in value of properties	(54,014)	(72,689)	(1,026)	261,292	3,488	5,155		142,206
Depreciation								(4,566)
Net impairments								(4,491)
Operating income								650,680
Net financial expenses								(191,617)
Financial depreciation and provisions								(513)
Change in value of financial instruments								(108,950)
Net income from companies accounted for under the equity method								1,969
Pre-tax income and minority interests								351,569
Taxes								60,026
Minority interests								(370)
CONSOLIDATED NET EARNINGS (GROUP SHARE)								**411,225**
Assets and liabilities by segments as of December 31, 2011								
Investment property	6,608,715	253,564	274,375	3,448,053	1,001,813	127,699		11,714,219
of which acquisitions	328,522				237,608			566,130
of which properties for sale	145,987	12,380	1,975	665,507				825,849
Amounts due from tenants	48,669	14,003	122	14,954	1,753	163	1,078	80,742
Tenant Provisions	(2,871)	(6,490)	(23)	(8,542)		(68)	(100)	(18,093)
Security deposits received from tenants	39,204	3,149		18,082	691	855		61,981

3.5.8. OTHER INFORMATION

3.5.8.1. SHAREHOLDING STRUCTURE OF THE GROUP

At December 31, 2012, the shareholding structure of Gecina was as follows:

	Number of shares	%
Metrovacesa	16,809,610	26.78%
Rivero Group	10,114,735	16.11%
Soler Group	9,568,641	15.24%
Predica	5,168,559	8.23%
Individual shareholders	2,913,725	4.64%
Other resident institutional shareholders	2,057,213	3.28%
Non-resident shareholders	14,035,427	22.36%
Treasury shares	2,109,225	3.36%
TOTAL	**62,777,135**	**100.00%**

Since January 1, 2009, Metrovacesa, a company incorporated under Spanish law, has used the equity method to consolidate the financial statements of Gecina in which it holds 26.78% of the capital and 27.71% of the voting rights.

3.5.8.2. DIVIDENDS DISTRIBUTED DURING THE YEAR

For 2011, the Group distributed a single dividend of €4.40 for a total amount of €267,461,000 paid out on April 24, 2012.

3.5.8.3. RELATED PARTIES

The attendance allowances paid to directors and disclosures about the Executive Committee appear in Note 3.5.8.6.

On December 14, 2007, Gecina advanced €9,850,000 to Bami Newco, a Spanish company consolidated under the equity method, for Gecina's acquisition of a plot of land in Madrid. This agreement was approved by the Shareholders' General Meeting of April 22, 2008. Following repayments made, the balance of this loan, which stood at €2.7 million, was subject to a ruling on September 10, 2012, instructing Bami Newco to repay SIF Espagne. Bami Newco has appealed this ruling. On January 18, 2013, the Madrid Appeal Court handed down a ruling that confirmed the sentence of September 10, 2012.

A contract pertaining to the rental and technical management of a property belonging to SIF Espagne was signed with Bami Newco on November 1, 2011. Bami Newco charged €26,000 for this. This contract was also terminated with effect from November 1, 2012. A new contract pertaining to the rental and technical management of the same building was signed on November 1, 2012 with the Spanish company Metrovecesa, a shareholder and director of the company. Metrovacesa charged €6,000 for this.

The General Meeting of May 24, 2011 also approved the granting of a first demand guarantee of €20 million (see Note 3.5.5.13.).

A joint bond of €5 million involving SIF Espagne was granted to FCC Construccion for the development by Bami Newco of a corporate office in Madrid. In Spain, FCC Construccion went to court to demand the payment of this €5 million bond; proceedings are ongoing. This amount of €5 million is fully provisioned (see Note 3.5.5.13).

In 2012, the Company was informed about the existence of several guarantees granted by SIF Espagne, represented by Mr. Joaquín Rivero:

- on January 14, 2010, concerning Bami Newco's repayment of a loan taken out the same day in connection with a renewal with Caja Castilla La Mancha for a principal total of €9 million, alongside Inmopark 92 Alicante, also a shareholder in Bami Newco and controlled by Mr. Joaquín Rivero. Through a payment of €5.2 million to Caja Castilla la Mancha in June 2012, the company definitively paid the balance of the guarantee granted to Bami Newco;
- on November 13, 2009, concerning Bami Newco's repayment of credit facilities granted to it until November 13, 2019 by Banco Popular for principal of €3.3 million and €1.5 million respectively. These credit facilities may be used by Bami Newco at any time to pay sums owed to Banco Popular.

In addition, the company was informed on July 16, 2012 by Banco de Valencia of the supposed existence of four promissory notes totaling €140 million allegedly drawn by Gecina in favor of a Spanish company called Arlette Dome SL and which Arlette Dome SL allegedly submitted to Banco de Valencia as a guarantee for the loans granted by that bank. After verification, the company noted that it had no information regarding these alleged promissory notes or regarding any business relationship with Arlette Dome SL that could have justified their issue. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the issue were to be confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. No provision was recognized for this purpose at December 31, 2012.

3.5.8.4. GROUP EMPLOYEES

Average headcount	12/31/2012	12/31/2011	12/31/2010
Managers	199	203	199
Employees	175	185	192
Building staff	139	172	191
TOTAL	**513**	**559**	**583**

3.5.8.5. STOCK OPTIONS AND PERFORMANCE SHARES

Grant date	Start date of exercise of options	Number of options advanced	Subscription or purchase price	Total to exercise at 12/31/2011	Plan adjustments	Options granted in 2012	Options exercised in 2012	Options canceled, expired or transferred	Total to exercise at 12/31/2012	Residual life *(in years)*
11/25/2003	11/25/2005	278,168	€48.70	0					0	0.0
10/12/2004	12/12/2006	316,763	€61.02	44,210			8,410		35,800	1.8
3/14/2006	03/14/2008	251,249	€96.48	236,749					236,749	3.2
12/12/2006	12/12/2008	272,608	€104.04	254,008					254,008	4.0
12/13/2007	12/13/2009	230,260	€104.72	200,260					200,260	5.0
12/18/2008	12/18/2010	331,875	€37.23	303,384			71,984		231,400	6.0
04/16/2010	04/16/2012	241,100	€78.98	251,913					251,913	7.3
12/27/2010	12/27/2012	210,650	€84.51	210,650					210,650	8.0

Grant date	Vesting date	Number of shares advanced	Stock price when granted	Balance at 12/31/2011	Shares vested in 2012	Shares cancelled in 2012	Balance at 12/31/2012
12/18/2008	12/18/2010	109,000	€47.50	47,000	47,000		0
04/16/2010	04/16/2012	48,875	€83.17	48,475			48,475
12/27/2010	12/28/2012	60,850	€82.48	60,850			60,850
12/14/2011	12/15/2013	48,145	€55.88	48,145			48,145
12/14/2012	12/15/2014	52,820	€86.35	0			52,820
12/14/2012 Bis	12/14/2015	11,750	€86.35	0			11,750

3.5.8.6. COMPENSATION FOR ADMINISTRATIVE AND GOVERNANCE BODIES

The Gecina Board of Directors of December 18, 2008, acting in accordance with the recommendations of its Appointments and Compensation Committee, acknowledged the Afep/Medef guidelines of October 6, 2008 (revised in April 2010) regarding compensation of officers of listed companies. Gecina's Boardof Directors considered that these guidelines are consistent with the Group's corporate governance procedures. As a result, the Afep/Medef corporate governance code as amended has been used by Gecina as the reference for drafting the report stipulated by Article L. 225-37 of the French Commercial Code in application of the law of July 3, 2008 transposing the EU directive 2006/46/EC of June 14, 2006.

Mr. Bernard Michel has been Chairman of the Board Meeting since February 16, 2010, when Mr. Joaquín Rivero resigned from his position as Chairman & Chief Executive Officer. Mr. Bernard Michel has also been the Chief Executive Officer since Mr. Christophe Clamageran resigned on October 4, 2011.

Compensation paid (€'000)	B. Michel 2012	B. Michel [1] 2011	B. Michel [2] 2011	C. Clamageran 2012	C. Clamageran 2011
Fixed compensation	650	226	160		379
Compensation for non-competition clause				94	86
Variable compensation for 2010					475
Variable compensation for 2011	192			246	
Variable compensation for 2012	See below				
Contractual indemnity					
Severance benefits					975
Attendance allowances	87	67	50		
Value of benefits in kind (new technologies)	0				
Value of benefits in kind (company car)	8				5
TOTAL	**937**	**293**	**210**	**340**	**1,921**

(1) As Chairman of the Board of Directors.
(2) As Chairman and CEO.

Mr. Bernard Michel

1. Variable compensation as from October 4, 2011

The target variable compensation is set at 100% of the fixed portion of the compensation with however the possibility of attaining 120% of the fixed portion of the compensation in the event of exceeding the target quantitative or qualitative performance criteria. The quantitative criteria represent 65% of the target variable compensation and the qualitative criteria represent 35%.

Reaching quantitative performance criteria will be established according to the grid below, on the understanding that where applicable, exceptional elements will be taken into account to recognize the achievement of the performance criteria:

Recurring income (actual/budget)	Variable compensation	EBITDA (actual/budget)	Variable compensation
> 102	%	> 102	%
> 98	Target 25%	> 98	Target 40%
> 96	15%	> 96	30%
> 94	10%	> 94	20%
< 94	0%	< 94	0%

Qualitative elements (35%) related to the Company's strategy are not disclosed for confidentiality reasons.

It is further indicated that Mr. Bernard Michel did not receive any stock options or performance shares.

2. Severance pay in the event of termination of the Chairman and CEO

Following an opinion from the Governance, Appointments and Compensation Committee, the Gecina Board of Directors decided, at its meeting of December 14, 2011, to define the terms of the severance benefit in the event of termination of Mr. Bernard Michel's functions as Chairman and CEO under the terms set out below. These elements will be submitted for approval of the next Annual General Meeting of shareholders.

1. Should a decision be made to change the company's governance status by separating the duties of Chairman and Chief Executive Officer and if at the same time Mr. Bernard Michel is appointed as Chairman of the Board of Directors on financial terms identical to those when he was appointed as Chairman and CEO, then no severance pay will be due;
2. In the event of termination of all the functions of Chairman and CEO following a forced departure linked to a change of control, Mr. Bernard Michel will receive compensation corresponding to a maximum amount set as follows:
   - appointed less than six months previously: 100% of the gross comprehensive compensation (fixed and variable) for the position as Chairman and CEO. This amount will be prorated. Given the context, payment of this compensation will not be subject to meeting performance conditions. This provision became null and void on April 4, 2012, as the Chairman and Chief Executive Officer had been in office six months at that date,
   - in office between six months and one year: 100% of the gross comprehensive compensation (fixed and variable) for the position as Chairman and CEO. This amount will be prorated. Payment of this compensation will not be subject to meeting performance conditions (see below). This provision became null and void on October 4, 2012, as the Chairman and Chief Executive Officer had been in office one year at that date,
   - in office between one year and end of term: once the gross total compensation (fixed and variable) for his functions as Chairman and CEO, for the previous calendar year.

Payment of this compensation will be contingent on the achievement of the performance conditions (see below).

Performance criteria

The benefit will only be paid if the operating income in the previous fiscal year (N) closed prior to the severance, is greater than the average of the operating income of the two previous years (N-1 and N-2) prior to the severance. The comparison of recurring incomes will be made by taking account of changes to the property holding structure during the years under review.

Performance criteria	Severance compensation
Recurring income year N (excluding fair value adjustments) > average recurring income of years (N-1 + N-2)	100%
Recurring income year N (excluding fair value adjustments) < 4% of the average recurring income (N-1 + N-2)	80%
Recurring income year N (excluding fair value adjustments) < 8% of the average recurring income (N-1 + N-2)	50%
Recurring income year N (excluding fair value adjustments) < 12% of the average recurring income (N-1 + N-2)	No severance compensation

The Board of Directors will be responsible for recognizing the achievement of these performance criteria, after the opinion of the Governance, Appointments and Compensation Committee, on the understanding that where applicable, it may take account of non-recurring items during the year.

Other factors

Mr. Bernard Michel, as his respective predecessors, does not benefit from any supplementary Group pension plan.

The management team does not receive attendance allowance in their capacity as corporate officers in Group companies other than Gecina.

3.5.8.7. OTHER INFORMATION

The amount of directors' fees paid to Board members amounted to €1.3 million for 2012.

The total gross compensation paid during 2012 to members of the Executive Committee, excluding corporate officers, was €1,523,000. There is no specific pension for Executive Committee members. During 2012, a total of 21,800 performance shares were allocated to Executive Committee members. At December 31, 2012, Executive Committee members received 219,713 stock options for the purchase of new and existing shares, and 37,100 performance shares.

No significant transactions, loans or guarantees were granted or arranged for members of the administrative and governance bodies.

3.5.8.8. STATUTORY AUDITORS' FEES

The Statutory Auditors' fees recognized on the 2012 income statement for the certification and review of the individual and consolidated financial statements in addition to the various related engagements amount to:

		PricewaterhouseCoopers Audit				Mazars				Total			
		Amount (net of tax) (1)		%		Amount (net of tax) (1)		%		Amount (net of tax) (1)		%	
€'000		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Issuer	568	432	74%	49%	623	462	73%	65%	1,191	894	74%	56%
Audit	Subsidiaries	180	230	23%	26%	154	180	18%	25%	334	410	21%	26%
	Subtotal	**748**	**662**	**98%**	**75%**	**777**	**642**	**92%**	**91%**	**1,525**	**1,304**	**94%**	**82%**
	Issuer	12	58	2%	7%	71	66	8%		83	124	5%	8%
DDL	Integrated subsidiaries	7	164		19%	0				7	164	0%	10%
	Subtotal	**19**	**222**	**2%**	**25%**	**71**	**66**	**8%**	**9%**	**90**	**288**	**6%**	**18%**
		767	**884**	**100%**	**100%**	**848**	**708**	**100%**	**100%**	**1,615**	**1,592**	**100%**	**100%**

(1) Including share of non-refundable VAT.

3.5.8.9 POST-BALANCE SHEET EVENTS

None.

ANNUAL FINANCIAL STATEMENTS

4.1. BALANCE SHEET AS AT DECEMBER 31, 2012

Assets

	12/31/2012			12/31/2011
€'000	Gross	Depreciations and impairments	Net	Net
Fixed assets				
Intangible fixed assets	**456,914**	**5,744**	**451,170**	**237,228**
Concessions, patents, licenses	10,803	5,744	5,059	4,491
Intangible assets	446,111		446,111	232,737
Tangible fixed assets	**4,499,136**	**480,291**	**4,018,845**	**4,034,717**
Land	2,490,351	106,620	2,383,731	2,421,719
Buildings	1,884,969	357,359	1,527,610	1,393,448
Buildings on third party land	30,436	12,653	17,783	23,454
Other	5,920	3,659	2,261	2,244
Construction in progress	87,460		87,460	193,755
Advances and instalments				97
Financial investments	**3,456,741**	**350,519**	**3,106,222**	**3,497,783**
Equity investments and related receivables	3,082,172	290,265	2,791,907	3,272,575
Other equity investments	82,171		82,171	29,021
Loans	225,950		225,950	188,652
Other financial investments	929	153	776	1,948
Advances on property acquisitions	65,519	60,101	5,418	5,587
TOTAL I	**8,412,791**	**836,554**	**7,576,237**	**7,769,728**
Current assets				
Advances and instalments	1,066		1,066	1,211
Receivables				
Rent due	13,164	8,786	4,378	7,984
Other	57,256	6,807	50,449	58,566
Investment securities	68,833	2,585	66,248	75,476
Liquid assets	4,827		4,827	29,564
Asset accruals				
Prepaid expenses	27,736		27,736	21,181
TOTAL II	**172,882**	**18,178**	**154,704**	**193,982**
Bond redemption premiums	5,780		5,780	4,021
TOTAL III	**5,780**	**0**	**5,780**	**4,021**
GRAND TOTAL (I + II + III)	**8,591,453**	**854,732**	**7,736,721**	**7,967,731**

Liabilities and equity

	Before allocation of income	
€'000	**12/31/2012**	12/31/2011
Equity		
Capital	470,829	469,878
Issue, merger and contribution premiums	1,880,163	1,870,443
Revaluation gain	535,149	620,991
Reserves:		
Legal reserve	45,787	45,692
Legal reserve from long-term capital gains	1,296	1,296
Regulatory reserves	24,220	24,220
Distributable reserves	474,796	389,762
Retained earnings	11,806	6,522
Net income for the year	410,673	272,801
Investment subsidies	526	781
TOTAL I	**3,855,245**	**3,702,386**
Provisions		
Provisions for contingencies	2,299	2,280
Provisions for liabilities	16,616	17,283
TOTAL II	**18,915**	**19,563**
Payables and debt		
Bonds	2,018,156	1,862,842
Loans and debt	1,686,461	2,214,954
Security deposits	29,447	30,875
Advances and instalments received	5,493	18,584
Trade payables	17,072	17,280
Tax and social security payables	42,647	47,265
Fixed asset payables	55,153	45,615
Other payables	6,591	6,634
Accruals		
Deferred income	1,541	1,733
TOTAL III	**3,862,561**	**4,245,782**
GRAND TOTAL (I + II + III)	**7,736,721**	**7,967,731**

4.2. INCOME STATEMENT AS AT DECEMBER 31, 2012

€'000	2012	2011
Operating revenues		
Rental income	268,394	302,248
Write-backs on impairment and provisions	6,031	9,897
Recharges to tenants	44,282	48,946
Other transferred expenses	663	561
Other income	28,669	23,560
Total	**348,039**	**385,212**
Operating expenses		
Purchases	12,878	13,956
Other external expenses	75,548	78,833
Taxes and duties	36,144	34,522
Salaries and fringe benefits	40,867	50,681
Depreciation	62,232	61,072
Impairment on current assets	1,501	1,994
Provisions	3,679	2,609
Other charges	3,539	3,446
Total	**236,388**	**247,113**
OPERATING INCOME	**111,651**	**138,099**
Financial income		
Interest and related income	56,577	72,346
Net gains on sale of marketable securities	150	486
Write-backs on impairment and provisions, transferred expenses	381,151	3,942
Income from investment securities and receivables	160,655	207,980
Income from equity investments	9,564	42,897
Total	**608,097**	**327,651**
Financial costs		
Interest and related expenses	286,996	198,034
Impairment and provisions	4,376	222,964
Total	**291,372**	**420,998**
NET FINANCIAL ITEMS	**316,725**	**(93,347)**
INCOME BEFORE TAX AND EXCEPTIONAL ITEMS	**428,376**	**44,752**
Exceptional items		
Capital gains on mergers, disposals and exchange of securities		
Net gains on sale of properties	346,701	213,311
Net gains on sale of securities	(382,917)	0
Provisions for property impairments	13,863	(24,830)
Subsidies	376	272
Exceptional income and expenses	4,587	(3,199)
EXCEPTIONAL ITEMS	**(17,390)**	**185,554**
INCOME BEFORE TAX	**410,986**	**230,306**
Income tax	(313)	42,495
RESULT	**410,673**	**272,801**

4.3. NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT DECEMBER 31, 2012

4.3.1. HIGHLIGHTS

FISCAL YEAR 2012

As part of its policy to focus on its core business, Gecina sold off all its logistics assets in August 2012 for a value of €203 million, through the disposal of the shares of its subsidiary, GEC 4, with the exception of two non-significant assets.

In April 2012, Gecina also completed a block disposal of eight residential assets for a value of €325 million.

Gecina acquired in April 2012 a portfolio of six Homes for Elderly Dependent Persons, valued at €70.5 million excluding duties. These Homes for Elderly Dependent Persons are located in Paris and in the Paris Region.

In July 2012, Gecina delivered the "Newside" building in Garennes-Colombes (92), an office asset comprising a useable floor area of 17,955 sqm. This program was completed by the Valode & Pistre architectural firm and has received three certifications: HQE® Construction exceptional level (BBC label), BREEAM (Very Good) and LEED (Gold). In December 2012, Gecina delivered the "Pointe Metro 2" building in Gennevilliers (92), an asset with 15,000 sqm. of offices and signed by the Jean-Paul Viguier architectural firm, with the ambition of obtaining HQE® (BBC label) certification.

In April 2012, Gecina successfully completed a €650-million bond issue, maturing in seven years on April 11, 2019. The bond was issued with a spread of 290 bp over the mid-swap rate and offers a 4.75% coupon. Following the issuance of this fixed-rate debt and the expected fall in the debt volume in upcoming years, Gecina has considerably restructured its portfolio of financial instruments and terminated three transactions for a nominal total of nearly €1,380 million with payment of a balance of €111 million. In return, new transactions were subscribed amounting to a nominal value of €350 million. These transactions are in line with the strategy to strengthen and diversify the company's financial structure while meeting the objective of extending the maturity of Gecina's debt.

In this respect, Standard & Poor's acknowledged the substantial improvement in the Group's financial profile and its efforts for a leaner balance sheet between 2010 and 2012, by changing Gecina credit rating in October 2012 from BBB- / stable outlook to BBB / stable outlook. In November 2012, Moody's also upgraded Gecina's credit rating from Baa3 (stable outlook) to Baa2 (stable outlook).

On March 27, 2012, Gecina's Board of Directors duly noted the resignation of Joaquín Rivero as director.

The General Meeting of April 17, 2012 appointed Inès Reinmann as director to replace Jean-Jacques Dayries whose term had expired. At the end of this General Meeting, the Board of Directors comprised 13 directors, five of whom were independent directors.

On July 16, 2012, Gecina received a letter from Banco de Valencia about four promissory notes. This information is detailed in section 1.6.2 of the Reference Document.

In October 2012, the companies Alteco Gestión y Promoción de Marcas S.L and Mag Import S.L, holding respectively 15.6% and 15.3% of Gecina's share capital requested the opening of bankruptcy proceedings at the Madrid Commercial court.

Gecina was also involved in various restructuring transactions for its organization:

- merger-absorption by Gecina of its subsidiary SAS Parigest with effect from December 31, 2012;
- merger-absorption by Gecina of its subsidiary SARL Montbrossol with effect from January 1, 2012;
- total transfer of property holdings from Geci 1 and Geci 2 (holding the portfolio of six Homes for Elderly Dependent Persons acquired in April 2012) to Gecina;
- total transfer of property holdings from SPL (car parks located at Gare de Lyon station) to Gecina and separation of the ownership of the car parks (now directly owned by Gecina) from the operation of car parks (run by SPL Exploitation, subsidiary of Gecina).

4.3.2. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are prepared in accordance with the French General Chart of Accounts and the French Commercial Code.

4.3.3. VALUATION METHODS

The method used for valuing items recorded in the financial statements is the historical cost method.

Note that the balance sheet was subject to a voluntary revaluation at January 1, 2003 after Gecina opted for the French listed real estate investment trust (SIIC) tax regime.

4.3.3.1. FIXED ASSETS

4.3.3.1.1. Intangible assets

Intangible assets are measured at cost.

Merger technical losses are recognized under this item.

Intangible assets are amortized under the straight-line method according to the planned term of the asset.

Merger losses are written down if the fair value of the asset is lower than the value of the capitalized asset plus the technical loss.

4.3.3.1.2. Gross value of tangible fixed assets and depreciation

Pursuant to the French accounting regulation CRC 2002-10, Gecina instituted the component approach as at January 1, 2005.

The table below gives the straight-line depreciation periods for each of the components:

	Proportion of component		Depreciation period *(in years)*	
	Residential	Commercial	Residential	Commercial
Framework structure	60%	50%	80	60
Roofing and walls	20%	20%	40	30
Technical components	15%	25%	25	20
Fixtures and fittings	5%	5%	15	10

The new assets are stated at cost made up of the purchase price and all direct costs including transfer duties, fees and commissions linked to the acquisition, or at cost for constructions.

4.3.3.1.3. Property impairment and value adjustments

Any impairment charge following a reduction in value of properties is determined as follows:

Long-term property holdings

An impairment is recognized on a line-by-line basis if there is an indication of loss of value, especially if the block valuation of the property valued by one of the independent appraisers (at December 31, 2012: BNPP Real Estate, CBRE Valuation, Foncier Expertise, Jones Lang LaSalle, Catella), is more than 15% below the building's net book value. In this case the impairment amount recorded is then calculated in relation to the valuation amount. In the event of an unrealized capital loss of the total property holding, impairment is recognized for each property as an unrealized capital loss. This impairment is primarily assigned to non-depreciated assets and adjusted each year based on subsequent appraisals.

Property for sale or to be sold in the short term

Properties for sale or due to be sold in the short term are valued in relation to their independent block valuation or their realizable market value and an impairment is recognized if this value is lower than the book value.

Valuations are conducted in accordance with industry practices using valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. These valuation methods are described in detail in the notes to the Consolidated financial statements.

The impairment allocation of a tangible asset is booked under extraordinary items, just as any impairment write-back due to appreciation in the asset's value.

4.3.3.2. FINANCIAL INVESTMENTS

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

Since the application of French accounting regulation CRC 2004-06, the acquisition costs of investments previously recorded under deferred expenses have been recorded under expenses and not included in the acquisition cost of financial investments.

This heading notably includes Gecina's equity investment in companies with rental property holdings (including equity interests and non-capitalized advances).

Treasury shares held by the company are recorded in "Other financial investments", except for those specifically assigned to cover stock options or performance shares granted to employees and corporate officers, which are recorded under investment securities.

Where there is a sign of long-term impairment of securities, loans, receivables and other capitalized assets, impairment, which is determined on the basis of several criteria (net asset value, profitability, strategic value, especially) is recorded under income.

4.3.3.3. OPERATING RECEIVABLES

Receivables are recognized at par value. Rent receivables are always written down based on the receivables' aging and the situation of the tenants.

An impairment rate is applied to the amount excluding tax of the receivable minus the security deposit:

- tenant has left the property: 100%;
- tenant still in the property:
  - receivable between 3 and 6 months: 25%,
  - receivable between 6 and 9 months: 50%,
  - receivable between 9 and 12 months: 75%,
  - over 12 months: 100%.

Impairment thus determined is adjusted to take account of particular situations.

4.3.3.4. INVESTMENT SECURITIES

Investment securities are stated on the balance sheet at cost. An impairment charge is recorded when realizable value is lower than net book value.

Shares specifically assigned to cover stock options awarded to employees and corporate officers are included in this item. Where applicable, they are written down to the lower of the exercise price of the options or the average stock market price in the last month of the year.

4.3.3.5. ACCRUED ASSETS AND RELATED AMOUNTS

This item mainly includes the following prepaid expenses:

- renovation costs for properties up for sale (in addition to disposal costs). They are recognized in income when disposals have been carried out;
- the redemption or issue premiums of bonds as well as the issue costs of loans, which are amortized over the term of the loans under the straight line method.

4.3.3.6. BONDS

Bonds issued by the company are recorded at their redemption value. The redemption premium is recorded on the asset side of the balance sheet and amortized under the straight-line method over the term of the bonds.

4.3.3.7. HEDGING INSTRUMENTS

The company uses interest rate swaps, caps, swaptions and floors to hedge lines of credit and borrowings. The corresponding expenses and income are posted on an accruals basis to the income statement.

Premiums on derivatives are amortized over the term of the instruments, with the exception of swaptions, for which the premiums are amortized on a straight-line basis over the term of the option.

4.3.3.8. EMPLOYEE BENEFIT COMMITMENTS

Retirement benefits commitments

Retirement benefit commitments resulting from the application of national and company-level collective agreements are valued by independent experts under the actuarial method and taking account of mortality tables. They are covered by an insurance policy or are accrued for any portion not covered by the insurance fund in case the funds paid are insufficient.

Supplementary retirement commitments to certain employees

Supplementary retirement commitments to certain employees are valued under actuarial methods factoring in mortality tables. They are managed by external organizations and payments are made to these organizations. Additional provisions are constituted in the event that the insurance fund is underfunded for the liabilities. The valuation of these retirement commitments assumes the employee's voluntary departure.

Long-service awards

Commitments for long-service awards (anniversary premiums paid to personnel) are accrued on the basis of an independent estimate made at each year end.

4.3.4. NOTES ON THE BALANCE SHEET ITEMS

4.3.4.1. FIXED ASSETS

Gross value of assets

€'000	Gross brought forward	Mergers	Transfers between items	Acquisitions	Decreases	**Gross carried forward**
Intangible fixed assets	**250,178**	**218,184**	**(14,202)**	**2,779**	**25**	**456,914**
Concessions, licenses	8,049			2,779	25	10,803
Intangible assets	242,129	218,184	(14,202)			446,111
Tangible fixed assets	**4,497,004**	**265,520**	**14,202**	**148,771**	**426,362**	**4,499,135**
Land	2,534,481	118,399	47,005	14,989	224,523	2,490,351
Buildings	1,727,492	146,783	94,192	112,541	196,040	1,884,968
Buildings on third party land	36,078				5,643	30,435
Other tangible fixed assets	5,101	21		930	131	5,921
Fixed assets in progress	193,755	317	(126,898)	20,311	25	87,460
Advances and instalments	97		(97)			0
Financial investments	**4,307,768**	**(612,310)**	**0**	**953,365**	**1,192,081**	**3,456,742**
Equity investments	2,436,416	(552,701)	113,960	203,387	384,180	1,816,882
Receivables related to equity investments	1,577,496	(59,632)	(151,160)	677,437	778,850	1,265,291
Other financial investments (1)	37,583			44,594	6	82,171
Loans	188,652		37,200	6,409	6,312	225,949
Other financial investments	2,101	23		21,538	22,733	929
Advances on property acquisitions	65,520					65,520
TOTAL	**9,054,950**	**(128,606)**	**0**	**1,104,915**	**1,618,468**	**8,412,791**

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

Following the mergers of subsidiaries Parigest, Montbrossol, Geci 1 and Geci 2 in Gecina, the amount of the intangible asset was raised of €204 million up to €446 million at December 31, 2012. At January 1, 2012, this item comprised unrealized capital gains on the property holdings contributed by SIF, its subsidiaries and Horizons. Intangible assets are recognized for impairment when they exceed the sum of these unrealized capital gains.

Changes in equity investments mainly concern:

- the disposal of the securities of the subsidiary Gec 4 (logistics division) for €-270 million,
- the merger-absorption of the Parigest subsidiary for €415 million,
- the total transfer of property holdings from SPL for €25 million,
- the total transfer of property holdings from the subsidiaries Monttessuy and Tour H15 (companies without activity) for €48 million,
- the capital increases of Gecimed, Colvel Windsor and Anthos for €125 million,
- various net increases for €14 million.

Receivables related to equity investments mainly cover long-term financing set up by Gecina with its subsidiaries, in the form of long term shareholder loans.

The largest shareholder loans were made to Gecimed for €389 million, Beaugrenelle for €363 million, GEC 9 for €109 million, GEC 7 for €70 million and the subsidiary SIF Espagne for €45 million of receivables and €187 million of equity loans set up in 2010.

Receivables resulting from centralized cash management are recorded as shareholder current loans (operating receivables). Changes in "Other fixed assets" concern cash advances to the financial intermediary as part of Gecina's share liquidity agreement.

Depreciation

€'000	Balance brought forward	Mergers	Allocations	Write-backs	**Balance carried forward**
Intangible fixed assets	**3,558**	**0**	**2,211**	**25**	**5,744**
Concessions, licenses	3,558		2,211	25	5,744
Tangible fixed assets	**334,526**	**20,062**	**60,021**	**48,217**	**366,392**
Buildings	319,045	20,041	58,386	46,866	350,606
Buildings on third party land	12,624		723	1,221	12,126
Other tangible fixed assets	2,857	21	912	130	3,660
TOTAL	**338,084**	**20,062**	**62,232**	**48,242**	**372,136**

Impairment

€'000	Balance brought forward	Mergers	Allocations	Write-backs	**Balance carried forward**
Intangible fixed assets	**9,392**	**(9,392)**	**0**	**0**	**0**
Intangible assets	9,392	(9,392)			0
Tangible fixed assets	**127,761**	**0**	**5,769**	**19,631**	**113,899**
Land	112,762		3,995	10,137	106,620
Buildings	14,999		1,774	9,494	7,279
Financial investments	**809,985**	**(89,920)**	**2,878**	**372,424**	**350,519**
Equity investments and related receivables	741,337	(89,920)	2,710	363,862	290,265
Other equity investments	8,562			8,562	0
Other financial investments	153				153
Advances on property acquisitions	59,933		168		60,101
TOTAL	**947,138**	**(99,312)**	**8,647**	**392,055**	**464,418**

Impairments of investments and related receivables mainly concern SIF Espagne for €33 million and €215 million respectively. The write-back of an impairment of €364 million mainly corresponds to the disposal of the GEC 4 subsidiary, for which the shares were fully written down at year-end 2011.

The impairment of advances on property acquisitions is related to the advance granted to the Spanish company Bamolo, written down for €60.1 million (in order to reduce it to the land's last appraisal value of €5.4 million).

Tangible fixed asset impairments are related to the impairments of portfolio properties when there is a sign of impairment (see Note 4.3.3.1.3 on impairment method).

In 2011, impairments of other equity investments solely concerned treasury shares.

4.3.4.2. OPERATING RECEIVABLES

€'000	12/31/2012	12/31/2011
Rent due	13,164	17,426
Impairment of rent due	(8,786)	(9,442)
TOTAL RENT DUE AND RELATED RECEIVABLES	**4,378**	**7,984**
Receivables on fixed asset disposals	7,910	298
Group receivables (interest-bearing cash advances) (1)	22,645	26,511
Group income due	5,142	15,162
Miscellaneous income due	1,059	836
French state – income tax receivables	7,722	7,426
French state – VAT	8,428	11,134
Management agencies, co-ownerships and external managers	2,253	2,488
Miscellaneous other receivables	2,097	1,518
Impairment	(6,807)	(6,807)
TOTAL OTHER RECEIVABLES	**50,449**	**58,566**

(1) See Note 4.3.4.1. on receivables related to equity investments.

All these receivables have a maturity of less than a year.

4.3.4.3. INVESTMENT SECURITIES

€'000	12/31/2012	12/31/2011
Investment securities (money market UCITS)	0	2,452
Treasury shares reserved for employees (1)	68,832	75,733
Treasury shares (liquidity contract)	0	4,503
Cash instruments	0	4,022
TOTAL GROSS AMOUNTS	**68,832**	**86,710**
Impairment	(2,585)	(11,234)
TOTAL INVESTMENT SECURITIES	**66,247**	**75,476**

(1) Treasury shares include, for a gross total of €68,832,000 the 955,079 Gecina shares held to cover the performance shares and stock options awarded to employees and company officers.

4.3.4.4. CHANGES IN TREASURY SHARES

	Number of shares	*€'000*
Balance at 01/01/2012	478,106	37,583
Restatement of entitlements to treasury shares set aside for allocation to employees and company officers	676,040	44,588
BALANCE AT 12/31/2012 (1)	**1,154,146**	**82,171**

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

4.3.4.5. BOND REDEMPTION PREMIUMS

At December 31, 2012, this line comprised premiums related to all non-convertible bonds, which are amortized on a straight line over the term of the debt (€1.5 million amortized in 2012).

4.3.4.6. CHANGE IN SHARE CAPITAL AND SHAREHOLDERS' EQUITY

At the end of 2012, share capital was composed of 62,777,135 shares with a par value of €7.50 each:

€'000	Capital	Issue, merger and conversion premiums	Reserves	Revaluation gain	Retained earnings	Net shareholders' equity excluding earnings for the year and subsidies
12/31/2010	**469,615**	**1,868,106**	**425,274**	**656,661**	**0**	**3,419,656**
Capital increase (employees)	263	2,337	26			2,626
Account transfers			35,670	(35,670)		0
2010 Income appropriation					6,522	6,522
12/31/2011	**469,878**	**1,870,443**	**460,970**	**620,991**	**6,522**	**3,428,804**
Capital increase (employees)	950	9,720	(712)			9,958
Account transfers			85,842	(85,842)		0
2011 Income appropriation					5,284	5,284
12/31/2012	**470,828**	**1,880,163**	**546,100**	**535,149**	**11,806**	**3,444,046**

4.3.4.7. PROVISIONS

€'000	Values at 12/31/2011	Contribution/ Merger	Allocations	Write-backs	12/31/2012
Provisions for tax audits	2,614			1,638	976
Provision for employee benefits	7,659	(940)	2,873	238	9,354
Provision for share buyback plans for employees	7,010			724	6,286
Other provisions	2,280	105	806	891	2,300
TOTAL	**19,563**	**(835)**	**3,679**	**3,491**	**18,916**

The allowance for employee benefit commitments of €2.9 million concerns the increase in the company's commitments to employee benefits and includes for €2.3 million the impact of the actuarial differences for the period, consecutive to the decline of the discount rate.

The movement of €–940,000 is consecutive to the transfer of a certain staff category to Gecina Management, a company created on January 1, 2012 to handle the rental and technical management of offices.

The write-back of €1.6 million of provisions for tax audits primarily concern the tax audit on fiscal years 2006 to 2008, which is now fully settled.

4.3.4.8. BORROWINGS AND FINANCIAL DEBT

Remaining maturities

€'000	Less than 1 year	1 to 5 years	Over 5 years	Total 12/31/2012	Total 12/31/2011
Non-convertible bonds	48,156	1,000,000	650,000	1,698,156	1,542,842
Ornane bond	0	320,000	0	320,000	320,000
Loans and debt (excluding Group)	578,934	233,400	516,225	1,328,559	1,648,114
Group debt	357,902			357,902	566,840
TOTAL	**984,992**	**1,553,400**	**1,166,225**	**3,704,617**	**4,077,796**

During the fiscal year, the company issued a new bond debt of €650 million at 4.75% maturing in April 2019.

Bank covenants

The company's main credit facilities are accompanied by contractual clauses relating to compliance with certain financial ratios (calculated on consolidated figures), determining interest rates charged and early repayment clauses, the most restrictive of which are summarized below:

	Benchmark standard	**Balance at 12/31/2012**	Balance at 12/31/2011
Net debt/Revalued block value of property holding	Maximum 55%	39.75%	42.64%
EBITDA (excluding disposals)/Financial expenses	Minimum 2.00	2.78	2.62
Outstanding secured debt/Block value of property holding	Maximum 20%/25%	15.04%	18.65%
Revalued block value of property holding *(€ million)*	Minimum 6,000/8,000	11,048	11,834

Change of control clauses

- Bond debt of €500 million due in September 2014: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.
- Bond debt of €500 million due in February 2016: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.
- Bond debt of €650 million due in April 2019: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.
- €320 million Ornane bond: a change of control could lead to early reimbursement at the discretion of bondholders.

4.3.4.9. EXPOSURE TO INTEREST RATE RISKS

€'000	**Debt before hedging at 12/31/2012**	**Effect of hedging at 12/31/2012**		**Debt after hedging at 12/31/2012**	Debt after hedging at 12/31/2011
Floating rate financial debt	753,850	(2,399,016)	0	(1,645,166)	(1,294,021)
Fixed rate financial debt	2,520,000	2,399,016	0	4,919,016	4,747,465
INTEREST-BEARING FINANCIAL DEBT (1)	**3,273,850**	**0**	**0**	**3,273,850**	**3,453,444**

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

Derivative portfolio

€'000	**12/31/2012**	12/31/2011
Derivatives in effect at year-end		
Fixed rate swaps	1,336,016	2,117,829
Caps (purchases)	1,113,000	1,313,000
Floors	500,000	750,000
Caps (sales)	(50,000)	
Swaps floating rates versus floating rates		250,000
Floating rate swaps		498,000
Subtotal	**2,899,016**	**4,928,829**
Derivatives with deferred impact (1)		
Fixed-floating rate swaps	112,300	491,000
Caps (purchases)	600,000	600,000
Floors	350,000	600,000
Swaptions	117,000	117,000
Subtotal	**1,179,300**	**1,808,000**
TOTAL	**4,078,316**	**6,736,829**

(1) Including par value changes on derivatives in portfolio at year end.
Caps, floors and collars are presented separately, 2011 figures have been retreated.

The fair value of the derivatives portfolio as of December 31, 2012 shows an unrealized termination loss of €206 million.

Three hedging instrument transactions were restructured during the fiscal year leading to financial expenses for termination of €111 million.

4.3.4.10. ACCRUED EXPENSES AND INCOME, PREPAID CHARGES AND INCOME

These are included in the following balance sheet items:

€'000	12/31/2012	12/31/2011
Bonds	48,156	48,206
Financial debt	11,111	9,305
Trade payables	13,666	12,199
Tax and social security payables	14,494	17,822
Fixed asset payables	53,388	42,807
Miscellaneous	985	907
Total accrued expenses	**141,800**	**131,246**
Prepaid income	**1,541**	**1,733**
TOTAL LIABILITIES	**143,341**	**132,979**
Financial investments	6,303	6,303
Trade receivables	1,201	3,949
Other receivables	6,478	16,113
Total accrued income	**13,982**	**26,365**
Prepaid charges	**27,736**	**21,181**
TOTAL ASSETS	**41,718**	**47,546**

Prepaid charges mainly concern loan issuance costs for €24.5 million. Income receivables recognized under "Other receivables" correspond for €5.1 million to revenues from inter-company recharges.

4.3.4.11. DEPOSITS AND GUARANTEES RECEIVED

This item, for a total of €29.4 million, primarily represents deposits paid by lessees to guarantee their rent payments.

4.3.4.12. OTHER LIABILITIES

All other liabilities are due in less than 1 year.

4.3.4.13. OFF BALANCE SHEET COMMITMENTS

€'000	12/31/2012	12/31/2011
Commitments received		
Swaps	1,448,316	3,356,829
Caps	1,713,000	1,913,000
Unused lines of credit	2,050,000	1,360,000
Commitments or options to acquire of properties (including sales of property for future completion) or shares	112,462	647,817
Mortgage-backed receivable	5,418	5,585
Other	86,480	14,480
TOTAL	**5,415,676**	**7,297,711**
Commitments given		
Guarantees granted (1)	696,622	800,348
Guarantees given on differentials for subsidiaries' swap transaction (notional amounts)	0	25,685
Swaps	1,448,316	3,356,829
Floors	850,000	1,350,000
Swaptions	50,000	0
Payables secured by collateral	117,000	117,000
Commitments or options to acquire of properties (including sales of property for future completion)	603,850	670,410
Earnouts on share aquisitions	112,462	647,817
Total	0	7,258
Other (2)	16,906	0
TOTAL	**3,895,157**	**6,975,347**

(1) Including guarantees granted at December 31,2012 by Gecina to Group companies for €696 million.
(2) Including €16 million of guarantees for liabilities granted in connection with the disposal of GEC 4 securities (the logistics subsidiary).

Gecina and SCI Pont de Grenelle have made a reciprocal commitment, by setting up purchase and sale options on the acquisition/sale of the 25% stake held by SCI Pont de Grenelle in the capital of SCI Beaugrenelle.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years, and which do not appear in the table of commitments given because their cost is not yet known. As of the date of this document, the Company does not believe that these commitments will have to be fulfilled.

In conjunction with the law on employees' entitlement to training (*droit individuel à la formation* – DIF), at December 31, 2012, the company's employees had earned 40,064 aggregate hours (after deduction of hours used since the establishment of the DIF).

4.3.5. NOTES ON THE INCOME STATEMENT

4.3.5.1. OPERATING INCOME

€'000	**2012**	2011
Rental revenues:		
Rental revenues on residential properties	137,362	154,508
Rental revenues on commercial properties	131,033	147,740
TOTAL RENTAL REVENUES	**268,394**	**302,248**

4.3.5.2. OPERATING EXPENSES

Operating expenses (excluding depreciation and provisions) mainly include property rental expenses to recharge to tenants for €51.2 million.

4.3.5.3. DEPRECIATION AND IMPAIRMENT ALLOCATIONS AND WRITE-BACKS

	2012		2011	
€'000	Allocations	Write-backs	Allocations	Write-backs
Fixed assets depreciation (1)	62,232		61,072	
Intangible fixed assets impairment (1)			9,392	
Tangible fixed assets impairment (1)	5,769	19,632	16,673	1,235
Impairment of financial investments and investment securities	2,878	381,074	221,580	3,942
Receivables impairment (2)	1,501	2,617	1,994	5,952
Provisions for risks and charges (3)	3,679	3,492	2,686	3,945
Amortization of bond redemption premiums (4)	1,498		1,306	
TOTAL	**77,557**	**406,815**	**314,703**	**15,074**
of which:				
operating	67,412	6,031	65,675	9,897
financial	4,376	381,152	222,964	3,942
non-recurring and tax	5,769	19,632	26,064	1,235

(1) See Note 4.3.4.1.
(2) See Note 4.3.4.2.
(3) See Note 4.3.4.7.
(4) See Note 4.3.4.5.

The write-back of the impairment of financial investments for €381 million is essentially linked to the disposal of the securities of the subsidiary GEC 4.

4.3.5.4. NET FINANCIAL ITEMS

	2012		2011	
€'000	Expenses	Income	Expenses	Income
Interest and related expenses or income	286,996	56,577	198,034	72,346
Net gains on sale of marketable securities		150		486
Dividends of subsidiaries and income from equity investments [(1)]		170,219		250,877
Depreciation, impairment and provision charges and write-backs:				
• amortization of bond redemption premiums	1,498		1,306	
• impairment of investment in subsidiaries, related receivables or treasury shares	2,878	381,151	221,658	3,942
TOTAL	**291,372**	**608,097**	**420,998**	**327,651**

(1) Including in 2012 dividends received from Geciter for an amount of €109 million, and in 2011 a share of €36.5 million in Monttessuy earnings following the sale of its building.

4.3.5.5. EXCEPTIONAL ITEMS

€'000	2012	2011
Net gains on sale of properties	346,701	213,311
Provisions for impairment of fixed assets	13,863	(24,830)
Capital gains or losses on disposals of securities or mergers	(382,917)	
Loss on purchase of treasury shares	(3,913)	(3,199)
Other non-recurring income and expenses	8,876	272
EXCEPTIONAL ITEMS	**(17,390)**	**185,554**

Block sales of 17 buildings in 2012 generated a gain of €257 million, the balance of €90 million having been generated by unit-by-unit sales.

Losses on the sale of investments correspond primarily to the disposal of the securities of the subsidiary Gec 4.

4.3.5.6. OPERATIONS WITH AFFILIATED COMPANIES

€'000

Assets (gross values)		Liabilities		Net financial items	
Financial investments	3,269,294	Financial debts	352,762	Financial costs	11,257
Trade receivables	0	Trade payables	1,494		
Other receivables	27,787	Other payables	0	Financial income	585,779
Guarantees granted by Gecina on behalf of related companies			696,027		

At December 31, 2012, there were no significant transactions with the major shareholders.

Transactions with companies in which Gecina has a significant equity interest are limited to billing for services rendered and operating resources (€27.1 million in 2012) as well as loans governed by specific agreements.

4.3.6. OTHER INFORMATION

4.3.6.1. EXCEPTIONAL EVENTS AND DISPUTES

Gecina has undergone tax audits that have resulted in tax reassessment notices, the bulk of which are being contested. The company is also directly or indirectly the subject of liability actions and judicial processes instigated by third parties. Based on the assessments of the company and its advisers, there is no risk that is not accrued, which would be likely to significantly impact Gecina's earnings or financial situation.

Furthermore, on July 16, 2012, Banco de Valencia informed the company about the alleged existence of four promissory notes for a total amount of €140 million reportedly drawn by Gecina in favor of a Spanish company known as Arlette Dome SL, which supposedly gave these promissory notes to Banco de Valencia as collateral for loans granted by that bank. After verification, the company observed that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome SL which could have justified their issue. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the issue were to be confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. No provision was recognized for this purpose at December 31, 2012.

4.3.6.2. WORKFORCE

Average headcount	**2012**	2011
Managers	163	184
Employees	132	157
Operatives and building staff	122	151
TOTAL	**417**	**492**

4.3.6.3. COMPENSATION FOR ADMINISTRATIVE AND GOVERNANCE BODIES

Attendance allowances allocated to members of Gecina's Board of Directors for 2012 amounted to €1.3 million. No loans or guarantees were granted or arranged for members of the administrative and governance bodies.

4.3.6.4. CONSOLIDATING COMPANY

As at December 31, 2012, Metrovacesa, a Spanish registered company recognizes its 26.78% stake in Gecina's share capital and 27.71% of its voting rights through consolidation under the equity method.

4.3.6.5. STOCK OPTIONS AND PERFORMANCE SHARE PLANS

	Performance shares	Performance shares	Performance shares	Performance shares (1)	Performance shares (1)	Performance shares (1)	Performance shares (1)	Performance shares (1)
Date of General Meeting	06/19/2007	06/19/2007	06/19/2007	06/15/2009	06/15/2009	05/24/2011	05/24/2011	05/24/2011
Date of Board of Directors' meeting	10/23/2007	12/13/2007	12/18/2008	03/22/2010	12/092010	12/14/2011	12/14/2012	12/14/2012
Effective allocation date				04/16/2010	12/27/2010	12/14/2011	12/14/2012	12/14/2012
Vesting date	10/23/2009	12/13/2009	12/18/2008	04/16/2012	12/28/2012	12/15/2013	12/15/2014	12/14/2015
Number of rights	18,610	74,650	109,000	48,875	60,850	48,145	52,820	11,750
Withdrawal of rights	2,336	400	0	400	150	0	0	0
	52			9,695				
Cancellation	52							
Share price on day of allocation (after adjustment)	€117.20	€118.99	€47.50	€83.17	€82.48	€55.88	€86.35	€86.35
Number of registered shares (after adjustment)	16,378	74,250	109,000	37,180	60,700	0	0	0
Number of shares to be exercised	**0**	**0**	**0**	**1,600**	**0**	**48,145**	**52,820**	**11,750**
Performance conditions	no	yes	yes	yes	yes	yes	yes	yes
Internal		Improvement in consolidated current income	Change in rate of operating margin	no	no	Improvement Total Return	no	no
External		Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index

(1) Shares to be issued.

Stock option and share plans

Meeting date	06/02/2004	06/02/2004	06/02/2004	06/19/2007	06/19/2007	06/15/2009 [1]	06/15/2009 [1]
Date of Board of Directors' Meeting	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	03/22/2010	12/09/2010
Effective allocation date	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	04/16/2010	12/27/2010
Start date for exercise of options	12/12/2006	03/14/2008	12/12/2008	12/13/2009	12/18/2010	04/16/2012	12/27/2012
Expiration date	10/11/2014	03/15/2016	12/13/2016	12/14/2017	12/19/2018	04/17/2020	12/28/2020
Number of rights	316,763	251,249	272,608	230,260	331,875	252,123	210,650
Withdrawal of rights		14,500	20,169	31,569	0	1,779	200
Subscription or purchase price (after adjustment)	€61.02	€96.48	€104.04	€104.72	€37.23	€78.98	€84.51
Number of shares bought or subscribed (after adjustment)	280,963	0	0	0	100,475	0	0
Number of shares to be exercised	**35,800**	**236,749**	**252,439**	**198,691**	**231,400**	**250,344**	**210,450**
Performance conditions	no	no	no	no	no	yes	yes
Internal						no	no
External						Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index

(1) Shares to be issued.

4.3.6.6. POST BALANCE SHEET EVENTS

None.

4.3.6.7. STATEMENT OF CASH FLOWS

€'000	12/31/2012	12/31/2011
Operating cash flows		
Net income	410,673	272,801
Elimination of income and expenses with no impact on cash flow		
Depreciation, impairment and provisions	(319,492)	295,255
Investment subsidies accounted for as income	(376)	(272)
Capital gains on disposal	5,924	(225,779)
GROSS CASH FLOW FROM OPERATIONS	**96,729**	**342,005**
Change in operating working capital requirements:		
Operating receivables	13,094	(589)
Operating payables excluding SIIC option liabilities	(22,831)	5,332
Non recurring or operating flows (financing)	111,168	22,355
NET CASH FLOW FROM OPERATIONS	**198,160**	**369,103**
Cash flows from investment activities		
Acquisitions of fixed assets	(1,143,193)	(1,055,554)
Disposals of fixed assets	751,557	625,150
Reductions in financial investments	845,102	448,932
Impact of changes in consolidation	66,855	2,298
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**520,321**	**20,826**
Cash flows from financing activities		
Dividends paid	(267,517)	(268,515)
Capital increase in cash	1,736	2,626
Loan issues	1,730,044	1,198,228
Repayment of loans	(1,914,066)	(1,396,070)
Other cash flows from financing activities	(111,168)	(22,355)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(560,971)**	**(486,086)**
CHANGE IN CASH AND EQUIVALENTS	**157,510**	**(96,157)**
Cash and cash equivalents at beginning of period	**(435,290)**	**(339,133)**
Cash and cash equivalents at end of period	**(277,780)**	**(435,290)**

4.3.6.8. LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS

Financial information *(€'000)*	Capital	Shareholders' equity other than share capital	% equity interest *(%)*	Book value of shares held Gross	Book value of shares held Net
Subsidiaries and equity interests					
A – Detailed information on subsidiaries and equity investments					
1- Subsidiaries					
SAS GECITER	17,476	860,983	100.00%	782,018	782,018
SA GECIMED	232,914	73,831	100.00%	314,407	314,407
SAS HOTEL D'ALBE	2,261	82,416	100.00%	216,096	216,096
SCI CAPUCINES	14,273	2,005	100.00%	26,188	26,188
SNC MICHELET LEVALLOIS	50,000	24,480	100.00%	70,965	70,965
SAS GECIOTEL	50,038	3,167	100.00%	50,038	50,038
SAS KHAPA	37	38,047	100.00%	36,659	36,659
SCI 55 RUE D'AMSTERDAM	18,015	2,814	100.00%	36,420	36,420
SAS GEC 7	1,032	39,173	100.00%	39,553	39,553
SIF Espagne	32,961	(248,100)	100.00%	33,161	
SARL COLVEL WINDSOR	32,000	1,141	100.00%	58,016	35,550
SAS SPIPM	1,226	25,640	100.00%	26,890	26,890
SAS SADIA	90	20,367	100.00%	24,928	24,928
SCI ST AUGUSTIN MARSOLLIER	10,515	472	100.00%	23,204	23,204
SAS LE PYRAMIDION COURBEVOIE	37	24,500	100.00%	22,363	22,363
SAS L'ANGLE	37	19,912	100.00%	21,434	21,434
SCI 5 BD MONTMARTRE	10,515	4,935	100.00%	18,697	18,697
SAS ANTHOS	30,037	(2,719)	100.00%	50,953	38,829
SAS INVESTIBAIL TRANSACTIONS	16,515	2,044	100.00%	15,900	15,900
SCI BEAUGRENELLE	22	(26,089)	75.00%	18,647	18,647
SCI GEC 15	5	(2,808)	100.00%	37,625	37,625
SNC GECINA MANAGEMENT	3,558	3,899	99.99%	12,215	6,828
B – General information on other subsidiaries or equity investments with gross value not exceeding 1% of Gecina's share capital					
a. French subsidiaries (Total)				14,820	12,832
b. Foreign subsidiaries (Total)				–	–
c. Equity investments in French companies (Total)					
d. Equity investments in foreign companies (Total)				–	–

(1) Amount of technical losses on merger assigned to shares contributed by SIF and GECI 1 and GECI 2 (unrealized capital gains).
(2) Amount of provisions on loans and advances.

Outstanding loans and advances granted by the Company and not yet reimbursed	Guarantees and sureties given by the Company	Net revenues for most recent year ended	Earnings (profit or loss for most recent year ended)	Dividends recorded by the Company during the year	Comments
38,366	207,557	86,583	116,762	109,049	
393,623		48,689	6,619	6,717	
	220,720	19,892	14,336	25,049	69,873 [1]
		4,083	2,005		4,702 [1]
		13,128	8,157	7,250	
39,729		19,492	5,187		
147	105,000	11,383	6,012	1,787	
18,185		5,103	2,814		4,255 [1]
70,711		5,640	787		
231,875		3,901	(2,278)		215,139 [2]
253	51,750	5,667	(1,021)		
1,009		2,412	1,852	1,630	4,075 [1]
12,123		2,477	1,393	2,024	5,870 [1]
11,108		2,769	472		4,537 [1]
	51,000	5,371	3,497		
	60,000	6,427	3,430		
21,217		3,127	861	1,332	3,462 [1]
29,298		2,183	(474)		
		262	8		
375,317		2,201	(653)		
9,931		4,665	(4,922)		32,514 [1]
		6,934	629		
7,819		27,864	5,019	2,152	
–	–	–	–	–	
960			(12)		
–	–	–	–	–	

CORPORATE GOVERNANCE

5.1. DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

5.1.1. DIRECTORS AND OFFICERS

As at December 31, 2012, the members of the Board of Directors were as follows:

- Mr. Bernard Michel (Chairman and CEO);
- Mr. Nicolas Diaz;
- Mr. Philippe Donnet;
- Mr. Vicente Fons;
- Mr. Rafael Gonzalez de la Cueva;
- Mr. Sixto Jimenez;
- Metrovacesa, represented by Mr. Eduardo Paraja;
- Mr. Jacques-Yves Nicol;
- Predica, represented by Mr. Jean-Jacques Duchamp;
- Ms. Inès Reinmann;
- Ms. Helena Rivero;
- Ms. Victoria Soler;
- Mr. Antonio Trueba.

As at December 31, 2012, the Board of Directors comprised 13 members including five independent directors: Ms. Inès Reinmann, Messrs Philippe Donnet, Rafael Gonzalez de la Cueva, Jacques-Yves Nicol and Predica, represented by Mr. Jean-Jacques Duchamp.

Changes in the Board of Directors during 2012 are detailed in paragraph 5.2. (Chairman's report on corporate governance and internal control).

During fiscal 2012, the Board met nine times and the different Committees held 31 meetings in total, which demonstrates the importance of the work accomplished and the subjects treated. The average attendance rate of directors at the meetings is given in the table below.

Attendance table

Type of meetings	Number of meetings	Attendance average rate
Board of Directors	9	94.12%
Strategic Committee	7	92.68%
Audit, Risk and Sustainable Development Committee	11	96.30%
Governance, Appointment and Compensation Committee	13	98.08%

5.1.2. REMUNERATION AND BENEFITS

Table summarizing the compensations and stock options and shares granted to each corporate officer (table No. 1, AMF guideline – AFEP-MEDEF Code)

€'000	12/31/2011	**12/31/2012**
Bernard Michel – Chairman of the Board of Directors		
Compensation due for the period (details in table 2)	293	0
Valuation of stock options allocated during the period (details in table 4)	0	0
Valuation of performance-related shares allocated during the period (details in table 6)	0	0
Bernard Michel – Chairman and CEO		
Compensation due for the period (details in table 2)	404	1,525
Valuation of stock options allocated during the period (details in table 4)	0	0
Valuation of performance-related shares allocated during the period (details in table 6)	0	0

€'000	12/31/2011	**12/31/2012**
Christophe Clamageran – Chief Executive Officer [(1)]		
Compensation due for the period (details in table 2)	1,692	340
Valuation of stock options allocated during the period (details in table 4)	0	0
Valuation of performance-related shares allocated during the period (details in table 6)	0	0

(1) Mr Christophe Clamageran was CEO from November 16, 2009 till October 4, 2011.

Summary of the compensations of each corporate officer (table No. 2 AMF guideline – AFEP-MEDEF Code)

	2011		**2012**	
€'000	Amounts due	Amounts paid	Amounts due	Amounts paid
Bernard Michel – Chairman of the Board of Directors				
Fixed compensation	226	226		
Variable compensation				
Exceptional compensation				
Attendance allowance	67	67		
Benefits in kind				
Bernard Michel – Chairman and CEO				
Fixed compensation	160	160	650	650
Variable compensation [(1)]	192		780	192
Exceptional compensation				
Attendance allowance	50	50	87	87
Benefits in kind (new technologies)			0	0
Benefits in kind (company car)	2		8	8
TOTAL	**697**	**503**	**1,525**	**937**

(1) The variable compensation for 2012 paid in 2013 will depend on whether the performance targets have been met.

€'000	2011 Amounts due	2011 Amounts paid	2012 Amounts due	2012 Amounts paid
Christophe Clamageran – Chief Executive Officer (1)				
Fixed compensation	379	379		
Non-competition clause compensation	86	86	94	94
Variable compensation	246	475	246	246
Severance benefits	975	975		
Exceptional compensation				
Attendance allowance				
Benefits in kind (new technologies)	0	0		
Benefits in kind (company car)	5	5		
TOTAL	**1,692**	**1,921**	**340**	**340**

(1) Mr Christophe Clamageran was CEO from November 16, 2009 till October 4, 2011.

The detailed compensations of corporate officers are presented in note 3.5.8.6. to the Consolidated Financial Statements. They are defined by the Board of Directors, on the proposal of the Governance, Appointment and Compensation Committee.

The company accrued a €780,000 provision for variable compensation, set at 120% of the fixed compensation to be paid to the officer.

The Board Meeting of February 21, 2013 set the variable compensation for Mr. Bernard Michel at 115% of his 2012 fixed compensation, i.e., €747,5 thousand.

Stock options for existing or new shares allocated during the year to each corporate officer by the issuer and by any Group company (table No. 4 AMF guideline – AFEP-MEDEF Code)

No stock option for new or existing shares was granted to corporate officers in 2012.

Stock options for existing or new shares exercised by each corporate officer (table No. 5 AMF guideline – AFEP-MEDEF Code)

No corporate officer exercised stock options for new or existing shares in 2012.

Performance shares allocated to each corporate officer (table No. 6 AMF guideline – AFEP-MEDEF Code)

No performance share was allocated to corporate officers in 2012.

Performance shares that became available for each corporate officer (table No. 7 AMF guideline – AFEP-MEDEF Code)

No performance share became available for corporate officers in 2012.

Other information (table No. 10 AMF guideline – AFEP-MEDEF Code)

	Employment contract		Supplementary pension plan		Compensation (2) or benefits due or likely to be due after the corporate officer leaves the position or changes functions		Compensation arising from a non-competition clause	
Corporate officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Bernard Michel – Chairman and CEO		x		x	x			x
Date of appointment to the Board	10/04/2011							
Date of expiry of term (1)	GM 2014							

(1) The Shareholders' General Meeting of May 24, 2011 reappointed Mr. Bernard Michel as Director for a period of three years which will end after the Shareholders' General Meeting convened to approve the financial statements for fiscal 2013.

(2) The benefits in the event of termination of duties of Chairman and CEO are presented in Notes 5.2.4.

5.1.2.1. COMPENSATION AND BENEFITS OF MEMBERS OF THE BOARD OF DIRECTORS

Table summarizing the attendance allowances and other compensations received by non-executive corporate officers (table No. 3 AMF guideline – AFEP-MEDEF Code)

Non-executive corporate officers *In €*	Amounts paid out in 2011	**Amounts paid out in 2012**
Jean-Jacques Dayries		
Attendance allowance	133,354	54,658
Other compensation		
Nicolas Diaz		
Attendance allowance	151,984	91,046
Other compensation		
Philippe Donnet		
Attendance allowance	117,866	123,898
Other compensation		
Vicente Fons		
Attendance allowance	93,151	53,971
Other compensation		
Rafael Gonzalez de la Cueva		
Attendance allowance	68,946	100,433
Other compensation		
Sixto Jimenez		
Attendance allowance	104,428	96,678
Other compensation		
Metrovacesa, represented by Eduardo Paraja		
Attendance allowance	112,762	72,274
Other compensation		
Jacques-Yves Nicol		
Attendance allowance	93,151	113,136
Other compensation		
Predica, represented by Jean-Jacques Duchamp		
Attendance allowance	116,194	124,837
Other compensation		
Helena Rivero		
Attendance allowance	73,541	90,108
Other compensation		
Joaquín Rivero		
Attendance allowance	136,294	29,322
Other compensation		
Victoria Soler		
Attendance allowance	151,984	110,288
Other compensation		
Antonio Trueba		
Attendance allowance	68,638	90,108
Other compensation		
Inès Reinmann		
Attendance allowance	–	54,131
Other compensation	–	
TOTAL	**1,422,294**	**1,204,888** (1)

(1) The General Meeting of April 17, 2012 reduced from €1,750,000 to €1,360,000, on or after the fiscal year starting on January 1, 2012, the annual total amount of attendance allowances paid to Directors, given that the number of directors had fallen from 18 to 14 during fiscal year 2011. Since the number of directors has fallen from 14 to 13 following the resignation of Mr. Joaquín Rivero as Director of the company with effect from March 26, 2012, the amount of the envelope granted by the Board of Directors was exceptionally adapted for fiscal year 2012 and amounted to €1,292,179.

The company recorded no provision for Directors' compensation and benefits.

5.1.2.2. INFORMATION ON STOCK OPTIONS FOR NEW OR EXISTING SHARES

History of the allocation of stock options for new or existing shares – Information on stock options for new or existing shares (table No. 8 AMF guideline – AFEP-MEDEF Code)

None.

Stock options granted to the top 10 non-corporate officer employee beneficiaries and options exercised by these beneficiaries (table No. 9 AMF guideline – AFEP-MEDEF Code)

	Total number of options granted/ shares subscribed or bought	Weighted average price	October 2004 stock options	December 2008 stock options
Options granted during the year by the issuer and by any company in the options allocation scope, to the top ten employees of the issuer and any company included in this scope, where the number of options granted under the plans is the highest (comprehensive data)	none	€0.00		
Options held on the issuer and in the companies described above, exercises during the year, by the ten employees of the issuer and these companies, where the number of options bought or subscribed under the plan is the highest (comprehensive data)	52,834	€40.15	6,492	46,342

Corporate officers and Directors

The detailed compensations of corporate officers are presented in note 3.5.8.6. to the Consolidated Financial Statements. They are defined by the Board of Directors, on the proposal of the Governance, Appointment and Compensation Committee.

The company accrued a €780,000 provision for variable compensation, set at 120% of the fixed compensation to be paid to the officer.

Mr. Bernard Michel does not have an employment contract with the Group.

Directors receive no other forms of payment than the attendance allowances paid at each Board Meeting or at the various committees on which they may sit (see paragraph 5.2. "Chairman's Report on corporate governance and internal control").

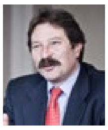
The table below sets out the number of shares held by each director as at December 31, 2012.

Directors	Number of shares held as at 12/31/2012
Rafael Gonzalez de la Cueva	40
Nicolas Diaz	40
Philippe Donnet	40
Vicente Fons	400
Sixto Jimenez	60
Metrovacesa, represented by Eduardo Paraja	16,809,610
Bernard Michel	40
Jacques-Yves Nicol	40
Predica, represented by Jean-Jacques Duchamp	5,168,559
Inès Reinmann	40
Helena Rivero	40
Victoria Soler	400
Antonio Trueba	1,560
TOTAL	**21,980,869**

The company recorded no provision for Directors' compensation and benefits.

5.1.3. LIST OF OFFICES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER AS AT DECEMBER 31, 2012

The table below describes the offices of members of the Board of Directors and the company's Chairman and CEO as at December 31, 2012.

First name and last name	Age	Position held in the company	Duration of term	Other offices and functions exercised outside the company	Business address
Chairman and CEO					
Bernard Michel French national 	64 years	Chairman of the Board of Directors Chief Executive Officer	First appointed at the General Meeting of May 10, 2010 Appointed by the Board of Directors of October 4, 2011 Term of office expiring at the General Meeting convened to approve the 2013 financial statements	• Observer for SOPRA Group • Chairman of the Gecina Corporate Foundation • Member of the Supervisory Board of UNOFI SAS • Chairman of the Supervisory Board of FINOGEST S.A. • Chairman of BM Conseil SAS • Corporate officer in most Gecina subsidiaries	14-16, rue des Capucines 75002 Paris
Directors					
Nicolas Diaz Spanish national 	49 years	Director	First appointed at the General Meeting of June 15, 2009 Term of office expiring at the General Meeting convened to approve the 2013 financial statements		16, rue Rouget-de-Lisle 78100 Saint-Germain-en-Laye
Philippe Donnet French national 	52 years	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2015 financial statements	• Member of the Supervisory Board of: Vivendi [(1)] Financière Miro	La Goronnière 45240 La Ferté-Saint-Aubin
Vicente Fons Spanish national 	58 years	Director	First appointed at the General Meeting of April 22, 2008 Term of office expiring at the General Meeting convened to approve the 2014 financial statements	• Chairman of the Board of: Peñiscola Resort, S.L. Nuespri S.L. • Director of: Planea gestión de suelo, S.L. Bami Newco SA	Calle Colón, 23- 3ª 46004 Valencia
Rafael Gonzalez de la Cueva Spanish national 	47 years	Director	First appointed at the General Meeting of May 24, 2011 Term of office expiring at the General Meeting convened to approve the 2012 financial statements	• Founder-Chairman of Nuevos Espacios de Arquitectura y Urbanismo, SL.	C/Ana de Austria, 34 Portal 0-2° C 28050 Madrid
Sixto Jimenez Spanish national 	62 years	Director	First appointed at the General Meeting of June 15, 2009 Term of office expiring at the General Meeting convened to approve the 2014 financial statements	• Director of: Metrovacesa SA [(1)] (independent) Riberebro SA Argenol SA Interesa SA Olivos Naturales SA • Chairman of the Board of Directors of Tuttipasta SA • Chairman of the Fundación para el estudio del Derecho Historico de Vasconia (FHEDAV)	P.E. Metrovacesa Vía Norte Quintanavides 13 28050 Madrid

First name and last name	Age	Position held in the company	Duration of term	Other offices and functions exercised outside the company	Business address
Metrovacesa, represented by Eduardo Paraja Spanish national 	51 years	Director	First appointed at the General Meeting of May 23, 2006 Term of office expiring at the General Meeting convened to approve the 2015 financial statements	• Chief Executive Officer of Metrovacesa [1] • Director – Prosegur	P.E. Metrovacesa Vía Norte Quintanavides 13 28050 Madrid
Jacques-Yves Nicol French national 	62 years	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2013 financial statements		17, rue Maréchal de Lattre-de-Tassigny 78150 Le Chesnay
Predica, represented by Jean-Jacques Duchamp French national 	58 years	Director	First appointed at the General Meeting of December 20, 2002 Term of office expiring at the General Meeting convened to approve the 2014 financial statements	• Deputy CEO of Crédit Agricole Assurances, Executive Committee member • Director of: SANEF (Autoroutes du Nord et de l'Est de la France) Société Foncière Lyonnaise [1] Korian [1] CA-IMMO CPR-AM Dolcea Vie SPIRICA Lifeside Patrimoine CA Vita PACIFICA • Member of the Office of the Economic and Financial commission of FFSA	16-18, boulevard de Vaugirard 75015 Paris
Inès Reinmann French national 	55 years	Director	First appointed at the General Meeting of April 17, 2012 Term of office expiring at the General Meeting convened to approve the 2015 financial statements	• Partner at Acxior Corporate Finance • *Fellow* of The Royal Institution of Chartered Surveyors • Member of: The Royal Institution of Chartered Surveyors Club de l'Immobilier Ile de France Founding Vice-President of the Cercle des Femmes de l'Immobilier • Co-pilot of the Innovative Financing group – Plan Bâtiment Grenelle 2	57, boulevard du Commandant Charcot 92200 Neuilly-sur-Seine
Helena Rivero Spanish national 	42 years	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2013 financial statements	• Chairman of Bodegas Tradición • Director of Bami Newco S.A.	Orquiddea 34, casa4. 28109 Madrid
Victoria Soler Spanish national 	53 years	Director	First appointed at the General Meeting of May 23, 2006 Term of office expiring at the General Meeting convened to approve the 2015 financial statements	• Director of: Mag-Import, S.L. Bami Newco Gritti internacional SL Abdos SL Carsini Residencial SL	Plaza Ayuntamiento N° 27 6a 46002 Valencia

First name and last name	Age	Position held in the company	Duration of term	Other offices and functions exercised outside the company	Business address
Antonio Trueba Spanish national 	70 years	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2012 financial statements	• Chairman of: Solaris 2006 World Trade Center Madrid World Trade Center Seville Fundación Más Familia EFYASA • Vice-Chairman of the International Committee of the World Trade Centers Association and Vice-Chairman of the WTCA Executive Committee • Chairman of the International Applied Medicine Center of the University of Navarra • Director of: SAREB TINSA	Calle Moscatelar, 1-N Edificio Edisa 28043 Madrid

(1) Listed company.

5.1.4. SUMMARY OF OFFICES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS IN ALL COMPANIES OVER THE LAST FIVE FISCAL YEARS

The table below summarizes all companies in which the Chairman and CEO and the members of the company's Board of Directors have been members of an executive, governance or supervisory body or a general partner at any time during the last five years:

Name and surname	Other offices and functions exercised in any company during the past five years and terminated (other than within the Group)
Bernard Michel	CEO of Predica Chairman of: GIE informatique Silca , OPCI Pasteur, AEPRIM SAS Chairman of the Board of Directors of: Crédit Agricole Immobilier, Unimo Chairman of the Supervisory Board of France Capital SAD Chairman of CA Grands crus SAS Vice-Chairman of Pacifica Vice-Chairman of the Supervisory Board of CP Or Devise Vice-Chairman of Emporiki Life Insurance Director of: Amundi Immobilier SA, Cholet Dupond SA, Crédit Agricole Reinsurance SA (Luxembourg), Crédit Agricole Risk Insurance SA (Luxembourg), Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE, Sopra Group Permanent representative of Crédit Agricole SA, member of the Supervisory Board of Systèmes Technologiques d'Échange et de Traitement (STET) Member of the Supervisory Board of Fonds de Garantie des Dépôts CEO of Crédit Agricole Assurances: member of the Executive Committee of Crédit Agricole SA [1], member of MEDEF Director of: Predica, Pacifica, CAAGIS SAS Chairman of the Supervisory Board of SAS Systèmes technologiques d'échange et de traitement (STET), permanent representative of Crédit Agricole Assurances, director of Crédit Agricole Creditor Insurance Permanent representative of Predica: member of the Supervisory Board of CAPE SA, director of Médicale de France SA, observer of Siparex [1] Member of the bureau of Fédération Française des Sociétés d'Assurances (FFSA) Vice-Chairman of: Fédération Française des Sociétés d'Assurance Mutuelle (FFSAM), Groupement Français de Bancassureurs Chairman of the Provisional Management Commission of the Caisse Régionale de la Corse Director of the holding company La Sécurité Nouvelle S.A.
Nicolas Diaz	CEO of Metrovacesa France CEO of Metrovacesa Méditerranée CEO of Metrovacesa Deutschland GmbH CEO of BBVA Benelux CEO of BBVA Frankfurt CEO of Médéa
Philippe Donnet	Director of: • Winvest Conseil International • Wendel Japan KK • Pastel et Associés
Jean-Jacques Duchamp, Permanent Representative of Predica	Director of Foncière des Régions [1] Director of BES VIDA
Vicente Fons	Chairman of Conseil de Promofei S.L. Vice-Chairman of Kalité Desarrollo S.A. Director of: • Abdos S.L. • Planea Gestión de Suelo, S.L. • Gritti Internacional S.L. • Emvi S.A • Exhibidores Unidos S.L. • Casavera S.L. • Bami Newco S.L.

Name and surname	Other offices and functions exercised in any company during the past five years and terminated (other than within the Group)
Rafael Gonzalez de la Cueva	Director of: • Martinsa Fadesa • RTM Desarrollos Urbanisticos y Sociales, S.A. • Urbanizaciones y Promociones EDIMAR, S.L. • Urbanizadora Fuente de San Luis, S.L. • Residencial Golf Mar, S.L. • Iberinvest, Sp.zo.o. (Polish) • Desarrollo de Proyectos Martinsa-Grupo Norte • Empresarios Integrados, S.A. • Rundex, S.A. • Comercio de Amarres, S.L. • Eólica Martinsa Grupo Norte
Sixto Jimenez	Director: • Nestoria Spain S.L. • Innoliva S.A. • Advanced Search S.L. • Caja Navarra Chairman of NGO Properú Member of the Modernization Committee of Navarre Vice-Chairman of Société des Études Basques in Navarre
Eduardo Paraja, Permanent Representative of Metrovacesa	Director of Service Point Solutions
Inès Reinmann	Managing Director of Continental Europe de Segro Plc Director of Segro Plc Director of Acxior Corporate Finance Chairman of Acxior Immo
Helena Rivero	N/A
Jacques-Yves Nicol	Manager of Tishman Speyer Properties France Managing Director of Aberdeen Property Investors France CEO of the Association des Diplômés du Groupe ESSEC Member of the Supervisory Board of ESSEC
Victoria Soler	Chairman of Bami Newco Chairman of Kalité Desarrollo Director of Planea Gestión de Suelo, S.L., Promociones Valencianas Provasa, S.L., Mercado de Construcciones S.A., Inmobiliaria Lasho S.A., Promofein S.L., Peñiscola Resort S.L., Metrovacesa and Ensanche Urbano S.A.
Antonio Trueba	Director of Grupo San José Member of the NGO CODESPA

(1) Listed company.

5.1.5. MANAGEMENT EXPERTISE AND EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO

BERNARD MICHEL

A graduate of the *École nationale des impôts* and General Inspector of Finances, he began his career at the *Direction générale des impôts* (1970-1983) then joined the *Inspection générale des finances* to carry out audit and control engagements (1983-1987). He joined the GAN group in 1987 as Director. Then he was appointed Director of Life Assurance Management (1990-1993), Chairman of Socapi (GAN and CIC life assurance company) (1992-1996), Deputy-CEO and Executive Vice-President of Assurances France (1993-1996). He was Chairman of the Banque Régionale de l'Ouest (CIC) from 1994 to 1996 and in parallel Chairman of the retirement fund of the CIC group. Mr. Michel joined the CNCA (now Crédit Agricole S.A.) in 1996 as Company Secretary and member of the Crédit Agricole S.A. Executive Committee. He was appointed Vice-President in 1998, a function that he held until 2003. He was specifically in charge of the Technologies, Logistics and Banking Services center, and was appointed Chairman of Crédit Agricole Immobilier. Since 2003, Bernard Michel has been Deputy Director of Operations and Logistics, Director of Operations and Logistics of Crédit Agricole S.A., Director of the Real Estate, Purchasing and Logistics Department, and Vice-Chairman of Predica before being appointed CEO of Predica in 2009, Director of the Crédit Agricole Assurances Department.

NICOLAS DIAZ

A graduate of the University of Prague in 1988 (Economics), the University of Madrid in 1991 (Doctorate in Economics) and the London School of Economics (Master's in Finance) in 1992, Nicolas Diaz began his career in 1990 at the *Institut des études économiques* before becoming Analysis Director at Gestemar Securities from 1996 to 1997, at Argentaria Gestion in 1997-1998, then Director of Investments at Argentaria Gestion de Pensiones between 1998 and 2000. He later joined the BBVA group in 2000 before taking over the management, between 2003 and 2007, of the BBVA offices in Germany and the Benelux. He also taught at the Complutense University from 1994 to 2003. He was CEO of Metrovacesa France from 2008 to 2012 and CEO of Metrovacesa Méditerranée and Metrovacesa Deutschland GmbH from 2009 to 2012.

PHILIPPE DONNET

Philippe Donnet is a graduate of the *École polytechnique* and a member of the *Institut des actuaires français*. In 1985, Mr. Philippe Donnet joined Axa in France. From 1997 to 1999, he was Deputy Managing Director of Axa Conseil (France), before becoming Managing Director of Axa Assicurazioni in Italy in 1999, then member of the Axa Executive Committee as CEO for the Mediterranean region, Latin America and Canada in 2001. In March 2002 he was also appointed Chairman and CEO of Axa Re and Chairman of Axa Corporate Solutions. In March 2003, Mr. Philippe Donnet was appointed CEO of Axa Japan. In October 2006, he was appointed Chairman of Axa Japan and CEO of the Asia-Pacific region. He was CEO of Wendel for the Asia-Pacific region from 2007 to 2009.

VICENTE FONS

A graduate in General Management from IESE, he sits on the boards of real estate, urban planning and tourism companies.

RAFAEL GONZALEZ DE LA CUEVA

A graduate of ETSA Madrid, Rafael Gonzalez de la Cueva began his career as architect for Ara Arquitectos. He was then appointed Promotions Manager for Ferrovial Inmobiliaria before joining Vallehermoso, where he had several jobs including Director of Special Projects. Thereafter he worked for Nozar as Promotions Director. In 2005, he joined Martinsa as Director of Investment, and then from 2007 to 2010, Martinsa Fadesa as Director of Strategy, Assets and Valuations. He is currently Chairman-founder of Urbanea.

SIXTO JIMENEZ

A graduate of the University of Deusto (Economics and an MBA), Sixto Jimenez began his career with Embutidos Mina in 1973, then joined Bildu Lan S. Coop in 1978 as Chief Executive Officer. He was later CEO of the Viscofan Group from 1983 to 1986, then Deputy Director of the same Group from 1986 to 2000. Between 1987 and 2000, he was also Deputy Director of the food group Ian (subsidiary of Viscofan). He was a member of the Board of Directors of Caja Navarra from 2004 to 2007. Since 2007, he has been Chairman of the Board of Directors of Tuttipasta, S.A. Since 2009, he has been a member of the Board of Directors of Metrovacesa SA (independent director). He is the author of the book "Cuestión de confianza".

EDUARDO PARAJA, PERMANENT REPRESENTATIVE OF METROVACESA

A law graduate from the University of Oviedo, with an MBA from the Madrid Business School (Houston University), Mr. Paraja began his career in 1991 in the Cobra group (energy sector) as Vice-President, then as CEO of the subsidiary Intercop Ibérica. In 1995, he joined the Prosegur group as CEO of the subsidiary Protecsa, then became CEO of the subsidiary Umano ETT, Unica and finally of Prosegur. Since 2009, he has been CEO of Metrovacesa.

JACQUES-YVES NICOL

Jacques-Yves Nicol graduated from ESSEC Business School and completed postgraduate studies in Economics. He was Managing Director of the ESSEC Group Alumni Association, after being the Managing Director (France) of Aberdeen Property Investors and Tishman Speyer Properties.

He has also held posts at Bank of America in France and internationally, at Bouygues (CFO and Deputy General Manager for Spain, then with the AXA Group as Managing Director of AXA Immobilier, then responsible successively for overseeing life-insurance activities in Asia-Pacific and the South Europe/Middle East area of AXA.

JEAN-JACQUES DUCHAMP, PERMANENT REPRESENTATIVE OF PREDICA

Graduate of AGRO-INAPG and ENGREF. After a career abroad (India, Morocco, Colombia) in public works and hydraulics, and later infrastructure financing with the World Bank, Mr. Duchamp joined the Crédit Agricole Group, where he has held a variety of posts in the general inspectorate of finances and auditing at regional mutuals of Crédit Agricole, and later internationally on capital markets, before joining the Board of Finances of Crédit Agricole Group. In 2001, he was part of the personal insurance division of Predica where he assumed the management of "Financing and Corporate" on the Executive Committee. In 2011, he became Deputy Managing Director of Crédit Agricole Assurances.

INÈS REINMANN

With a master's degree in business law from the University of Paris II and a postgraduate diploma in real estate law from University of Paris I, Inès Reinmann spent a large part of her career, from 1989 to 2000 with Coprim (Société Générale group), first as Director of Development, then as Operational Director and lastly as Commercial Real Estate Sales & Marketing Director. From 2000 to 2004, she worked as the CEO of Tertial, then between 2004 and 2007 was Director of the Icade commercial property market, President of EMGP, President of Tertial and a Board member of Icade Foncière des Pimonts. Between 2007 and 2010, she occupied the position of Managing Director Continental Europe at Segro Plc. She was also a director of that company. Since late June 2010, she has been a Partner in charge of the real-estate subfund of Acxior Corporate Finance. She is also a member of the Royal Institution of Chartered Surveyors and Fellow of the Royal Institution of Chartered Surveyors. Ms. Reinmann is also a member of the *Club de l'immobilier Île-de-France*, Founding Vice President of the *Cercle des femmes de l'immobilier* and Co-manager of the *Mission Plan Bâtiment Beaugrenelle 2* Innovation and Sustainable Development.

HELENA RIVERO

Helena Rivero, lawyer, graduated from Complutense University, Madrid, specialized in Anglo-Saxon law at Columbia University (New York), and is currently Chairman of Bodegas Tradición S.L.

VICTORIA SOLER

Victoria Soler holds a law degree from the University of Valencia and is a member of the Valencia Bar Association.

She began her professional activities in the housing unit marketing and construction sector. She later extended her activities to other sectors, such as the building and operation of cinemas, and the building of offices and hotels. She has held the position of legal consultant with various big Spanish groups, including Sociedad Anónima Hispánica de Cine, Radio y Televisión S.A., Filmofono S.A. and Inmobiliaria Cruz Cubierta S.A.

ANTONIO TRUEBA

With a PhD in physics from Complutense University in Madrid and having been a research fellow at the *École supérieure de chimie* in Paris, Antonio Trueba was a Lecturer at Complutense University in Madrid and Associate Professor at the Autonomous University of Madrid before continuing his career in the real estate sector as CEO of Inmobiliaria Granadaban and Real Estate Director of Union Explosivos Rio Tinto, and later as Chairman (from 1994 to 2006) of Inmobiliaria Urbis. He has been Chairman of the World Trade Centers Association and is currently its Vice-Chairman and the Vice-Chairman of its Executive Committee.

5.1.6. CONFLICTS OF INTEREST AMONG THE ADMINISTRATIVE, MANAGEMENT AND EXECUTIVE OFFICERS

To Gecina's knowledge, Mr. Joaquín Rivero, whose resignation from his duties as director was duly recorded by the Gecina Board Meeting of March 27, 2012, is under investigation by Mr. Van Ruymbeke, examining magistrate in Paris, in connection with the judicial inquiry opened in 2010 following the claim filed in 2009 by the minority shareholder defence group ADAM (Association de Défense des Actionnaires Minoritaires), the Gecina Corporate Committee and a former director of Gecina and submitted to the Dean of examining magistrates.

Furthermore, Gecina has been notified of the ruling against Mr. Rivero by the Spanish market authority, the Comisión Nacional del Mercado de Valores, ordering him to pay a fine of €180,000 for breaches to the Spanish market regulation committed in 2007. Mr. Rivero has appealed this decision.

Gecina has become aware of public information regarding the start of collective proceedings in Spain regarding the companies Alteco Gestión y Promoción de Marcas, S.L. (controlled by Mr. Joaquín Rivero, member of the Gecina Board of Directors until March 27, 2012, and in which he is a corporate officer) and Mag-Import, S.L. (controlled by Ms. Victoria Soler, member of the Gecina Board of Directors, in which she is a corporate officer).

To Gecina's knowledge, subject, where appropriate, to the disclosures mentioned in the previous three paragraphs:

- no member of the Board of Directors has been convicted of fraud in the last five years;
- none of its members has been party to bankruptcy or placed in receivership or liquidation in a managerial position in the last five years and no one has been under arraignment and/or been the object of official public sanction levied by a statutory or regulatory authority;
- none of these members has been prohibited by a court from serving as a member of an administrative, executive, or supervisory body of an issuer or from being involved in the management of an issuer during the last five years.

To Gecina's knowledge (i) there exists no arrangement or agreement concluded with the principal shareholders, customers, suppliers, or others based on which one of the directors has been chosen, (ii) there exists no restriction accepted by the corporate officers concerning the transfer after a certain lapse of time of their equity shares, (iii) there exist no service contracts linking members of executive bodies to Gecina or any of its subsidiaries providing for benefits after the expiry of such a contract.

To the company's knowledge there is no other family link among (i) members of the Board of Directors, (ii) corporate officers and the company (iii) between the persons referred to under (i) and (ii) with the exception of the relationships below: Victoria Soler is the wife of Vicente Fons, and Helena Rivero is the daughter of Joaquín Rivero, who stepped down as director in March 2012.

5.1.7. EXECUTIVE COMMITTEE MEMBERS

BERNARD MICHEL
Chairman and CEO

GILLES BONNIER
Chief Financial Officer

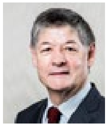
Gilles Bonnier, graduate of the ISC and holder of a master's degree from Ecole Centrale Paris, started his career in banking and held various positions in Paris and London in acquisition financing for Crédit Lyonnais, Crédit Agricole Indosuez and Mizuho. In 2004, he joined Foncière des Régions as Chief Financial Officer and member of the management board, before moving to Tishman Speyer in 2007 as CFO in charge of the management portfolio. Gilles Bonnier joined Gecina in 2010 as CFO.

On January 30, 2013, Gilles Bonnier informed the Board of Directors of his intention to leave Gecina and stand down from his position as Chief Financial Officer, which he was appointed to in October 2010.

LOÏC HERVÉ
Director of Residential Real Estate & Healthcare

Loïc Hervé, holds a master's degree in public law and a postgraduate degree in urban planning and construction law, and has been with the group for 10 years now, mostly as Director of the property holdings entity and more recently Operating Director of residential real estate. In early 2008, he was appointed Director of residential real estate and CEO of Locare, the group's marketing subsidiary for the purpose of continuing the dynamic development of the activity sector marked particularly by new investments in student residences. He also became head of the healthcare real estate segment in 2011.

ANDRÉ LAJOU
Director of Commercial Real Estate



André Lajou, a law graduate from the University of Poitiers and holder of a public law degree, began his career in 1973 at the real estate department of AGF. In 1996, he joined SEFIMEG, as Director of Fourmi Immobilière, then as a Real Estate Director. After the acquisition of SEFIMEG by Gecina in 1999, André Lajou took over the management of the residential & commercial property holdings department. Under his responsibility since 2003, the commercial real estate department has continued to grow as Gecina's leading activity segment.

PHILIPPE VALADE
General Secretary

Philippe Valade, began his career in the banking sector before he joined the LVMH Group, where he spent 10 years as Human Resources Development Director for Cognac Hennessy, then as the Human Resources Director for Kenzo's fashion and fragrance businesses. He later joined the PPR group where, for five years, he was the Human Resources Director of the credit and financial services division. More recently, he was Human Resources Director for Fauchon. Philippe Valade joined Gecina at the end of 2007 as Human Resources Director, before becoming Secretary General in 2011.

VINCENT MOULARD
Director of Healthcare Real Estate

Vincent Moulard (ISC and ICH) began his career in 1995 at Sefimeg. He then joined the Archon Group as an asset manager for the Whitehall funds, before moving to UBS Private Banking in Geneva in 2001 as part of the team in charge of structuring and managing real estate funds across Europe. In July 2006, he joined Gecina, where he was appointed to head up diversification real estate in 2008. After taking up his position as healthcare real estate Director, Vincent Moulard is moving forward with the diversification policy implemented by Gecina in the healthcare sector. Alongside this, Vincent Moulard has been entrusted with a cross-business coordination mission for asset management.

5.2. CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

This report by the Chairman of the Board of Directors, drafted as required by Article L. 225-37 of the French Commercial Code, was prepared with the support of Internal audit, the Legal Department and the Board Secretariat. Various meetings were organized with the heads of the different Group Departments to discuss this report.

This report was presented to the Governance, Appointment and Compensation Committee for matters concerning corporate governance, the structure of the Board and the terms governing the preparation and organization of its work, and to the Audit, Risks and Sustainable Development Committee for matters concerning internal audit procedures and risk management, prior to its approval by the Board at their meeting of February 21, 2013.

5.2.1. REFERENCE TO THE AFEP-MEDEF CODE

Gecina follows the AFEP-MEDEF corporate governance Code for listed companies (AFEP-MEDEF Code), pursuant to the decision by the Board Meeting of December 18, 2008.

This decision was announced in a statement released by Gecina on December 24, 2008. The Code can be viewed on the Medef website (www.medef.com).

Article 225-37 of the French Commercial Code stipulates that "*when a company chooses to refer to a corporate governance code drafted by corporate representative organizations, the report required in this article shall also specify the provisions that were discarded and the reasons for discarding them*". Pursuant to this article, the table below identifies those AFEP-MEDEF Code provisions with which Gecina does not fully comply and explains the reasons for this situation.

Subjects	Recommendations of the AFEP-MEDEF Code	Gecina's situation	Justifications
Proportion of independent Directors on the Board of Directors	Half of independent directors in companies with dispersed capital and without controlling shareholders	Five out of the 13 Directors can be described as independent	As the Board of Directors comprises 13 members, the independent directors represent 38% of its members (compared to 50% as recommended by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the direct involvement of the main shareholders in the Board of Directors: indeed, three shareholders with nearly 60% of the share capital are represented by seven directors on the Board of Directors and out of the six other directors, five are independent, with the sixth member being the Chairman and CEO.
Proportion of independent Directors on the Audit, Risk and Sustainable Development Committee	At least two thirds of independent directors	Three out of the five Directors can be described as independent	As the Committee comprises five members, independent directors represent 60% of its members (compared to the 66% recommended by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members. Furthermore, the Committee is chaired by an independent director, who has the casting vote in case of a tie.
Proportion of independent Directors on the Governance, Appointments and Compensations Committee	Majority of independent directors	Two out of the four Directors can be described as independent	As the Committee comprises four members, independent directors represent 50% of its members (compared to the majority recommended by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members. Furthermore, the Committee is chaired by an independent director, who has the casting vote in case of a tie.

5.2.2. MEMBERS OF THE BOARD OF DIRECTORS

Under the bylaws, the Board of Directors must be made up of a minimum of three and maximum of 18 members. As at December 31, 2012, Gecina had thirteen members on its Board of Directors:

- Mr. Bernard Michel, Chairman and CEO;
- Mr. Nicolas Diaz;
- Mr. Philippe Donnet;
- Mr. Vicente Fons;
- Mr. Rafael Gonzalez de la Cueva;
- Mr. Sixto Jimenez;
- Metrovacesa, represented by Eduardo Paraja;
- Mr. Jacques-Yves Nicol;
- Predica, represented by Jean-Jacques Duchamp;
- Ms. Inès Reinmann;
- Ms. Helena Rivero;
- Ms. Victoria Soler;
- Mr. Antonio Trueba.

Directors are appointed for four years. Exceptionally, to allow the staggered renewal of directorships, the Ordinary General Meeting may appoint one or more directors for a period of two or three years.

The Board Meeting of March 27, 2012 duly noted the resignation of Mr. Joaquín Rivero from his directorship with effect from March 26, 2012.

Four directorships had expired at the Annual General Meeting of April 17, 2012. They concerned: Messrs Jean-Jacques Dayries and Philippe Donnet, Ms. Victoria Soler and Metrovacesa.

This meeting proceeded to renew the directorships of Mr. Philippe Donnet, Ms. Victoria Soler and Metrovacesa for a term of four years. It also appointed Ms. Inès Reinmann as director for a four-year term, to replace Mr. Jean-Jacques Dayries.

The appointment of Ms. Inès Reinmann reflects the company's policy to ensure equal representation of men and women on the Board of Directors. After this appointment, the proportion of women on the Board of Directors reached more than 20%. The company will continue its policy in upcoming years to strengthen this proportion further and comply with the provisions of the AFEP-MEDEF Code and the law.

INDEPENDENT DIRECTORS

With regard to the qualification of independent directors, on December 12, 2006 the Board of Directors adopted, as proposed by the Appointment and Compensation Committee, all the criteria for independence set out in the corporate governance recommendations report published by the MEDEF and AFEP in October 2003 and subsequently included in the AFEP-MEDEF Code of corporate governance of December 2008, revised in April 2010.

The principles of independence stipulate that directors may not:

(i) be employees or corporate officers of the company, employees or directors of its parent company or any consolidated company, or have ever been so at any time in the last five years;

(ii) be corporate officers of a company in which the company directly or indirectly holds a directorship, or in which an employee who has been appointed as a corporate officer of the company (currently or at any time in the last five years) has a directorship;

(iii) be clients, suppliers, investment bankers or commercial bankers:
- of significance to the company or its Group,
- or for which the company or its Group represents a significant amount of business;

(iv) have any close family ties or others with a corporate officer;

(v) have served as an auditor for the company at any time in the last five years;

(vi) have served as a director for the company for more than 12 years;

(vii) in the case of directors representing major shareholders of the company, they are considered to be independent provided they are not involved in the control of the company. If directors hold more than 10% of the share capital or voting rights, the Board, acting on the basis of a report issued by the Governance, Appointment and Compensation Committee, must systematically investigate compliance with the independence criteria, taking account of the shareholder structure and the existence of any potential conflicts of interest.

Pursuant to the foregoing criteria, five out of the thirteen members of the Board of Directors can be described as independent. Given the breakdown of the company's capital and the direct involvement of the major shareholders on the Board of Directors, three shareholders with nearly 60% of the share capital are represented by seven directors on the Board of Directors and among the six other directors, five are independent, with the sixth director being the Chairman and CEO.

As at December 31, 2012, the independent directors were: Messrs Jacques-Yves Nicol, Philippe Donnet, Rafael Gonzalez de la Cueva, Ms. Inès Reinmann and the firm Predica, represented by Mr. Jean-Jacques Duchamp.

SHARES HELD BY DIRECTORS

As stated in the internal regulations for the Board of Directors, each director must own 40 shares for the duration of his or her term in office.

Directors must inform, under their responsibility, the French Financial Markets Authority (AMF) with a copy addressed to Gecina within five stock market trading days, of transactions involving company shares or any other security issued by the company, carried out directly or through a third party on their own behalf or for any other third party under a mandate not applying to third-party management services. This also concerns transactions carried out on behalf of directors by their spouses, provided that they are not legally separated, or by any other party holding a mandate.

DIRECTORS' COMPENSATION

The Board Meeting of March 22, 2010 defined the rules for allocating the total attendance allowance package fixed by the General Meeting and decided that each director would be paid as follows:

- fixed annual compensation of €25,000 per director;
- variable compensation of €5,000 for attending a Board Meeting (€2,500 in case of participation through videoconferencing or telecommunication facilities);
- fixed annual compensation of €25,000 for each of the Chairs of the Board of Directors Committees, with the exception of the Chairman of the Strategic Committee, who has no compensation;
- variable compensation of €4,000 for attending a Committee meeting (€2,000 in case of participation through videoconferencing or telecommunication facilities);
- if an extraordinary Committee meeting is convened (i) during an interruption of a Board of Directors session, (ii) or immediately before, (iii) or immediately after, only the Board of Directors will be awarded compensation;
- should several Board Meetings be held on the same day, especially on the day of the Annual General Meeting, attendance of these meetings by a director shall be considered as only one attendance;
- capping amounts and any rebates at the end of the year in order not to exceed the total amount authorized by the General Meeting and ensure, as appropriate, a balance between the number of meetings and each of the Committees.

These allocation rules remained applicable in 2011 and 2012.

Please refer to section 5.1.2.1. to find out the amount of the attendance allowance paid to each director in 2011 and 2012.

5.2.3. CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE BOARD'S WORK

INTERNAL REGULATIONS FOR THE BOARD OF DIRECTORS

The procedures for the Board of Directors' organization and operation are governed by the company's bylaws and by the internal regulations of the Board of Directors. The Board of Directors adopted these internal regulations on June 5, 2002. It was most recently updated on December 14, 2011 to adapt it to the two possible modes of governance, namely separating or combining the duties of the Chairman of the Board of Directors and the Chief Executive Officer.

These regulations contain the following appendices: a director's charter and a charter of the works council representative on the Board of Directors. The two charters, which are an integral part of the internal regulations, were amended by decision of the Board of Directors of February 23, 2011 in order to incorporate the guidelines of the AMF No. 2010-07 of November 3, 2010 with respect to periods described as "blackout periods".

The internal regulations of the Governance, Appointment and Compensation Committee, the Audit, Risks and Sustainable Development Committee, as well as the Strategic Committee are attached to these regulations.

CORPORATE GOVERNANCE PROCEDURES

The separation of the duties of Chairman of the Board of Directors and Chief Executive Officer, set up by the Board of Directors of May 5, 2009, remained the company's governance procedure until October 4, 2011. On that date, the Board of Directors terminated the duties of Mr. Christophe Clamageran as Chief Executive Officer and then combined the duties of Chairman of the Board of Directors and Chief Executive Officer and appointed Mr. Bernard Michel, Chairman of the Board of Directors, to the position of Chief Executive Officer. As the termination of Mr. Christophe Clamageran's appointment became immediately effective, the appointment of Mr. Bernard Michel as Chief Executive Officer helped to ensure the continuity and stability of the company's management.

During fiscal year 2012, the company continued thinking about improving its governance, specifically about returning to the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer. In this frame, the Governance, Appointment and Compensation Committee was tasked with setting up a succession plan for the company's executive management and initiating a recruitment procedure for a Chief Executive Officer.

Limitations of power

The Chief Executive Officer or the Chairman and CEO, as applicable, is vested with the most extensive powers to act in all circumstances in the company's name, without any limit to these powers other than those stipulated by law and by article 4.1.2 of the internal regulations of the Board of Directors.

The Board Meeting of March 22, 2010, following the guidelines of AFEP-MEDEF Code and the AMF annual report on corporate governance, introduced limitations to the powers of the Chief Executive Officer or the Chairman and Chief Executive Officer, as applicable. To ensure continuity, the Board of Directors decided to reconfirm these limitations of power at its meeting of October 4, 2011. These limitations of powers are repeated in article 4.1.2 of the internal regulations of the Board of Directors.

Pursuant to article 4.1.2 of the internal regulations of the Board of Directors, the Chairman and CEO may not grant any deposit, endorsement or guarantee for third parties without the express prior authorization of the Board. The Chairman and CEO is specifically required to obtain the authorization of the Board of Directors for any significant decision above certain thresholds that fall outside the scope of the annual budget and the strategic business plan or related to their change or likely to involve a conflict of interest between a member of the Board of Directors and the company or leading to a change of corporate governance or share capital.

Authorizations for guarantees, endorsements and deposits – Article L. 225-35 of the French Commercial Code

The Board Meeting of February 22, 2012 renewed the authorization given to the Chairman and CEO, with an option to sub-delegate such powers, to issue on behalf of Gecina, deposits, endorsements and guarantees, for the duration of the commitments guaranteed (i) for up to €1.65 billion on behalf of its subsidiaries including Gecimed, (ii) €50 million on behalf of third parties, and (iii) without limit for guarantees made to tax and customs authorities, and to continue with any deposits, endorsements and guarantees granted previously.

Commitments made by Gecina in previous fiscal years, which were still in effect as at December 31, 2012, represented a total of €16.6 million.

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors' role is to set the guidelines for the company's business and ensure their implementation, in particular through the management accounting department. It addresses any issues that relate to the smooth operation of the company and through its deliberations resolves any business concerning it. It performs the controls and verifications it deems necessary. It is regularly informed about changes in the Group's activities and property holdings, as well as its financial position and cash flow. It is also informed about any significant commitments made by the Group.

In the context of authorizations given by the General Meeting of shareholders, the Board of Directors decides on any transaction leading to a change in the company's share capital or issue of new shares and more generally, deliberates on issues under its legal or regulatory authority. In addition, any significant transaction that does not fall within the company's announced strategy, including major investments for organic growth or company restructuring, is subject to the prior approval of the Board of Directors.

As an internal measure, the Board of Directors reviews and approves in advance the implementation of deeds, transactions and commitments that fall under the restrictions to the powers of the Chief Executive Officer, defined and set out in Article 4.1.2 of its Internal Regulations (see section on Limitations of power).

The Board of Directors reviews the company's financial communication policy as well as the quality of information supplied to shareholders and to financial markets in the form of financial statements or on the occasion of major transactions.

Pursuant to article L. 225-37-1 of the French Commercial Code introduced by law No. 2011-103 of January 27, 2011, the Board of Directors holds an annual deliberation on the company's policy with respect to professional and wage equality.

Directors are entitled to meet the main executive officers of the company in the presence or not of the Chairman and Chief Executive Officer, who is informed thereof beforehand.

Directors can organize work meetings on specific subjects in order to prepare, if necessary, Board Meetings, including without the presence of the Chairman and CEO. In this case, the Chairman and CEO shall be previously informed thereof.

BOARD OF DIRECTORS' MEETINGS

The Board of Directors meets whenever necessary but at least four times a year, these meetings being normally convened by the Chairman and CEO. Directors representing at least one-third of the total number of Board members may also convene the Board at any time, indicating the agenda for the meeting. The CEO, in the event of a separation between the duties of Chairman of the Board of Directors and CEO, may also ask the Chairman to convene the Board of Directors on a specific agenda. Decisions are taken by a majority vote of the members present or represented. The Chairman of the meeting does not have a casting vote.

Article 14 of the bylaws and Article 6 of the Board internal regulations allow directors to meet and take part in the Board's deliberations using video-conferencing or telecommunications facilities, or any other means provided for under French law.

They are deemed present using such facilities for calculating the quorum and majority votes, except for the adoption of decisions described in Articles L. 232-1 and L. 233-16 of the French Commercial Code, namely preparation of annual financial statements and the management report and preparation of consolidated financial statements and the Group management report. However, at least one quarter of the directors must be physically present in the same location.

The above-mentioned restrictions will, however, not prevent any directors excluded from quorum and majority calculations from taking part in meetings and giving their opinion on an advisory basis.

BOARD OF DIRECTORS' COMMITTEES

To ensure the quality of work of Gecina's Board of Directors and help it in the exercise of its responsibilities, three specialized Committees comprising representatives of the principal shareholders and independent directors were established by the Board of Directors: the Strategic Committee, the Audit, Risk and Sustainable Development Committee and the Governance, Appointment and Compensation Committee.

The internal regulations of each of these Committees specify their operating principles and roles.

Strategic Committee

The Strategic Committee is made up of six directors: Mr. Bernard Michel, Ms. Victoria Soler, Ms. Helena Rivero, Mr. Sixto Jimenez, Predica, represented by Mr. Jean-Jacques Duchamp and Metrovacesa, represented by Mr. Eduardo Paraja. It is chaired by Mr. Bernard Michel, Chairman and CEO.

Mr. Joaquín Rivero ceased to be member of this Committee on March 26, 2012. On April 17, 2012, the Board of Directors appointed Ms. Helena Rivero as member of this Committee.

The Board of Directors of January 30, 2013 agreed to replace Mr. Nicolas Diaz with Mr. Sixto Jimenez.

The members of the Strategic Committee are appointed by the Board which sets their term of office and may dismiss one or more members at any time.

The Committee gives its opinions and recommendations to the Board of Directors on the definition of the company's strategy as proposed by the Chairman and CEO, on the implementation of this strategy, on major projects, on investments and on their impact on the financial statements. It oversees the maintenance of key financial balances.

Its specific tasks include:

- reviewing the strategic projects presented by the corporate officers with their economic and financial consequences (budget, financing structure, cash flow forecasts in particular);
- providing guidance to the Board through its analyses of the strategic plans submitted by the corporate officers, on developments and the progress of ongoing significant transactions;
- examining information on market trends, reviewing the competition and the resulting medium- and long-term outlook;
- examining the company's long-term development projects specifically with respect to external growth, especially concerning acquisitions or divestments of subsidiaries, equity interests, real estate assets or other important assets, in investment or divestment as well as financial transactions likely to have a material impact on the balance sheet structure.

More generally, it gives an opinion on any subject that falls within the scope of matters referred to its attention or likely to be referred to its attention.

It met seven times in 2012, with an attendance rate of 92.68%.

During these meetings, the Committee mainly reviewed the achievement of the 2012 budget and examined the 2013 budget. It gave its opinion on acquisition and asset disposal projects, and on the restructuring of the Group's subsidiaries, especially through mergers by absorption, spin-off or total transfer of assets and liabilities.

It also examined the financing and hedging policy, the dividend payout policy, the market performance of the company's shares and the group's divestment strategy on the Spanish market. It also reviewed the situation of the company's shareholding.

Audit, Risk and Sustainable Development Committee

The Committee operates and performs its tasks in accordance with the Ordinance of December 8, 2008, transposing the European Community Directive of May 17, 2006, with the AFEP-MEDEF Code, with the works of the IFA and the IFACI, and specifically follows the works of the EPRA.

The Audit, Risk and Sustainable Development Committee comprises five directors, three of whom are independent directors: Mr. Jacques-Yves Nicol, Ms. Inès Reinmann, Ms. Helena Rivero, Ms. Sixto Jimenez and Predica, represented by Mr. Jean-Jacques Duchamp. It is chaired by Mr. Jacques-Yves Nicol, independent director, who has the casting vote in case of a tie. There is no corporate officer on this Committee.

Messrs Joaquín Rivero and Jean-Jacques Dayries ceased to be members of this Committee on March 26, 2012 and April 17, 2012 respectively. On April 17, 2012, the Board of Directors appointed Ms. Inès Reinmann and Ms. Helena Rivero as members of this Committee.

As the Committee comprises five members, independent directors represent 60% of its members (compared to 66% as recommended by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members.

Most of the members of the Audit, Risk and Sustainable Development Committee have specific qualifications in financial or accounting issues, as detailed in paragraph 5.1.5. The Committee sets the term for their functions, on the understanding that a member may not sit for more than six consecutive years on that Committee, unless there is a break of at least two consecutive years.

The Committee gives the Board its opinions and recommendations on:

- the financial reporting preparation process;
- the review of individual and consolidated financial statements and financial reporting;
- the review of the budget and business plans;
- the process for appointing statutory auditors, reviewing their fees, monitoring their independence and the performance of their legal audit engagement with respect to the annual and consolidated financial statements;
- the process for appointing appraisal experts and the performance of their engagement;
- the financial policy and financing plans;
- risk control and internal control summaries and their effectiveness;
- the operation and assignments of Internal audit;
- quality management and sustainable development strategy.

The Committee may ask any expert of its choosing for assistance in its tasks, at the expense of the Company, paid out of the budget.

In 2012, the internal regulations of the Committee were specifically supplemented by information on acquisition and disposal transactions which required reviewing by the Committee for their accounting and financial treatment.

It met 11 times in 2012, with an attendance rate of 96.30%.

At these meetings, the Committee mainly examined the results of the property appraisals of December 31, 2011 and June 30, 2012, the annual and consolidated financial statements for fiscal year 2011 and the consolidated financial statements of June 30, 2012, financial reporting of March 31 and September 30, 2012 and the situation of financing and hedging plans. It examined the annual report, the Chairman's report on governance and internal control, as well the sustainable development report, risks linked to sustainable development, reviewed the internal audit reports and examined changes in certain operational, financial and legal risks. It examined the situation of the Company's main assets as well as the company's situation in light of the commitments and guarantees taken in Spain in addition to the promissory notes reportedly issued by the company in favor of a Spanish company known as Arlette Dome SL. On this occasion, it approved the judicial actions undertaken by the company in Spain to protect the interests of the company and of all its shareholders. Internal audit also submitted a presentation on its review of off-balance-sheet commitments at these meetings.

Furthermore, the Committee met with the Financial Department and the Statutory Auditors and reviewed the budget for the Statutory Auditors. The Statutory Auditors systematically participate in the Committee's works especially regarding the various presentations of financial statements. The Committee also has a minimum deadline of two days before the Board of Directors reviews the financial statements.

Governance, Appointment and Compensation Committee

The Governance, Appointment and Compensation Committee comprises four directors, two of whom are independent directors: Mr. Philippe Donnet, Ms. Victoria Soler, Messrs Antonio Trueba and Rafael Gonzalez de la Cueva. It is chaired by Mr. Philippe Donnet, an independent director, who has the casting vote in case of a tie.

The Board Meeting of February 22, 2012 agreed to replace Mr. Nicolas Diaz by Mr. Antonio Trueba. Half of the Committee members are independent directors (contrary to the majority recommended by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members. It is also justified by the casting vote in case of a tie granted to the chairman of the Committee, who is an independent director.

The members of the Committee are appointed by the Board which sets their term of office and may dismiss one or more members at any time.

The role of this Committee is to inform, train and advise:

- it reviews the operation of the Board of Directors and the Board's Committees and makes proposals to improve corporate governance. It leads discussions on the Committees in charge of preparing the Board's work. It supervises the Board's assessment procedure;
- it examines the structure of the company's executive bodies. It prepares a succession plan for corporate officers and directors;
- it makes proposals to the Board on all aspects of officers' compensation.

The Committee may invite managers and executives of the company and its subsidiaries, statutory auditors and more generally, any person who may be of assistance in achieving its goals, to its meetings.

It met 13 times in 2012, with an attendance rate of 98.08%.

At these meetings, the Committee addressed various issues related to governance, appointments and compensations.

The Committee specifically examined the variable pay for fiscal year 2011 of the former CEO, the compensation of the Chairman and CEO and the performance criteria for his variable pay for fiscal year 2012, the setting up of 2012 performance share award plans and the adjustment of the annual attendance allowance package for 2012. The Committee also examined, as requested by the Board of Directors, applications for directorships to replace Mr. Jean-Jacques Dayries, whose term was near expiration, the potential replacement for Mr. Joaquín Rivero, together with the implementation of the succession plan for the company's executive management.

It also supervised the work to assess the Board of Directors and gave its opinion on the directors who could be considered as independent. Furthermore, it familiarized itself with the company's human resource policy and monitored its policy with respect to professional gender equality.

In 2012, the Chairman and CEO was invited to a number of Committee meetings when the agenda specifically concerned the appointment of a director and the company's succession plan.

ACTIVITIES OF THE BOARD OF DIRECTORS DURING THE FISCAL YEAR

The Board of Directors met nine times in 2012, with an attendance rate of 94.12%.

It is regularly informed about changes in the Group's activities and property holdings, as well as its financial position and cash flow. To this end, the Corporate Officers present an overview of the Group's business (landing forecast, rental management, disposals and investments, financing, overheads) at each Board Meeting. During 2012, the Board of Directors examined the Group's 2011 annual and consolidated financial statements together with the consolidated financial statements for the period ended June 30, 2012 and financial reporting at March 31 and September 30, 2012. It drafted management forecasts, press releases and the annual and half-year reference documents. It also monitored the preparation of the budget for fiscal year 2012 and drew up the budget for 2013. It issued opinions on the various investment or disposal transactions, on the hedging financing and restructuring policy and on the restructuring of the group's subsidiaries, especially through merger by absorption, spin-offs or total transfer of assets and liabilities.

It continued examining the group's withdrawal from the Spanish market. The Board of Directors also examined issues about the commitments and guarantees taken in Spain and the promissory notes reportedly issued by the company in favor of a Spanish company known as Arlette Dome SL. In this context, it supported the judicial actions undertaken by the company in Spain in order to protect the interests of the company and of all its shareholders.

In 2012, the Board of Directors met at a strategic seminar organized outside the corporate head office, during which the directors debated in the presence of members of the executive committee, about the company's strategic guidelines. The directors who were interested received financial training.

With respect to governance, the Board of Directors debated about its composition. It mainly decided against co-opting a new director to replace Mr. Joaquín Rivero, who had resigned, and proposed to the General Meeting the appointment of a female director to replace Mr. Jean-Jacques Dayries, whose directorship was expiring, in order to strengthen the presence of women on the Board of Directors. Furthermore, the Board of Directors continued its reflections on the evolution of the governance of the company specifically about returning to the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer. In this frame, the Governance, Appointment and Compensation Committee is in charge of implementing the succession plan for the company's executive management and initiating a recruitment procedure for a Chief Executive Officer.

With respect to compensation matters, it gave its opinion on the variable pay of the former CEO and of the Chairman and CEO for fiscal year 2011 and on all of the compensation elements of the Chairman and CEO for fiscal year 2012. It also approved the award of 2012 performance shares.

It also reviewed the 2011 report on the comparative situation as presented to it by the Human Resources Director and duly noted the company's policy with respect to professional and wage equality.

It also monitored and analyzed developments in the Spanish judicial proceedings following the opening by the Madrid commercial court of bankruptcy proceedings at the request of Alteco Gestión y Promoción de Marcas S.L and Mag Import S.L, which respectively hold 15.6% and 15.3% of the company's capital.

The Board of Directors lastly noted the capital increase resulting from subscriptions by members of the group's savings plan and performance share plan. It also renewed the authorization given to the Chairman and CEO to grant deposits, endorsements and guarantees on behalf of the company.

EVALUATION OF THE BOARD OF DIRECTORS' WORK

The rules for evaluating the Board's work are defined in its internal regulations:

- annual discussion of its operating principles and those of its Committees;
- potential discussion once a year, excluding corporate officers and chaired by the Chairman of the Governance, Appointment and Compensation Committee, relative to the quality of the company's management, its relations with the Board and the recommendations that it would like to make to management;
- every three years, evaluation of its members, organization and operating principles. This evaluation is primarily aimed at checking that important issues are suitably prepared and discussed by the Board of Directors.

At the Board Meeting of February 22, 2012, the annual assessment of the Board of Directors' work for fiscal year 2011, conducted with the assistance of the Spencer Stuart firm, revealed that the directors are very satisfied with the operation of governance in general, which is deemed to be better than before, with the role of the Chairman and CEO and with the operation of the Board Secretariat.

Some directors also expressed a wish to see improvements in the following areas: continue downsizing the Board, increase proportion of independent directors and women, receive Board and Committee documentation earlier, include an executive summary of key subjects in each document distributed to Board and Committee members, obtain more detailed minutes from Committees and organize an annual strategic seminar for the Board.

The Board Meeting of December 14, 2012 launched the annual procedure for assessing the Board of Directors' work for fiscal year 2012.

5.2.4. COMPENSATIONS AND FRINGE BENEFITS GIVEN TO CORPORATE OFFICERS

The detailed compensations of corporate officers (Mr. Bernard Michel and Mr. Christophe Clamageran) are presented in note 3.5.8.6. to the consolidated financial statements and in paragraph 5.1.2. of this chapter (and in chapter 5 with respect to the detailed tables of share-based payments). They are defined by the Board of Directors, on the proposal of the Governance, Appointment and Compensation Committee.

The company accrued a €780,000 provision for variable compensation, set at 120% of the fixed compensation to be paid to the corporate officer.

Mr. Bernard Michel does not have an employment contract with the Group.

CONDITIONS FOR THE CEO'S DEPARTURE IN 2011

The transaction signed between the company and Mr. Christophe Clamageran, following the termination of his duties as CEO of the company on October 4, 2011, continued to be effective in 2012 on the points below:

- conservation by Mr. Christophe Clamageran of the benefit of the stock options, granted to him at the Board Meeting of March 22, 2010 and December 9, 2010, as well as the performance shares granted at the Board Meeting of December 9, 2010. Mr. Christophe Clamageran was exempted by the Board of Directors from the presence condition in the regulations governing these attributions, the other terms of the regulations of the said plans remain unchanged; and
- implementation of a no-compete clause paid €30,000 gross a month for a period of six months starting from October 4, 2011.

Under this transaction, the variable portion of Mr. Christophe Clamageran's compensation for 2011, determined on an accruals basis on the quantitative performance criteria only, shall be published at the recognition by the Board of Directors of the achievement of these performance criteria.

The Board Meeting of February 22, 2012, after having reviewed these quantitative performance criteria and received the opinion of the Governance, Appointment and Compensation Committee, set this compensation at 65% of the fixed compensation of Mr. Christophe Clamageran from January 1 to October 4, 2011 included, representing €246,249.58.

BENEFITS IN THE EVENT OF TERMINATION OF THE DUTIES OF CHAIRMAN AND CEO

The Board Meeting of December 14, 2011 defined the severance benefits in the event of the termination of the duties of Chairman and CEO of Mr. Bernard Michel. These can be summarized as follows:

1. Should a decision be made to change the company's governance structure by separating the duties of Chairman and Chief Executive Officer and if at the same time Mr. Bernard Michel is appointed Chairman of the Board of Directors and at the same financial terms as those prior to his appointment as CEO, then no severance pay would be due.
2. In case of termination of all the functions of Chairman and CEO, following a forced departure due to a change in control, Mr. Bernard Michel would receive a severance benefit with a maximum amount calculated as indicated hereinafter:
   - in office for less than six months previously: 100% of the gross comprehensive compensation (fixed and variable) for the position as Chairman and CEO. This amount will be paid on an accruals basis.
     Considering the context, the payment of this compensation will not be subject to the achievement of performance conditions; note that this provision became obsolete on April 4, 2012, as the Chairman and CEO had been in office for six months on that date;

– in office between six months and one year: 100% of the gross comprehensive compensation (fixed and variable) for the position as Chairman and CEO. This amount will be paid on an accruals basis.
Payment of this compensation will be contingent on the achievement of performance conditions (see below); it is specified that this provision became obsolete on October 4, 2012, as the Chairman and CEO had been in office for one year on that date;
– in office between one year and end of term: once the gross total compensation (fixed and variable) for his functions as Chairman and CEO, for the previous calendar year.
Payment of this compensation will be contingent on the achievement of performance conditions (see below).

Performance conditions:

The benefit will only be paid if the recurring income in the previous fiscal year (N), closed prior to the severance, is greater than the average of the recurring income of the two previous years (N-1 and N-2) prior to the severance. The comparison of recurring income will take into account changes to property holdings during the years under review.

Performance criteria	Severance benefit
Recurring income year N excluding change in value > average recurring income of years N – 1 + N – 2	100%
Recurring income year N excluding change in value < 4% of the average recurring income (N – 1 + N – 2)	80%
Recurring income year N excluding change in value < 8% of the average recurring income (N – 1 + N – 2)	50%
Recurring income year N excluding change in value < 12% of the average recurring income (N – 1 + N – 2)	No severance benefit

It is the duty of the Board of Directors to check that these performance criteria are achieved, with the understanding that the Board of Directors may consider exceptional items that occurred during the year.

5.2.5. INTERNAL CONTROL AND RISK MANAGEMENT

For this description and for the implementation of its systems, Gecina draws on the general principles proposed in the "Risk management and internal control systems framework", updated in July 2010 by the AMF workgroup. It is however recalled that these systems, like all internal control or risk management systems, cannot provide an absolute guarantee of meeting the company's targets.

5.2.5.1. RISK MANAGEMENT SYSTEM

Gecina's current risk management system is described in paragraph 6 of chapter 1 "Risks". It aims to:

- create and protect the company's value, assets and reputation;
- secure decision-making and the company's procedures to ensure that it meets its targets;
- ensure that the company's actions are in line with its values;
- galvanize employees around a shared vision of the main risks.

Risk identification, analysis and management systems are implemented by the "Building Risks" department with respect to risks linked to the safety and environment of properties, and by internal audit with respect to general risks. The treatment of risks falls under the responsibility of the Group's various Group Committees, depending on the nature of the risks. Risk management will be strengthened in 2013 with the creation of a Risks & Compliance function within the Internal audit department.

Risk management works are monitored by the Audit, Risks and Sustainable Development Committee.

5.2.5.2. INTERNAL CONTROL SYSTEM

Gecina's current internal control system is intended to ensure that:

- management decisions or operations are carried out within the framework defined for the company's activities by corporate bodies, in accordance with applicable laws and regulations and subject to the company's internal rules;
- assets are protected, and more generally, any risks resulting from the company's activities are prevented and effectively managed;
- accounting, financial and management information faithfully reflects the company's activities and position.

Company management and organization

Company management

On October 4, 2011 and on the advice of the Governance, Appointment and Compensation Committee, the Board of Directors appointed Mr. Bernard Michel as the Chairman and Chief Executive Officer. That same Board of Directors set limitations to the powers of the Chairman and CEO. These limitations are described in paragraph 5.2.3.

Company organization

Gecina's organization was restructured in early 2011 to reflect changes in strategy. It still hinges around the principles below:

- organization by operational business divisions: a demographic division comprising within the same Department, residential, student's residential and healthcare businesses, and an economic division comprising within the Commercial Real Estate Department, the Commercial Real Estate, Hotels and Logistics (sold in the third quarter of 2012) businesses. These Operational Departments are autonomous and encompass the trading, development, rental management and marketing functions; it should also be noted that asset-management functions will be strengthened in 2013 and that a coordination mission will be conducted under the authority of the Chairman and CEO;
- a cross-functional principle applied to certain key functions integrated into the Operational Departments: The Architecture and Construction and Marketing Quality Communication functions also play a cross-functional role by working for all business lines;
- a Sustainable Development and Performance function, reporting to the General Secretariat and dedicated to the preparation and implementation of the Sustainable Development action plan, a critical goal for the company and the scope of which will be extended in 2013 to Gecina's entire CSR policy.

Gecina's operational structure for residential and commercial real estate activities is also based on setting up property management entities combining properties per region which are organized into profit centers and cover all required property management functions (*i.e.* customer relations as well as administrative, technical and accounting management). This integrated property-based organization makes it possible to define responsibilities more closely and increase responsiveness to events.

For the commercial real estate business, the office rental and technical management business is attached to Gecina Management, a specialized structure.

Corporate functions will also be strengthened in 2013, with the functions of Corporate Communication and Corporate Legal reporting to the Chairman and CEO.

The General Secretariat includes the aforementioned "Sustainable Development and Performance" function, the Human Resources, Legal, Information Systems and Internal Communications functions, as well as the Gecina Foundation. The Finance Department has a traditional organization specific to finance. A central Research & Intelligence function will also be created in 2013 within the Finance Department to better centralize and harmonize the analysis of markets and macroeconomic data, and respond to the needs of the Company's various departments.

Executive Committee Structure

The Gecina group's executive structure comprises:

- an Executive Committee, which brings together around the Chairman and CEO, the heads of the four principal Departments. The Executive Committee sets goals, guidelines for strategic projects, decides on priorities and the necessary resources and ensures the implementation of decisions taken. The Committee meets twice a month;
- a Management Committee that comprises all the members of the Executive Committee, including representatives of key functions in the company. The Executive Committee implements all the Group's projects, guides business operations and monitors the key performance indicators. It also meets twice a month.

The Group Executive and Management Committees are supported by special Committees tasked with gathering information, expressing opinions and monitoring operations in their specific areas of concern. The special committees include the Investments and Transactions Committee, which meets to review ongoing acquisition or disposal projects presented by the Operational Departments.

Lastly, communication between the Executive Committee and the entire Group is handled by the Management Committee, which meets regularly and represents a venue for information and sharing, as well as through an annual meeting or congress bringing together all employees and superintendents.

Group organization

The Group consists of the parent company and the subsidiaries included in the consolidation. Group management is organized centrally with common teams and departments applying the same methods and procedures for all companies.

Definition of responsibilities and powers

The responsibilities assigned to employees are formalized in job descriptions and delegations of authority in line with the Group's management procedures. In addition, detailed organization charts are freely available through various internal communications systems.

Human Resources management

The Group's employees are recruited in accordance with specific rules and guidelines, including approval of the profile for the job, various tests and interviews, and, if relevant, checking of candidates' references. The decisions taken are subject to review by various parties. Vacancies are posted online on the company's website and on other job websites. Depending on job profiles, the Group may, if necessary, call on leading external recruitment firms.

All members of staff are subject to annual performance reviews conducted by the Human Resources Department and used as a basis for career management and internal job transfers. Training courses, requested at these reviews, are taken into account in the annual training plan, itemized according to collective and individual needs.

This year, in the continuity of the commitments taken by the group, signatory of the Diversity Charter, the Human Resources Department set up several courses aimed at providing management with the legal, regulatory or managerial knowledge required in human relations and in managing the company's human resources. The main courses included: "Management Path and Managerial Attitudes", "Social Law and Personnel Representatives", "Acting for diversity and preventing discriminations".

Furthermore, as part of the Human Resources Department's process management, special attention is paid to the implementation and monitoring of "Senior", "Prospective management of jobs and skills", "Gender equality" agreements, in addition to compliance with the diversity charter signed by the company.

Information systems

The Group's information systems mainly include applications for real estate management and transactions, linked to functional applications, which were upgraded this year to include a debt management tool. Business applications are developed on the basis of user requirements and tailored to suit each business line. There is specific documentation for these systems and their architecture.

The various systems are protected by a series of tools and procedures, notably including access right management rules, logical security applications and formalized procedures for regularly backing up data. Two back-ups are performed and kept with specialized service providers. IT facilities are centralized in a protected room with secure access. Business continuity is specifically guaranteed through the virtualization of nearly 80% of servers. Business recovery is guaranteed through formalized backup plans. In addition, a back-up contract with an external service provider guarantees the company's business continuity should its information systems become unavailable following a major disaster. The effectiveness of this contract is tested every year with the participation of users.

Management procedures

The management procedures of the Gecina group comprise best practices that promote higher operating security by positioning the required controls. They are accessible through internal IT communication systems.

The coordination and support required for changes to standard procedures are provided by Internal Audit.

Ethical charter

The internal regulations and procedures were completed in 2012 through the circulation of the group's ethical charter. This charter was distributed to all employees, who were all invited to information sessions organized by Directors and Officers on ethics and compliance within the company. A practical guide was also distributed.

In the event of a query in relation to an operation or doubt about a specific situation, employees may report directly to the Chief Compliance Officer, who shall decide on the appropriate follow-up to the reported problem.

CSR and Quality indicators

Gecina has introduced a system for measuring CSR performance and Quality based on a scorecard of international indicators. This reporting system, which may be improved, is largely based on reporting standards (Global Reporting Initiative, Carbon Disclosure Project, European Platform of Regulatory Authorities, etc.), the Group's CSR strategy and goals, and results from a review process with all Departments. The indicators allow the long-term monitoring of the performance of the selected processes and improve control over operational and environmental risks. The resulting data is regularly presented by the departments in charge to members of the Audit, Risks and Sustainable Development Committee.

Conditions for the internal distribution of relevant information

The internal procedures for communicating relevant, reliable and timely information to relevant stakeholders are based primarily on the "business" and "finance" production applications. These provide their users with the tracking reports and consultation modules required to perform their functions. On a second level, decision-support IT based on the Group's data warehouse and analysis systems makes it possible to prepare the various reports and records required to control budgets and to oversee activities.

Furthermore, collaborative tools such as the intranet, email and the internet ensure rapid access and sharing of information. Specifically, the intranet system makes it possible to share organization charts, Group procedures, documentation, archives, and relevant information on properties. Shared network spaces also facilitate distribution of control reports or templates, including within the Operational Departments. A secure access from remote devices (roaming), to the network or to web-based applications, has been set up for the functions that need them.

Risk management

Gecina's internal control system relies on the risk management system to identify the major risks requiring the introduction of controls. Gecina's current risk management system is described in paragraph 5.2.5.1. and described in paragraph 6 of chapter 1 "Risks".

Control activities

Internal control procedures, intended to manage the risks associated with the company's operations, are described here via four major procedures: valuation of property holdings, rental management, production and processing of accounting and financial information, and shared functions.

Valuation of property holdings

Main risks covered in this process: risks associated with the authorization and monitoring of investments, divestments and construction work, as well as risks involved in building maintenance and security.

Investments

Controlling the risks associated with the authorization of investments (asset portfolios and development projects) requires an acquisition procedure based on a technical, legal and financial analysis of risk. This procedure is performed by the Operational Departments involved in each business line while drawing on various support functions, especially the Legal and Finance Departments. It also incorporates support from external advisors (*e.g.* lawyers, notaries, tax experts, auditors, etc.) and real estate appraisers.

All the investment projects proposed by the Operational Departments are approved by the Investments and Transactions Committee, specifically comprising the Chairman and CEO, Operational Directors and a number of Directors of support functions. This Committee meets whenever necessary and always during each significant stage of any investment process. In addition, the investment cases presented to the Committee are formulated in accordance with specific and formalized rules and criteria. Lastly, in view of the restrictions on the Chairman and CEO's powers established by Gecina's Board of Directors, the investment projects are also reviewed by the Board, on the advice of the Strategic Committee, especially when the amounts involved:

- exceed €300 million, or concern speculative real estate development projects exceeding €30 million (property development projects not initially marketed), for investments included in the annual budget and the Group's approved strategic business plan;
- exceed €100 million, or concern speculative real estate projects (no limit on the amount), for investments that are neither included in the annual budget nor in the Group's approved strategic business plan;

In the context of the group's investment strategy, specifically for the healthcare sector, risk reduction is optimized through a diversification policy for lessees, business sectors, products and geographical situations.

Lastly, deeds relating to acquisitions are also secured by involving in-house legal experts, notaries and/or legal advisers.

Divestments

Each Operational Department draws up a divestment plan which is approved annually by Gecina's Board of Directors, on the opinion of the Strategic Committee. This plan, prepared by the Operational Departments involved in each business line, covers hypothetical block or unit-by-unit disposals. The transaction budgets defined in this way are validated by management control. The disposal plan, and any disposal project not included in the plan, is subject to the approval of the Investments and Transactions Committee. In the same manner as for investments and considering the restrictions on the Chairman and CEO's powers defined by Gecina's Board of Directors, disposal projects are also reviewed by Gecina's Board of Directors, on the opinion of the Strategic Committee especially when the amounts involved:

- exceed €50 million for disposals included in the approved annual disposal plan;
- or concern (no limit on the amount) a disposal not included in the approved annual disposal plan;

The implementation of asset disposal transactions is overseen by the Operational Departments, which use support functions and third parties (*e.g.* sales agents, lawyers, tax specialists, public notaries, quantity surveyors, experts, etc.).

The finalization of transactions is then secured through specific procedures required for the preparation of notarial deeds or deeds of conveyance validated by law firms, as appropriate.

Unit-by-unit sales

Unit-by-unit sales of residential properties are handled by a specific department reporting to the Residential Property Department. Within this Department, under the authority of the Director of Sales, asset managers in charge of programs coordinate the internal and external parties (notaries, quantity surveyors, property managers, sales agents, etc.).

Unit-by-unit sales pertaining to any given property are subject to a specific procedure involving the creation of a detailed file covering both legal and technical issues. The units are marketed by teams at Locare, a Gecina subsidiary, or, if necessary, external sales agents. Such sales are carried out strictly in accordance with current regulations, which specifically require tenants to be provided with complete documentation, including information on the preferential conditions and security available to them, as well as the state of the building. In addition to these regulatory requirements, Gecina also endeavors to develop suitable solutions for each individual tenant, mainly through proposals for alternative housing.

Architecture & construction

The Architecture & Construction department is part of the Commercial Real Estate Department. It provides assistance to all the company's business lines. The Architecture & Construction department monitors development operations by relying on external experts (engineering firms, auditing firms, etc.) and as applicable on project owners' assistance services, while providing advisory services upstream of investment operations. In this context, it ensures the improved management of the different risks linked to construction operations such as obtaining administrative authorizations, compliance with regulatory standards and performance of works.

Security, maintenance and improvement of property holdings

Gecina's Operational Departments are actively engaged in ensuring the security of all properties in its portfolio, as well as the management of any relevant physical property risks: they are explicitly involved in the assessments performed under the supervision of the Building Risk department, and they manage or supervise through their Technical Departments the implementation of preventive or corrective actions chosen in response to the assessments.

In both the commercial and residential real estate sectors, control over spending on work has been strengthened thanks to the existence of work programs drawn up for each property by the technical Departments concerned. Budgetary monitoring of commitments and actual achievements is subsequently carried out. The cost effectiveness of investment works that result in higher profitability in capital and/or rental income is analyzed for significant commitments or exceeding predefined thresholds.

Risks associated with the authorization of work are also covered by the following procedures:

- rules for approving and listing suppliers;
- suppliers are selected based on a review of estimates submitted for projects valued at under €45,000 excluding VAT and a tender procedure with strictly defined rules for projects over €45,000 excluding VAT;
- work orders and invoices are approved on the basis of authorization limits determined in accordance with the level of responsibility of the employees involved and recorded in the information system;
- specifically relating to residential assets, itemized price lists define standard services for each category of building, and suppliers are required to comply with them. Calls for tenders and certain requests for proposals are also validated by a Commitments Committee.

For the logistics property holdings, building security and work are managed by leading service providers, authorized and supervised by the relevant Operational Department using a range of reporting systems and regular monthly follow-up meetings for this purpose. It is recalled that the entire logistics portfolio was disposed of in the second half of 2012 with the exception of an asset located abroad.

Lastly, operators of healthcare and hotel property holdings continue to be responsible for the management of building security and work, and they provide the Operational healthcare Department with regular updates. The department concerned then ensures compliance of any work being considered and, if relevant, any project owner assistance contracts.

Certain Capex works in the commercial real estate, healthcare and hotels sectors can be paid by the lessor in return for the renegotiation of rental conditions (lease term, financial conditions).

Rental management

Main risks covered in this process: risks related to the setting of rents, vacancy and the solvency of tenants.

Setting of rents

The risks associated with poorly adapted rent levels are minimized by ongoing efforts to monitor the market and resorting to a second level of control:

- for residential property holdings, rents for new leases are based on a comparison of market rent levels with in-house data (unit features, work undertaken, etc.). The rents set in this way are based on a series of specific criteria and are regularly reviewed throughout the marketing process in joint weekly meetings with Locare teams;
- for commercial real estate and logistics assets, rents for premises to be marketed are also set in relation to market data (published prices, statistics, etc.) and, for larger properties, on the basis of a specific market analysis carried out in collaboration with sales teams.

The rents and lease conditions set in this way are systematically subject to a hierarchical control process, and are regularly reviewed throughout the marketing process in meetings with the sales teams;

- for all properties in use, leases for renewal are systematically monitored and any proposed new rental conditions are evaluated according to a specific procedure. In cases involving certain large-scale retail outlets, specific-use properties or atypical office units, renewal terms are determined after consulting with a recognized external expert. The renewal of commercial leases is also monitored by a committee on a regular basis. Annual rent reviews are subject to explicit procedures including several levels of prior controls.

Marketing (re-letting)

For commercial real estate, marketing is undertaken by in-house teams specialized in this activity. These teams work with leading external sales agents and/or independent consultants, identified on the basis of their presence and level of performance in the geographic sectors concerned. The marketing of residential properties is systematically entrusted to teams at Locare and, depending on the type of unit, sub-delegated to external agents if necessary.

Students' residential properties are marketed by Campuséa using dedicated internet tools. Seasonal price grids are set by the person in charge of students' residences. A second-level control is provided by the Operational director.

Marketing campaigns are monitored in joint meetings of management and marketing teams from the Operational Departments.

Finally, an individual property reporting system enables regular monitoring of new rentals, re-letting periods and vacant properties.

Vacancy monitoring

A register of properties that are vacant or expected to become vacant as a result of tenants having given their notice or expressed their intention to leave is updated regularly. This register makes it possible to monitor vacancy trends and measure the occupancy rate for each building and for all properties in use.

To minimize the financial costs associated with property vacancies, the planning of refurbishing or renovation work as well as the sales and marketing actions required to secure new tenants begins as soon as possible after notice has been given. Such plans are explicitly based on preliminary inventories that are drawn up within the timeframes set for each business line.

All of this information relating to the management of the property portfolio is automatically transferred to the information system used to support commercial activity.

Tenant selection

New tenants for residential properties are chosen by a daily Committee composed of lessor and marketing representatives. The Committee undertakes a comprehensive analysis of the bad debt risk for each proposed tenant, while ensuring compliance with the regulations regarding non-discrimination.

The Campuséa teams select the new tenants of the students' residential property based on strictly financial criteria. Note that priority is given to students from schools that have signed an allotment contract with Campuséa.

New tenants for commercial real estate and logistics properties are selected after a solvency check performed with the assistance of a financial adviser and subject to a hierarchical control process.

Collection

For the entire property portfolio, delays in payment are regularly monitored and systematic payment reminders issued, in accordance with the rules of internal procedures. Depending on each case, the situation of certain commercial real estate tenants can be thoroughly researched with the assistance of a partner specialized in solvency reporting. For healthcare real estate, the operating accounts of tenants are constantly monitored in order to anticipate and avoid any counter-party risk.

Outstanding payments are dealt with in collaboration with the legal department, which has employees specialized in this field.

Customer relations

The Operational Departments rely on a function in charge of quality and customer satisfaction. This function is specifically responsible for conducting a "satisfaction survey".

For residential and student real estate, the "Quality" function performs or continuously oversees, on almost all assets in operation, the performance of satisfaction surveys on "new", "leavers" or "in-place" tenants. The data obtained is extended through specific studies and action plans communicated to customers and regularly monitored and updated.

For commercial and healthcare real estate, the "Quality" function performs specific surveys at their request and has developed, through a club dubbed "Gecina Lab", a special relationship with major account tenants, especially on issues related to Sustainable Development.

Gecina is part of an industry task force that monitors commercial real estate. The task force updates the CIBE quotation grid for commercial real estate.

Production and processing of accounting and financial information

The process for producing financial statements is mostly based on:

- the existence of formalized procedures related to closing and consolidation of financial statements based on a specific account closing schedule;
- the regular update of the group's accounting principles and methods to reflect regulatory changes and the activity of group companies;
- anticipation, validation and documentation of accounting and financial incidences of any significant transaction that occurs during the fiscal year;
- analytical reviews to validate changes in the main balance sheet items and the income statement.

The Group's accounts Department performs and checks all the accounting works of the Group companies through a single information system. This centralization enables better control over accounting and consolidation practices, in accordance with the principles and standards defined at Group level.

The procedure and schedule of year-end closure is distributed to all parties involved and include the tasks of centralization, reconciliation and analysis that are required for the accuracy of the financial and accounting information. This process includes a hierarchical review of the closing procedures of all Group companies at each reporting date. Specific documentation has been issued to cover these procedures. In general, the reliability of accounting information is guaranteed by an organizational structure ensuring a separation of duties and control measures undertaken by the Group's various entities. Invoicing and collection of rent and other charges are tasks performed by the Operational Departments in accordance with specific procedures and subject to a series of detailed controls. Major transactions are automatically recorded in the accounting information system.

Furthermore, the budgetary monitoring system based on the Group's chart of accounts and the comparative analyses developed by Management control provide additional control.

The reliability of the consolidation process is specifically checked by means of a detailed reconciliation of accounting balances from company financial statements with the balances adopted for consolidated statements, along with documented explanations of the consolidation adjustments.

Lastly, concerning more particularly the reliability of the property holdings valuation in connection with the preparation of the accounting and financial information, such valuation is based on the biannual process of property appraisals: the Valuations and Appraisals function is responsible for coordinating and overseeing the performance of property appraisals, performed twice a year at least by independent appraisers, in connection with the semi-annual reporting. In this way, this function is centralized and separated from the responsibility for property transactions (which is handled by the Operational Departments) in order to guarantee the reliability and objectivity of property appraisal data.

In accordance with the recommendations of the French financial markets authority (AMF), these appraisals are conducted on the basis of recognized methods that remain consistent from one year to the next and from one appraiser to the next.

Furthermore,the internal valuations are carried out by each operational department concerned on the basis of the updated rental statements of the latest rentals carried out and the application of a yield rate per asset which reflects developments on the markets concerned. This information is cross-checked using metric values and previous period appraisals. The company provides the appraiser with an updated rental statement. The comparison of these documents ensures that the appraiser has effectively used the data on the updated rental statement and makes it possible to send the most recent information if necessary.

The semi-annual property appraisal process is governed by a specific procedure that explicitly defines the principles for selecting and changing appraisers, and indicates how appraisal campaigns should be conducted. Under this procedure, the Audit, Risk and Sustainable Development Committee is provided with regular progress reports on the property appraisal process. Subsequent to each campaign, this committee holds a meeting devoted exclusively to reviewing property appraisals and, if necessary, obtaining additional appraisals on certain buildings.

Group functions

In discussing the functions in question, this section will primarily focus on the risks of failure in IT data processing, the risks of unreliable financial and accounting information, as well as legal, tax and financial risks.

IT

The development of business applications is overseen by the IT department while complying with best practices of project management, which include formalizing various stages, testing, obtaining user validation, and developing operational methods along with training resources.

Application maintenance is supported by a process based on regular meetings with representatives from each "user" department. Furthermore, a dedicated application enables the formulation of an inventory and the shared monitoring of user requests.

Effective IT system operations are monitored by a dedicated team in accordance with specific procedures and schedules. Within this framework, a full analysis of system operations is carried out each week.

An IT Committee meets every quarter in order to monitor the various activities and projects associated with this function, as well as their compliance with user expectations and needs. The IT department is closely monitored every month using indicators.

During the fiscal year, the IT department implemented various actions while it continued to strengthen the permanence of systems through the migration of business applications to a "web" environment.

Legal

Property sales or acquisitions are carried out by resorting to public notaries that have been carefully selected in light of their reliability and expertise. In addition, they are systematically supervised by in-house legal experts with or without the support of specialized lawyers.

Rental management transactions involving such items as leases for new tenants and marketing mandates are all formulated on the basis of standards defined by the Legal Department in conjunction with the various management services.

Annual legal requirements for professional real-estate agent cards (Hoguet Act) are monitored by in-house lawyers.

The Legal Department monitors the processing of all Group disputes with the assistance of specialized lawyers.

The Legal Department and the board secretariat also monitor the legal affairs of the Group subsidiaries and of the parent company with the collaboration of specialized legal advisors.

The Legal Department monitors the observance of applicable regulations, especially in checking the wording and validity of various contracts concluded within the Group as well as through its interventions concerning specific issues confronting the Group.

Generally, other legal risks are monitored in-house with recourse, when necessary, to leading law firms.

Tax

Compliance with tax regulations and more specifically the obligations resulting from the French Listed Real-Estate Investment Company (SIIC) system is supervised by the Finance Department, which conducts regular reviews, calling in external advisors whenever necessary. In addition, the Finance Department systematically provides support for the management of any tax risks resulting from the acquisition or disposal of assets.

Financial management

Financial risks (liquidity, rates, solvency, etc.) are managed by the Financing, Cash Management and Business Plan Department, which regularly monitors market trends, the Group's financial ratios, cash flow forecasts and forecast financing plan, all updated on a regular basis.

The management of interest rate risk is performed by resorting to hedging instruments under a policy designed to protect the company against market changes while optimizing the cost of debt. The Financing, Cash Management and Business Plan Department receives assistance from external advisers in this area. The Group's hedging policy is managed under a formalized framework that specifically defines hedge limits, decision-making channels, authorized instruments and reporting procedures. The management framework is presented and validated each quarter by the Audit, Risk and Sustainable Development Committee.

Liquidity risk is managed by constantly monitoring the maturity of loans, maintaining available credit lines, diversifying resources and monthly cash forecasts.

Payments are secured by the procedure of organizing bank signatures, set up by Corporate Officers and the Legal Department, which entrusts the authorities required for administering bank accounts to a limited number of people, in accordance with the separation of responsibilities and the corresponding precisely defined limits.

Supervision of practices

Gecina has three organizations supervising its internal control and risk management activities: the Building Risk function, Management control and Internal audit department. These organizations report to the Architecture and Construction Department for matters related to "Building Risks", to the Financial Department for Management control issues and to the Chairman and Chief Executive Officer for Internal audit matters. They present reports of their activities to the Chairman and CEO, to the specialized Board committees and in particular to the Audit, Risks and Sustainable Development Committee.

The Building Risk function

Supporting the Operational and Functional Departments, the Building Risk function, made up of three employees, is responsible for identifying and addressing risks associated with the security of assets and people, the effective management of responsibilities and respect for the environment. It constitutes an expert function responsible for steering, coordinating and supervising the management of random risks.

This function, which is responsible for providing guidance and support in its area of expertise for the various Group Departments, may also carry out inspections and issue recommendations. More specifically, it is tasked with conducting risk assessments on properties, assisting operational managers in their acquisition/disposal or managerial activities, and undertaking actions to improve training and increase awareness.

A round-the-clock surveillance and crisis management system designed to be triggered in response to a major incident is also in place. It consists in particular of a crisis unit, an outsourced platform made available to tenants and a set of rules governing on-call duties.

Management control

Through its budgetary activities and analyses, the Group management control department significantly contributes to the effective management and supervision of risks, notably with regard to property valuation, rental management and the production of financial and accounting information.

To monitor operations more effectively, Gecina's management control is carried out at two levels: on an operational level in each of the Departments and a centralized level by the Group management control function. This function therefore relies on a network of controllers who liaise directly and continuously with the Operational Departments.

The Group management control function is currently comprised of 10 people and is integrated into the Financial Department. Specifically, it is responsible for drawing up and monitoring budgets, tracking key business indicators, analyzing the profitability of properties and conducting property appraisals. It produces detailed monthly reports on each business line and performs any budgetary analysis specifically requested by the corporate officers.

Budget preparation and control

A forecast budget is drawn up for each building, covering rent, work and other property-related expenses. Assumptions are made for each building with regard to vacancy rate, turnover rate, new letting trends and re-letting periods. For the commercial real estate sector, the budget is compiled on the basis of a review of each lease listed in the rental report.

Budget monitoring of properties is performed on a monthly basis for rent and construction work, and quarterly for other property-related expenses. Any differences between forecasts and actual figures are identified, analyzed and justified in conjunction with the relevant operational departments.

With regard to operating costs, budgets are prepared on a monthly basis. Payroll expenses are checked each month, while other expenses are monitored on a quarterly basis.

The recent introduction of a new management focus to strengthen accounts allocation and expenditure monitoring has also helped to improve the analysis of earnings/budget comparatives, and by extension, the reliability of future budgets.

Monitoring of management indicators

Activity indicators have been put in place for each sector in order to measure performance of the rental activity. These indicators primarily concern notices received, exits, re-letting and new leases. Management control, liaising with the various Operational Departments concerned, regularly analyzes the vacancy rate, prices and re-letting periods, as well as turnover rates.

Property profitability analysis

The profitability of properties is assessed on the basis of market indicators and the last known appraisals. Properties are classified for each category (by asset type and region). Buildings with an abnormally low level of profitability are specifically monitored in order to improve their profitability in order to help optimize their earnings or decide on their future status within the property holdings.

Internal audit

The Internal Audit Department, which is made up of four people, carries out audits and general risk assessments for the company and supports the formalization of procedures and frames of reference.

Its main tasks, and the responsibilities of the various Operational and Functional Departments in terms of Internal control, are defined in the Group audit charter.

An annual audit program is drawn up by the Audit Department and approved by the Chairman and CEO. This program covers audits on specific areas, and the ongoing cycle for monitoring control activities. Audit reports are submitted to the Chairman and CEO and to members of the Departments concerned. The annual Audit plan and assignment reports are also submitted to the Audit, Risk and Sustainable Development Committee. Audit reports are included in recommendations with the answers of departments, as well as action plans and the related deadlines. Lastly, Internal Audit regularly monitors implementation of its recommendations.

In 2012, Internal Audit distributed the group ethics charter to employees. Risk management and compliance monitoring will be strengthened in 2013 by setting up a Risks & Compliance function within the Internal Audit Department. The Department will accordingly be given a larger team.

Guarantee commitments granted in Spain

Guarantee commitments, presented in Notes 3.5.5.13. and 3.5.8.3. to the consolidated financial statements, were taken on in Spain at the end of 2009 and the beginning of 2010. Despite the specific arrangements put in place by the company within its internal control framework, the existence of these guarantee commitments was only brought to the company's attention at the beginning of 2012. Gecina has already implemented and will continue to move forward with the procedures required to protect its interests.

5.2.6. AGREEMENTS AUTHORIZED DURING THE YEAR

The Board Meeting of February 22, 2012 authorized the disposal by Gecina to SAS Labuire Aménagement, for a nominal price of €1, a plot of land of 272 sq.m. located at 78 avenue Félix Faure, in Lyon 3rd arrondissement.

This agreement will be subject to the approval of the General Meeting of shareholders convened to approve the financial statements for fiscal 2012.

AGREEMENTS AUTHORIZED IN PRIOR YEARS, WHICH REMAINED IN FORCE DURING THE FISCAL YEAR

The Board of Directors of March 22, 2010 authorized the company to issue a guarantee in favor of the Euro Hypo bank for €20.14 million, which represents a counter-guarantee to the guarantee granted by SIF Espagne on June 24, 2009 and replaces the comfort letter signed on April 29, 2009 by Gecina to cover its subsidiary's liabilities.

The Board of Directors of October 4, 2011 authorized the signature of a transaction with Mr. Christophe Clamageran, following the termination of his duties as CEO of the company.

This transaction remained effective in 2012 on the points below:

- conservation by Mr. Christophe Clamageran of the benefit of the stock options, granted to him at the Board Meeting of March 22, 2010 and December 9, 2010 as well as the performance shares granted at the Board Meeting of December 9, 2010. Mr. Christophe Clamageran was exempted by the Board of Directors from the presence condition in the regulations governing these attributions, the other terms of the regulations of the said plans remain unchanged; and
- implementation of a no-compete clause paid €30,000 gross a month for a period of six months starting from October 4, 2011.

Under this transaction, the variable portion of Mr. Christophe Clamageran's compensation for 2011, determined on an accruals basis on the quantitative performance criteria only, shall be paid at the recognition by the Board of Directors of the achievement of these performance criteria.

The Board of Directors of February 22, 2012, after having reviewed these quantitative performance criteria and received the opinion of the Governance, Appointment and Compensation Committee, set this compensation at 65% of the fixed compensation of Mr. Christophe Clamageran from January 1 to October 4, 2011 included, representing €246,249.58.

The Board of Directors of September 28, 2011 authorized the contribution in kind by Gecina to GEC 8 of a plot of land, valued at €1,369,500, located at 3-9 rue de Villafranca, in Paris 15th arrondissement. This transaction has not been completed yet.

The Board of Directors of December 14, 2011 defined the severance benefits in the event of the termination of the duties of Chairman and CEO of Mr. Bernard Michel. The details of this transaction are presented in 5.2.4. (Compensations and benefits granted to corporate officers) of this report.

No other agreements were concluded or continued in 2012.

5.2.7. SPECIAL CONDITIONS GOVERNING THE ATTENDANCE OF SHAREHOLDERS AT GENERAL MEETINGS

The conditions governing shareholders' attendance at General Meetings are specified in Article 20 of the bylaws and are restated in Section 9.2 of the reference document, in the chapter on Legal Information.

5.2.8. INFORMATION ABOUT THE CAPITAL STRUCTURE AND ELEMENTS LIKELY TO HAVE AN IMPACT IN CASE OF A PUBLIC OFFERING

They are described in the chapter "Comments on the year" in section 2.2 "Financial resource".

DISTRIBUTION, SHARE CAPITAL AND SHARES

6.1. DISTRIBUTION

6.1.1. DISTRIBUTION AND APPROPRIATION OF INCOME

Pursuant to the provisions concerning the French listed real estate investment trusts (SIIC) system, as selected by Gecina, a proposal has been made for the payment in 2013 of a dividend of €4.40 per share under the SIIC system.

Pursuant to article 158 of the French General Tax Code and article L. 221-31 of the French Monetary and Financial Code, the dividends distributed by listed real estate investment trusts (SIIC) to individual investors resident in France does not qualify for the 40% rebate and consequently no longer for the lump-sum withholding tax. In addition, the 20% withholding tax introduced by Article 208C-II *ter* of the French General Tax Code is described in section 6.1.2 below.

Consequently, a proposal will be put to the General Meeting to appropriate 2012 earnings for the year as follows, and to decide, after taking into account:

- earnings for the year of €410,672,687.74;
- plus retained earnings of €11,805,560.47;
- comprising the distributable earnings of €422,478,248.21;
- to distribute a dividend per share of €4.40 under the SIIC system, representing a maximum amount of €276,219,394.00.

When the dividend is paid out, the treasury shares owned by the company, which are not legally entitled to a dividend distribution, will be taken into account and the total dividend payout will be adjusted accordingly.

The dividend per share of €4.40 will be paid on April 30, 2013.

As required by law, details of dividends distributed in the previous three fiscal years are set out below:

Dividends distributed in the previous three fiscal years

Fiscal year	Total distribution	Dividend per share
2009	€275,361,856	€4.40 (1)
2010	€275,507,619	€4.40 (2)
2011	€275,661,971	€4.40 (2)

(1) Dividends that qualifying for the 40% tax allowance for resident individual investors.
(2) Dividend no longer qualifying for the 40% tax allowance for resident individual investors as from January 1, 2011.

The General Meeting will also be asked to decide on the transfer to a specific reserve account the revaluation gain/loss on assets sold during the fiscal year and the additional impairment resulting from the revaluation amounting to €54,380,317.11.

6.1.2. COMPOSITION OF PROFITS (ARTICLE 23 OF THE BYLAWS)

As required by law, the appropriation of the profit for the fiscal year is decided by the General Meeting.

Distributable earnings are composed of the year's profit, minus losses from previous years and the sums required by law to be taken to reserves, plus retained earnings.

After approval of the financial statements and recognition of the distributable earnings, the General Meeting determines the portion to be distributed to Shareholders in the form of a dividend.

The General Meeting ruling on the financial statements for the fiscal year may grant every shareholder an option between payment of the dividend or interim dividends either in cash or in shares of the company, for some or all of the dividend or interim dividends payable, pursuant to the legal and regulatory provisions in force.

All shareholders, other than individual investors:

- owning, directly or indirectly, at the time of payment of any distribution of dividends, reserves, premiums or income deemed distributed as defined in the French General Tax Code (a "Distribution"), at least 10% of the rights to the company's dividends; and
- whose own situation or that of their associates owning, directly or indirectly, at the time of payment of any Distribution, 10% or more of the dividend entitlement, renders the company liable to a 20% withholding tax specified in Article 208-C-II *ter* of the French General Tax Code (the "Withholding Tax") (such shareholder being hereinafter called a "Deduction Shareholder"), will be a debtor with regard to the company at the time payment is made of any distribution, the amount of which will be determined so as to fully offset the cost of the Withholding tax payable by the company for the Distribution.

In the event that the company holds, directly or indirectly, 10% or more of one or more SIICs specified in Article 208-C of the French General Tax Code (a "Daughter SIIC Trust"), the Deduction Shareholder will be a further debtor of the company, on the date payment is made of any distribution by the company, for an amount (the "Daughter SIIC Trust Withholding Tax") equal, depending on the case:

- either to the amount for which the company has become liable to the Daughter SIIC Trust, since the previous Distribution by the company, in respect of the Withholding Tax that the Daughter SIIC Trust has to pay due to the company's equity interest;
- or, in the absence of any payment to the Daughter SIIC Trust by the company, to the Withholding Tax payable by the Daughter SIIC Trust since the company's last Distribution, at the rate of a Distribution to the company multiplied by the percentage of the company's dividend rights in the Daughter SIIC, such that the other shareholders do not have to bear any part whatsoever of the Withholding Tax paid by any of the SIICs in the chain of equity investments as a result of the Deduction Shareholder.

If there are several Deduction Shareholders, each Deduction Shareholder will be liable to the company for the portion of the Withholding Tax and the Daughter SIIC Trust Withholding Tax resulting from its direct or indirect equity investment. The status of Deduction Shareholder is recognized on the date of payment of the Distribution.

Unless information is provided to the contrary, as required by Article 9 of the bylaws, any shareholder other than an individual investor holding or coming to hold directly or indirectly at least 10% of the rights to the company dividend will be presumed to be a Deduction Shareholder.

The amount of any debt owed by a Deduction Shareholder will be calculated in such a way that the company is placed, after payment of the debt and taking account of any tax that may apply to it, in the same situation as if the Withholding Tax had not been required.

Payment of any Distribution to a Deduction Shareholder will be made by registration in an individual (non-interest-bearing) current account for that shareholder, the repayment of the current account being made within five business days of the registration after payment with the sums payable by the Deduction Shareholder to the company, pursuant to the above provisions. If the Distribution is made in a form other than cash, the amount must be paid by the Deduction Shareholder before the payment of the Distribution.

In the event that:

- after a Distribution by the company or a Daughter SIIC Trust, it is revealed that a Shareholder was a Deduction Shareholder on the date of payment of the Distribution; and if
- the company or the Daughter SIIC Trust had to pay the Withholding Tax for the Distribution thus paid to that shareholder, without the said amounts having been paid as specified above, that Deduction Shareholder will be required to repay the company not only the sum owed the company under the provisions of this article but also an amount equal to any late payment penalties and interest that may be owed by the company or a Daughter SIIC Trust as a result of the late payment of the Withholding Tax.

If necessary, the company will be entitled to offset the full amount between its receivable in this respect and any sums that may be subsequently payable to the Deduction Shareholder.

The General Meeting shall decide on the allocation of the balance, which may either be carried forward as retained earnings or transferred to one or more reserve accounts.

The time, method and place of dividend payments are set by the Annual General Meeting, and failing this, by the Board of Directors.

6.1.3. DIVIDENDS IN THE LAST FIVE FISCAL YEARS

The dividend is paid on the dates and at the places determined by the General Meeting, or failing this, by the Board of Directors, within a maximum period of nine months after the close of the fiscal year.

If payment of the dividend in shares is offered to shareholders, the option must be selected within a maximum period of three months after the date of the General Meeting.

Dividends in the last five fiscal years

Fiscal Year		Distribution	Number of shares	Dividend
2008	Dividend under the SIIC system	€355,934,516	62,444,652	€5.70
2009	Dividend under the SIIC system	€275,361,856	62,582,240	€4.40
2010	Dividend under the SIIC system	€275,507,619	62,615,368	€4.40
2011	Dividend under the SIIC system	€275,661,971	62,650,448	€4.40
2012	**Dividend under the SIIC system (1)**	€276,219,394	**62,777,135**	€4.40

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2012.

Dividends not claimed at the end of a period of five years are time-barred and paid to the French tax authorities.

6.1.4. RESOLUTIONS SUBMITTED TO THE GENERAL MEETING

The General Meeting of Gecina shareholders is called to approve the resolutions that were sent to shareholders within the legally specified time before the General Meeting and are also available on the company's website in the section "Finance/Publications".

6.2. SHARE CAPITAL

Share capital, composed of 62,777,135 shares at a par value of €7.50, totaled €470,828,512.50 at the end of fiscal 2012.

6.2.1. BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

No shares carry a double voting right. However, the number of voting rights is adjusted to take account of treasury shares that do not carry voting rights. Accordingly, at December 31, 2012, the breakdown of share capital and voting rights, to the company's knowledge, was as follows:

Breakdown of share capital and voting rights

Shareholders	Number of shares	% of capital	% of voting rights
Metrovacesa	16,809,610	26.78%	27.71%
Rivero Group	10,114,735	16.11%	16.67%
Soler Group	9,568,641	15.24%	15.77%
Predica	5,168,559	8.23%	8.52%
Individual shareholders	2,913,725	4.64%	4.80%
Other resident institutional shareholders	2,057,213	3.28%	3.39%
Non resident shareholders	14,035,427	22.36%	23.13%
Treasury shares	2,109,225	3.36%	
TOTAL	**62,777,135**	**100.00%**	**100.00%**

To the company's knowledge, no other shareholder owns more than 5% of the share capital or voting rights and there is no shareholders' agreement.

The percentages of share capital and voting rights held by the members of the administrative and governance bodies are respectively 35.01% and 35.67%.

At December 31, 2012, Group employees held 477,357 Gecina shares directly and 143,821 Gecina shares indirectly via the Gecina employee share ownership plan ("FCPE Gecina actionnariat"), representing a total of 0.99% of the share capital.

To the company's knowledge, 8,839 shares held in pure registered form by Mr. Rivero, 9,778,531 shares held by Alteco Gestión y Promoción de Marcas S.L. and 150,000 shares held by Inmopark 92 Alicante S.L. (companies controlled by Mr. Rivero), and 9,561,699 shares held by Mag Import S.L. (a company controlled by Ms. Victoria Soler), were the object of an attachment order in February 2010 at the request of Mr. Van Ruymbeke in connection with the legal investigation mentioned in section 1.6.2.

The shares held by Alteco Gestión y Promoción de Marcas S.L. and by Mag Import S.L. are pledged in favor of various financial institutions.

On October 3, 2012, Gecina found out through a notice published in the Spanish press, about the bankruptcy of Alteco Gestión y Promoción de Marcas S.L. and of Mag Import S.L.

On November 6, 2012, Blackstone Real Estate partners Europe III and Ivanhoe Cambridge (subsidiary of the Caisse de Dépôt et Placement Du Québec) confirmed the acquisition of nearly 40% of the debts of Alteco Gestión y Promoción de Marcas S.L and Mag Import S.L.

16,809,610 shares held by Metrovacesa are pledged in favor of various financial institutions.

The company has no pledges on its treasury shares.

6.2.2. SECURITIES GIVING ACCESS TO SHARE CAPITAL

- Convertible bonds: On March 31, 2010, Gecina launched an issue of bonds redeemable in cash and/or new and/or existing shares (ORNANE), maturing on January 1, 2016, for an amount of €320 million.

  As of December 31, 2012, the number of bonds redeemable in cash and/or new and/or existing shares (ORNANE), for an amount of €320 million, maturing on January 1, 2016 and not yet redeemed amounted to 2,881,586. The complete conversion of the ORNANE bonds would imply the theoretical issuance of 3,400,271 new shares (excluding the appropriation of existing shares), *i.e.*, 5.42% of the share capital.

- At December 31, 2012, the potential number of shares to be created by the exercise of stock options amounted to 575,109, or 0.92% of the share capital.

  Information on the bonds and performance shares granted and/or exercised in 2012 can be found in the special report of the Board of Directors.

  The potential dilution from securities giving access to the share capital was calculated when such instruments were in the money. Accordingly no "ORNANE" bond was taken into account on December 31, 2012. Stock options and performance share plans (in the money) accounted for 575,109 potential shares.

  For information, and assuming that all the outstanding stock options are exercised, that all the performance shares are awarded, that all ORNANE bonds are redeemed (excluding appropriation of existing shares), the company would have to issue 3,975,380 new shares representing a maximum potential dilution of 6.33%.

- The company has not issued any founder shares or voting right certificates.

- There are no other securities giving access to the company's share capital.

6.2.3. CHANGE IN THE BREAKDOWN OF SHARE CAPITAL OVER THE LAST THREE YEARS

By %	12/31/2010	12/31/2011	**12/31/2012**
Metrovacesa	26.85%	26.83%	26.78%
Rivero Group	16.11%	16.11%	16.11%
Soler Group	15.28%	15.27%	15.24%
Predica	8.22%	8.21%	8.23%
Individual shareholders	4.08%	4.81%	4.64%
Other resident institutional shareholders	4.92%	3.75%	3.28%
Non resident shareholders	21.94%	22.42%	22.36%
Treasury shares	2.60%	2.59%	3.36%
TOTAL	**100.00%**	**100.00%**	**100.00%**

6.2.4. CHANGE IN THE COMPANY'S SHARE CAPITAL AND EARNINGS OVER THE LAST FIVE FISCAL YEARS

Year	Transactions	Number of shares	Capital *(in €)*	Share issue or merger premium *(in €)*
2008	Balance at January 1, 2008	62,424,545	468,184,087	
	Adjustment for stock option plans	1,019	7,642	
	Subscription under the company's savings plan	19,088	143,160	1,239,193
	Balance at December 31, 2008	62,444,652	468,334,890	
2009	Balance at January 1, 2009	62,444,652	468,334,890	
	Exercise of stock options	9,470	71,025	286,372
	Subscription under the company's savings plan	128,118	960,885	1,896,146
	Balance at December 31, 2009	62,582,240	469,366,800	
2010	Balance at January 1, 2010	62,582,240	469,366,800	
	Exercise of stock options	2,708	20,310	77,340
	Subscription under the company's savings plan	30,420	228,150	1,694,698
	Balance at December 31, 2010	62,615,368	469,615,260	
2011	Balance at January 1, 2011	62,615,368	469,615,260	
	Subscription under the company's savings plan	35,080	263,100	2,337,030
	Balance at December 31, 2011	62,650,448	469,878,360	
2012	Balance at January 1, 2012	62,650,448	469,878,360	
	Shares issued from the performance share plan – April 2010	37,180	278,850.00	
	Subscription under the company's savings plan	28,807	216,052.50	1,497,964
	Shares issued from the performance share plan – December 2010	60,700	455,250.00	
	Balance at December 31, 2012	62,777,135	470,828,512.50	

In fiscal year 2012, the company created 126,687 shares entitled to dividends as of January 1, 2012 stemming from:

- the subscription of 28,807 shares under the company's savings plan;
- the final vesting of 37,180 shares from the performance share plan of April 16, 2010;
- the final vesting of 60,700 shares from the performance share plan of December 27, 2010.

	2008	2009	2010	2011	2012
I – CLOSING SHARE CAPITAL					
Share capital *(€'000)*	468,335	469,367	469,615	469,878	470,829
Number of ordinary shares outstanding	62,444,652	62,582,240	62,615,368	62,650,448	62,777,135
Maximum number of future shares to be issued by converting bonds and exercising stock options	12,059	2,589	572,188	618,464	510,539
II – OPERATIONS AND EARNINGS FOR THE YEAR *(€'000)*					
Net revenues	324,233	323,217	294,411	302,248	268,394
Income before tax, depreciation, impairment and provisions	460,302	243 032	407 970	529,936	81,730
Income tax	(1,636)	(153)	24,656	42,495	(314)
Earnings after tax, depreciation, impairment and provisions	196,618	(160,072)	(275,037)	(272,801)	410,673
Distributed profits (1)	355,935	275,362	275,508	275,662	276,219
III – EARNINGS PER SHARE *(€)*					
Earnings after tax but before depreciation, impairment and provisions	7.35	3.88	6.12	9.14	1.30
Earnings after tax, depreciation					
Impairments and provisions	3.15	(2.56)	4.39	4.35	6.54
Total net dividend per share (1)	5.70	4.40	4.40	4.40	4.40
IV – WORKFORCE					
Average headcount during the year	610	563	519	499	417
Annual payroll *(€'000)*	35,116	35,870	36,311	33,827	27,848
Annual employee benefits including social security and other social charges *(€'000)*	18,924	15,825	18,394	16,854	13,019

(1) Subject to approval in 2013 by the Shareholders' General Meeting of a dividend of €4.40/share

6.2.5. CONDITIONS FOR CHANGES TO SHARE CAPITAL AND THE RESPECTIVE RIGHTS OF THE VARIOUS CLASSES OF SHARES

The Extraordinary General Meeting may delegate to the Board of Directors the powers or authority required to change the company's share capital and number of shares, especially in the event of a capital increase or reduction.

6.2.6. AMOUNT OF AUTHORIZED SHARE CAPITAL NOT ISSUED

1. The Combined General Meeting of May 24, 2011 delegated its power to the Board of Directors to issue, in one or more transactions, in the proportions and at the times of its choosing, in France and/or abroad, either in euros or another currency, company shares and any other marketable securities of any kind, giving access immediately and/or in the future, at any time or on a fixed date, to company shares. The marketable securities thus issued could consist of bonds or be related to the issue of bonds, or could enable their issue as intermediary securities. The total amount of share capital increases that may be carried out, immediately and/or in the future by virtue of the above delegation, shall not exceed €400 million in par value, to which amount can be added the par value of additional shares that may be issued to preserve the rights (in accordance with the law) of holders of marketable securities that give entitlement to shares.

   These issues may be conducted with or without a pre-emptive subscription right.

   These authorizations, valid for twenty-six months from the General Meeting of May 24, 2011, have not been used.

2. The same Meeting delegated power to the Board of Directors to conduct a capital increase:
   - to pay for contributions in kind, up to a limit of 10% of share capital;
   - by capitalization of premiums, reserves or profits, up to a limit of €500 million;
   - by the issue of shares, at a freely set price, up to a limit of 10% of share capital *per annum*;
   - for the benefit of employees, up to a limit of €5 million.

   These authorizations, valid for twenty-six months from the General Meeting of May 24, 2011, have not been used.

3. The Meeting of May 24, 2011 gave the Board of Directors authorization to grant to members of staff and officers of the company and companies in the Group, stock options for the purchase of new and/or existing shares, up to a limit of 1.5% of share capital.

This authorization, valid for twenty-six months from the General Meeting of May 24, 2011, has not been used.

4. The General Meeting held on May 24, 2011 delegated to the Board of Directors its power to award performance shares of existing or new shares to Group employees or officers, up to a limit of 1.5% of share capital.

The Board of Directors meetings of December 14, 2011 and December 14, 2012 used this authorization to award 48,145 shares and 64,570 shares. These awards to Group employees and officers account for less than 0.18% of Gecina's share capital.

6.2.7. SUMMARY OF FINANCIAL AUTHORIZATIONS

Securities concerned Date of General Meeting (Term of authorization and expiry date)	Restrictions	Use of authorizations
1. Issue with pre-emptive subscription right		
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or the issue of transferable securities (A)	**Maximum amount of capital increase**	**Issue of 37,180 and 60,700 shares from the performance share plans of April and December 2010**
GM of May 24, 2011 – 26th resolution	€100 million	
(up to 26 months, ending on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
Capital increase by capitalization of reserves, profits or premiums (B)	**Maximum amount of capital increase**	**None**
GM of May 24, 2011 – 31st resolution	€500 million	
(up to 26 months, ending on July 25, 2013)		
2. Issue without pre-emptive subscription right		
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or transferable securities in connection with a public buyout offer (C)	**Maximum amount of capital increase**	**None**
GM of May 24, 2011 – 27th resolution	€50 million	
(up to 26 months, ending on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or issue of transferable securities in connection with a private placement offer (D)	**Maximum amount of capital increase**	**None**
GM of May 24, 2011 – 28th resolution	€50 million	
(up to 26 months, ending on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
Capital increase as remuneration of contributions in kind (E)	**Maximum amount of capital increase**	**None**
GM of May 24, 2011 – 30th resolution	10% of adjusted share capital	
(up to 26 months, ending on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
Issue of shares at a freely-set price (F)	**Maximum amount of capital increase**	**None**
GM of May 24, 2011 – 32nd resolution	10% of adjusted share capital per year	
(up to 26 months, ending on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
Capital increase by issue of shares reserved for members of the company savings plan (G)	**Maximum amount of capital increase**	**28,807 shares Issued in 2012**
GM of May 24, 2011 – 33rd resolution	€5 million	
(up to 26 months, ending on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	

Securities concerned Date of General Meeting (Term of authorization and expiry date)	Restrictions	Use of authorizations
Stock options (H)	**Maximum amount of shares that could result from the exercise of options**	**None**
• Stock options for new shares (H1)	1,5% of share capital on day of the decision of the Board of Directors	
GM of May 24, 2011 – 34th resolution	(H1) + (H2) limited to 1,5% of share capital on day of the decision of the Board of Directors	
(up to 26 months, ending on July 25, 2013)		
• Stock options for existing shares (H2)	**Maximum amount of shares that could result from the exercise of options**	**None**
GM of May 24, 2011 – 34th resolution	1,5% of share capital on day of the decision of the Board of Directors	
(up to 26 months, ending on July 25, 2013)	(H1) + (H2) limited to 1,5% of share capital on day of the decision of the Board of Directors	
	Maximum amount of capital increase	
	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
Performance shares (I)	**Maximum number of existing or yet-to-be-issued new shares**	**Grant of 48,145 shares to be issued on December 14, 2011 and of 64,570 shares to be issued on December 14, 2012.**
GM of May 24, 2011 – 35th resolution	1,5% of share capital on day of the decision of the Board of Directors	
(up to 26 months, ending on July 25, 2013)	**Maximum amount of capital increase**	
	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
3. Issue with our without pre-emptive subscription rights		
Increase of the number of shares to issue in case of a capital increase (J)	**Maximum amount of capital increase**	**None**
GM of May 24, 2011 – 29th resolution	15% of initial issue	
(up to 26 months, ending on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	
4. Share buyback		
Share buyback transactions	**Maximum shares than can be purchased**	**In 2012, 62,992 shares acquired at the average price of €69.32 and 123,889 shares sold at the average price of €69.98 in connection with the liquidity contract. Furthermore, Gecina purchased 676,122 shares at the average price of €65.96.**
GM of April 17, – 13th resolution	10% of adjusted share capital or 5% in the event of share buybacks for external growth acquisitions	
(up to 18 months, ending on October 17, 2013)	**Maximum number of shares that can be held by the company**	
	10% of share capital	
	Maximum price of share buybacks: €150 per share	
	Maximum total amount of the share buyback program	
	€940,000,000	
Capital reduction by cancelation of treasury shares	**Maximum number of shares that can be canceled during 24 months**	**None**
GM of May 24, 2011 – 37th resolution	10% of shares comprising the adjusted share capital	
(up to 26 months, ending on July 25, 2013)		

6.3. SHARE CAPITAL TRANSACTIONS

6.3.1. COMPANY TRANSACTIONS ON TREASURY SHARES

The General Meeting of April 17, 2012 renewed the authorization given to the company to purchase treasury shares on the Stock Exchange for a period of 18 months. The maximum purchase price was set at €150. The number of shares purchased by the company during the duration of the buyback program cannot exceed, at any time whatsoever, 10% of the shares comprising the company's share capital, and 5% in the event of share buybacks aimed at external growth projects at the time of the transaction. The maximum number of shares that can be held, at any time whatsoever, is set at 10% of shares comprising the share capital. Given that the General Meeting of April 17, 2012 granted authorization for a period of eighteen months, a motion was submitted for its renewal, which will be submitted to the approval of the General Meeting convened to approve the financial statements for 2012.

In 2012, Gecina used the authorization given to the Board of Directors by the General Meeting of May 24, 2011, then by the General Meeting of April 17, 2012, to purchase treasury shares.

In 2012, Gecina purchased 676,122 treasury shares for a total amount of €44,594,657.80.

LIQUIDITY CONTRACT

On May 4, 2012, Gecina terminated the liquidity contract it had given to Rothschild & Cie Banque. On that date, the liquidity account posted a balance of €7,694,852.08 and zero Gecina shares.

For the period of January 1 to May 3, 2012, under the liquidity contract granted to Rothschild & Cie Banque, Gecina purchased 62,992 shares for an amount of €4,366,577.76 and sold 123,889 shares for a total of €8,670,166.76.

At December 31, 2012, the number of treasury shares amounted to 2,109,225, *i.e.* 3.36% of share capital. They represent a total investment of €151 million, at an average price per share of €71.59.

Company transactions on its own shares

Aggregate information 2012		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2012	62,777,135	
Number of treasury shares at December 31, 2011	1,621,476	2.59%
Options exercised in the year	(80,394)	
Shares transferred to allocation plans	(47,000)	
Withdrawal of rights cancellation	(82)	
Share buyback	676,122	
Average price of share buybacks including transaction fees	€65.96	
Liquidity contract	(60,897)	
Number of shares purchased	62,992	
Number of shares sold	123,889	
Average purchase price including transaction fees	€69.32	
Average sale price including transaction fees	€69.98	
Number of treasury shares at December 31, 2012	2,109,225	3.36%

The conditions for implementing the share buy-back program submitted for authorization are covered in a description of the program and are notably subject to the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, amended by Ordinance 2009-105 of January 30, 2009, European regulation no. 2273/2003 of December 22, 2003 pursuant to Council Directive 2003/6/EC of January 28, 2003, known as the "Market Abuse Directive", which came into effect on October 13, 2004, Article L. 451-3 of the French Monetary and Financial Code and Articles 241-1 to 241-6 of the General Regulation of the AMF (amended by the decrees of April 2 and July 10, 2009), by the AMF Instruction AMF 2005-06 of February 22, 2005 (latest amendment on July 20, 2009) and by two AMF decisions dated March 22, 2005 and October 1, 2008.

6.3.2. CHANGE OF CONTROL AGREEMENT

To the company's knowledge, there is no longer a shareholders' agreement since the abandonment on April 7, 2009 of the Separation Agreement signed between its two major shareholders, the Sanahuja family on one hand and Mr. Rivero and Mr. Soler on the other hand.

6.3.3. FACTORS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OFFER FOR THE COMPANY

Under Article L. 225-100-3 of the French Commercial Code, the company is required to identify factors that could have an impact in the event of a public tender offer. Among these factors are agreements made by the company that would be amended or terminated in the event of a change in control of the company. In this respect, the company has disclosed the clauses of change of control contained in the financing contracts (see the "Financial Resources" section in Chapter 2).

6.3.4. TRANSACTIONS IN COMPANY SHARES CONDUCTED BY OFFICERS, SENIOR MANAGERS OR PERSONS TO WHOM THEY ARE CLOSELY CONNECTED

In 2012, the declarations made by officers and by the persons covered by Article L. 621-18-2 of the French Monetary and Finance Code to the AMF pursuant to the provisions of Articles 223-24 *et seq.* of the AMF's General Regulations were as follows:

Summary of transactions performed

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
Francis VASSEUR, Expertises Director	Shares	Exercise of stock options	March 29, 2012	March 29, 2012	OTC	€37.23	€58,413.87
Vincent MOULARD, member of the Management Committee	Shares	Exercise of stock options	April 2, 2012	April 3, 2012	OTC	€37.23	€77,140.56
Pascale NEYRET, member of the Management Committee	Shares	Exercise of stock options	April 2, 2012	April 3, 2012	OTC	€37.23	€67,088.46
Philippe VALADE, member of the Executive Committee	Shares	Exercise of stock options	April 3, 2012	April 3, 2012	OTC	€37.23	€130,193.31
Vincent MOULARD, member of the Management Committee	Shares	Exercise of stock options	April 3, 2012	April 3, 2012	OTC	€37.23	€150,036.90
Vincent MOULARD, member of the Management Committee	Shares	Exercise of stock options	June 22, 2012	June 22, 2012	OTC	€37,23	€53,164.44
Jacques CRAVEIA, member of the Management Committee	Shares	Disposal	July 27, 2012	July 30, 2012	Euronext Paris	€75.00	€75,000.00
Pascale NEYRET, member of the Management Committee	Shares	Exercise of stock options	August 2, 2012	August 2, 2012	OTC	€37.23	€33,916.53
Loïc HERVE, member of the Executive Committee	Shares	Disposal	August 2, 2012	August 3, 2012	Euronext Paris	€74.5595	€307,781.62
Francis VASSEUR, Expertises Director	Shares	Disposal	October 24, 2012	October 26, 2012	Euronext Paris	€82.30	€12,756.50
Francis VASSEUR, Expertises Director	Shares	Disposal	October 31, 2012	October 31, 2012	Euronext Paris	€85,395	€18,189.14

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
Predica, member of the Board of Directors	Shares	Acquisition	December 5, 2012	December 12, 2012	Euronext Paris (quantity: 4536), Turquoise (quantity: 226), Chi-X (quantity: 70), Bats Europe (quantity: 32), Itg Posit (quantity: 5200), Jpm-X (quantity: 4)	€84.1416	€847,137.63
Predica, member of the Board of Directors	Shares	Acquisition	December 6, 2012	December 12, 2012	Euronext Paris (quantity: 4437), Turquoise (quantity: 1705), Chi-X (quantity: 971), Bats Europe (quantity: 549), SuperX (quantity: 335), Equiduct (quantity: 4673), Citadel (quantity: 83)	€84.9254	€1,083,053.63
Francis VASSEUR, Expertises Director	Shares	Disposal	December 6, 2012	December 6, 2012	Euronext Paris	€84.90	€16,980.00
Francis VASSEUR, Expertises Director	Shares	Disposal	December 10, 2012	December 10, 2012	Euronext Paris	€86.4969	€22,489.19
Francis VASSEUR, Expertises Director	Shares	Disposal	December 12, 2012	December 12, 2012	Euronext Paris	€86.6174	€20,788.18
Francis VASSEUR, Expertises Director	Shares	Disposal	December 14, 2012	December 14, 2012	Euronext Paris	€87.0385	€21,759,63
Francis VASSEUR, Expertises Director	Shares	Disposal	December 19, 2012	December 19, 2012	Euronext Paris	€86.25	€21,993,65
Francis VASSEUR, Expertises Director	Shares	Disposal	December 19, 2012	December 19, 2012	Euronext Paris	€88.3084	€43,712,70
Jacques CRAVEIA, member of the Management Committee	Shares	Exercise of stock options	December 20, 2012	December 20, 2012	OTC	€37.23	€114,668,40
Jacques CRAVEIA, member of the Management Committee	Shares	Disposal	December 20, 2012	December 20, 2012	Euronext Paris	€87.5826	€269,754,41
André LAJOU, Head of Commercial Real Estate and member of the Executive Committee	Shares	Exercise of stock options	December 20, 2012	December 26, 2012	OTC	€37.23	€778,628.22
André LAJOU, Head of Commercial Real Estate and member of the Executive Committee	Shares	Disposal	December 20, 2012	December 24, 2012	Euronext Paris	€87.5826	€877,227.32
André LAJOU, Head of Commercial Real Estate and member of the Executive Committee	Shares	Disposal	December 21, 2012	December 26, 2012	Euronext Paris	€87.70	€922,643.98

To the company's knowledge, the summary of transactions carried out by officers contains all the transactions and financial instruments (disposals, acquisitions, exercise of stock-options, etc.) on Gecina shares reported by officers.

6.3.5. NOTIFICATION OF SHAREHOLDER THRESHOLD CROSSING AND DECLARATION OF INTENT

During fiscal 2012, the company was notified of the crossing of the following legal and statutory thresholds:

By letter received on January 4, 2012, and an additional letter received on January 5, 2012, Ms. Victoria Soler Lujan reported that she had exceeded, indirectly, through the limited liability company Mag Import, which she controls, the thresholds of 5%, 10% and 15% of Gecina's share capital and rights and is the direct and indirect holder of 9,568,241 Gecina shares representing an equal number of voting rights, *i.e.* 15.27% of Gecina's share capital and voting rights.

Mr. Bautista Soler Crespo also reported that he had fallen below the same thresholds and no longer held any Gecina share.

These threshold crossings resulted from the transfer of the controlling interests in Mag Import from Mr. Bautista Soler Crespo, the previous majority shareholder, to his daughter, Ms. Victoria Soler Lujan.

The Soler group, now comprised of Ms. Victoria Soler Lujan and Mag Import, which she controls, and Vicente Fons Carrion, had crossed no threshold and held, as of December 31, 2011, 9,568,641 Gecina shares representing as many voting rights, or 15.27% of the company's share capital and voting rights [(1)], broken down as follows:

	Shares and voting rights	% of share capital and voting rights
Mag Import	9,567,841	15.27
Victoria Soler Lujan	400	Ns
Vicente Fons Carrion	400	Ns
SOLER GROUP	**9,568,641**	**15.27**

The declaration of intent below was made through the same letters:

"Ms. Victoria Soler Lujan declares:

- that a vendor loan has been negotiated for the payment of the acquisition price for Mag Import shares. This price will be financed through a bank loan;
- that she is not in concert with other people (aside from the family company which she controls and her husband Mr. Vicente Fons Carrion);
- that she has no plans to continue acquiring Gecina shares;
- that she does not intend to take over control of Gecina;
- that she supports Gecina's strategic vision, development and positioning and does not plan to implement one of the transactions described in article 223-17 I 6° of the AMF's general regulations;
- that there is no temporary disposal agreement regarding Gecina shares and/or voting rights; and
- that as a director of the company, she does not intend to ask the Board of Directors to appoint any new members who may be connected to her.»

(1) Based on share capital comprising 62,650,448 shares representing as many voting rights, in application of section 2 of Article 223-11 of the AMF's general regulations.

6.4. OPTIONS AND PERFORMANCE SHARES

6.4.1. STOCK OPTIONS

The company has set up various stock option plans for the purchase of new and existing shares, the allocation of which are reserved for officers or employees of the company and of companies associated with it as defined in Article L. 225-180 of the French Commercial Code. The company did not implement a stock option plan in 2012.

The report below shows the number and main terms of the stock options awarded between 2004 and 2010 by Gecina to its staff.

SPECIAL REPORT ON STOCK OPTIONS GRANTED TO CORPORATE OFFICERS AND EMPLOYEES

To the Shareholders,

Pursuant to the provisions of Article L. 225-184 of the French Commercial Code, the purpose of this report is to inform you of the award of stock options during 2012 for the purchase or subscription of new or existing shares to members of staff of the company or affiliated companies or groups as specified in Articles L. 225-177 to L. 225-186 of the French Commercial Code.

Date of shareholder meeting	06/02/2004	06/02/2004	06/02/2004	06/19/2007	06/19/2007	06/15/2009	06/15/2009
Date of Board of Directors' meeting	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	03/22/2010 (1)	12/09/2010 (1)
Date of options allocation	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	04/16/2010	12/27/2010
Expiry date	10/11/2014	03/15/2016	12/13/2016	12/14/2017	12/19/2018	04/17/2020	12/28/2020
Number of options awarded	**316,763**	**236,749**	**254,008**	**200,260**	**331,875**	**251,913**	**210,650**
of which number of options awarded to company officers	66,466	57,450	60,648	31,370	73,198	31,368	30,000
of which number of options awarded to top ten employee beneficiaries	143,665	130,336	123,393	110,320	157,376	144,293	117,000
Subscription or purchase price (€)	61.02	96.48	104.04	104.72	37.23	78.98	84.51
Number of shares subscribed or purchased to date	**280,963**	**0**	**0**	**0**	**100,475**	**0**	**0**
of which number of options awarded to company officers	66,466	0	0	0	0	0	0
of which number of options awarded to top ten employee beneficiaries	115,242	0	0	0	61,963	0	0
Number of options that may be exercised	**35,800**	**236,749**	**252,439**	**198,691**	**231,400**	**250,344**	**210,450**
of which number of options awarded to company officers	0	57,450	60,648	31,370	73,198	31,368	30,000
of which number of options awarded to top ten employee beneficiaries	21,963	130,336	123,393	110,320	95,413	144,293	117,000

(1) Stock options plan

Stock options granted in 2012

None.

Stock options granted to Gecina corporate officers

None.

Stock options granted to the ten employees (not corporate officers) of Gecina who received the greatest number of options in 2012

None.

Stock options exercised by corporate officers and employees of Gecina in 2012

Gecina stock options exercised by all Group employees in 2012 were as follows:

Plans	Options exercise price	Number of options exercised in 2012
Stock options October 2004	€61.02	8,410
Stock options December 2008	€37.23	71,984
TOTAL		**80,394**

Information concerning options exercised by the ten employee stock option holders who exercised the highest number of options during 2012

Plans	Options exercise price	Number of options exercised in 2012
Stock options October 2004	€61.02	6,492
Stock options December 2008	€37.23	46,342
TOTAL		**52,834**

No option was exercised by corporate officers and employee directors of Gecina during 2012.

6.4.2. AWARD OF PERFORMANCE SHARES

By virtue of the authorization conferred by the thirty-fifth resolution of Gecina's Combined General Meeting dated May 24, 2011, Gecina's Board of Directors adopted two performance share plan regulations on December 14, 2012. These plans provide for the allocation of Gecina performance shares to beneficiaries designated from among the corporate officers and employees most directly connected with the development of the Gecina group, for up to 1.5% of share capital.

PERFORMANCE SHARES AWARD PLAN OF DECEMBER 14, 2012 (AP12)

The plan regulations have set the term of the performance shares vesting period at two years from the Gecina Board of Directors' meeting that agreed on the award of the said shares, contingent on the beneficiary's presence in the company and performance under the terms described below:

- Gecina stock market performance rate compared to the SIIC France index during the same period.
  - if the average performance of the Gecina share exceeded in the last 24 months preceding the Vesting Date (December 1, 2014 closing price versus December 1, 2012 closing price) the average performance of the Euronext IEIF "SIIC France" index for the same period, a 100% performance rate will be applied to the target number of shares;
  - if the average performance ranges between 90% and 100% of the index, a penalty equal to double the under-performance shall be directly applied to the target number of shares;
  - if the average performance ranges between 85% and 90% of the index, a penalty equal to three times the under-performance shall be directly applied to the target number of shares;
  - no performance share will be awarded if performance falls below 85% of the SIIC France index during the same period.

At the end of a period of two years from the date of the Gecina Board of Directors' meeting deciding on the award of the said shares, and provided above conditions are met, the beneficiaries will become owners of the shares awarded to them and enjoy all the rights of a shareholder. However, they may not sell their shares for two years from their vesting date.

PERFORMANCE SHARES AWARD PLAN OF DECEMBER 14, 2012 (AP12BIS)

The plan regulations have set the term of the performance shares vesting period at three years from the Gecina Board of Directors' meeting that agreed on the award of the said shares, contingent on the beneficiary's presence in the company and performance under the terms described below:

- Gecina stock market performance rate compared to the SIIC France index during the same period.
  - if the average performance of the Gecina share exceeded in the last 36 months preceding the Vesting Date (December 1, 2015 closing price versus December 1, 2012 closing price) the average performance of the Euronext IEIF "SIIC France" index for the same period, a 100% performance rate will be applied to the target number of shares;
  - if the average performance ranges between 90% and 100% of the index, a penalty equal to double the under-performance shall be directly applied to the target number of shares;
  - if the average performance ranges between 85% and 90% of the index, a penalty equal to three times the under-performance shall be directly applied to the target number of shares;
  - no performance share will be awarded if performance falls below 85% of the SIIC France index during the same period.

At the end of a period of three years from the date of the Gecina Board of Directors' meeting deciding on the award of the said shares, and provided above conditions are met, the beneficiaries will become owners of the shares awarded to them and enjoy all the rights of a shareholder. However, they may not sell their shares for two years from their vesting date.

The beneficiaries of these plans are subject to the applicable regulation on insider trading at the time of selling shares as reflected in the company's specific rules incorporating stock exchange ethical principles and the applicable laws and regulations.

Furthermore, whatever the case, pursuant to article L. 225-197-1-I, the shares cannot be sold:

1. Within the period of ten Stock Exchange sessions preceding and following the date on which the consolidated financial statements, or failing which the annual financial statements, are publicly reported;
2. Within the period ranging between the date on which the company's executive bodies learn about information which, if publicly disclosed, may have a significant impact on the company's share price, and the date following the ten Stock Exchange sessions on which said information is publicly disclosed.

The following table shows the number and main terms of the performance shares awarded on the basis of the above authorizations:

Performance shares award plan	AP12	AP12bis
Date of Board Meeting	12/14/2012	12/14/2012
Start date of vesting period	12/14/2012	12/14/2012
Vesting date	12/15/2014	12/14/2015
Number of shares awarded	52,820	11,750
of which number of shares awarded to company officers	0	0
of which number of shares awarded to top ten employee beneficiaries	24,460	8,450
Number of shares subscribed, purchased or canceled	0	0
of which number of shares subscribed, purchased or canceled by company officers	0	0
of which number of shares subscribed, purchased or canceled by top ten employee beneficiaries	0	0
Number of shares that may be awarded	52,820	11,750
of which number of shares that may be awarded to company officers	0	0
of which number of shares that may be awarded to top ten employee beneficiaries	24,460	8,450

They are also described in the following report:

SPECIAL REPORT ON PERFORMANCE OPTIONS GRANTED TO CORPORATE OFFICERS AND EMPLOYEES

To the Shareholders,

Pursuant to the provisions of Article L. 225-197-4 of the French Commercial Code, the purpose of this report is to inform you of the award of performance shares in 2012 to be issued to members of staff of the company or affiliated companies or groups as specified in Article L. 225-197-2 of the French Commercial Code and corporate officers defined in Article L. 225-197-1-II of the French Commercial Code.

Performance share plans awarded to the Board of Directors on December 14, 2012

By virtue of the authorization conferred by the thirty-fifth resolution of the Combined General Meeting of May 24, 2011 and on the recommendation of the Remuneration Committee, the Board of Directors' meeting of December 14, 2012 awarded two performance share plans of a total of 52,820 and 11,750 company shares with a value of €86.35 [(1)] per share to beneficiaries from among the employees and corporate officers most directly connected with the Group's development.

Pursuant to Article L.225-197-1 of the French Commercial Code and the conditions specified in the Gecina performance share plans of December 14, 2012, the above-described shares awarded by the Board of Directors will be completely vested at the end of a two-year period for the first plan (AP12) and three years for the second plan (AP12bis) from their award date (the vesting date) and subject to the achievement of the presence condition and performance conditions.

From the vesting date and subject to the satisfaction of the above-mentioned conditions, the beneficiaries will become owners of the shares awarded to them free of charge and enjoy all the rights of a shareholder. However, they may not sell the performance shares that have been definitively awarded to them for two years from the vesting date.

Performance shares granted to Gecina corporate officers

None.

Performance shares granted to the ten employees (not corporate officers) of Gecina who received the highest number of shares in 2012

24,460 performance shares were awarded under the first plan (AP12) and 8,450 performance shares were awarded under the second plan (AP12bis).

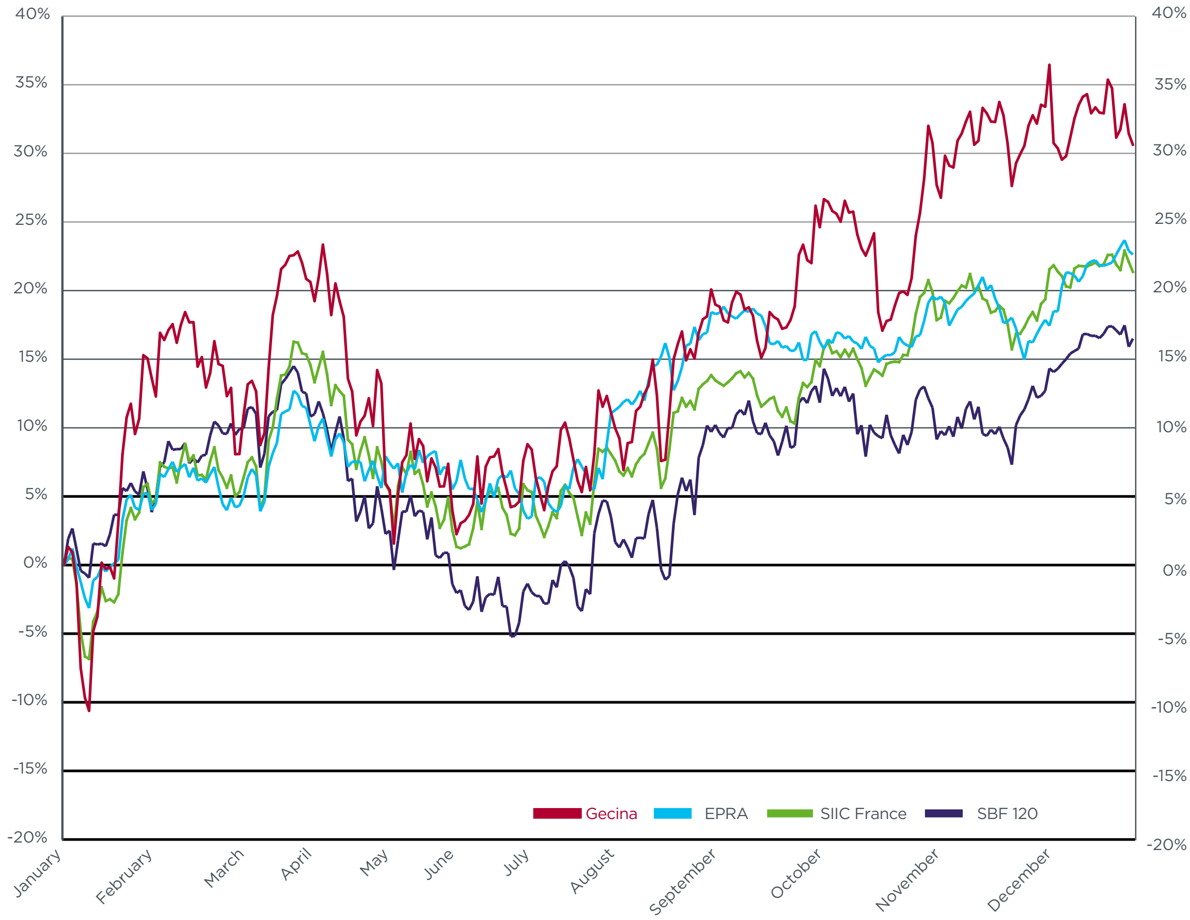
(1) Share price on the award day.

6.5. GECINA SHARES

6.5.1. THE SHARE PRICE IN 2012

The Gecina share price posted an increase of 30.62% in 2012, rising from €65 on December 31, 2011 to €84.90 on December 31, 2012.

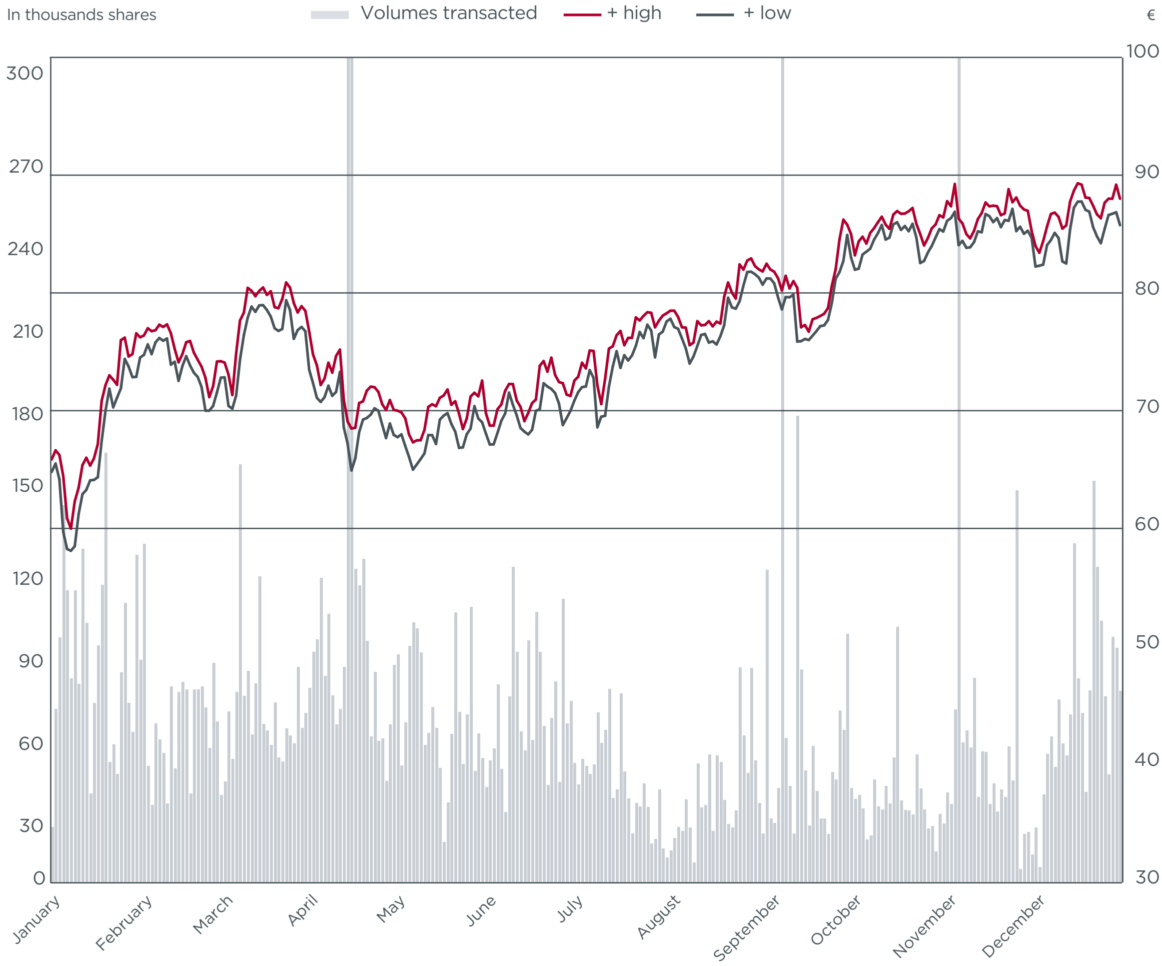
This price ranged between a low of €58.10 on January 9 and a high of €89.25 on November 29.



The table presented in section 6.5.3 below is a statistical summary of the share performance in 2012. In all, 16,783,264 shares were traded in 2012 for a total capital amount of €1,265 million.

At year-end 2012, the company's market capitalization amounted to €5,329 million.

Gecina 2012 – Share price extremes in euros



6.5.2. EQUITY MARKET

STOCK EXCHANGE LISTING

Gecina's shares are listed on Euronext Paris, Compartment A (Blue Chips) under ISIN Code FR0010040865. The shares are eligible for the deferred settlement system ("SRD") and are included in the SBF 120 and CAC Mid 60 indexes.

ICB (Industry Classification Benchmark): 8671 Industrial & Office Real Estate Investment Trusts.

OTHER ISSUES AND STOCK EXCHANGE LISTINGS

Stock exchange listing	Euronext Paris	Euronext Paris	Euronext Paris	Euronext Paris
Name and type of issue	Gecina 4.75% 04/11/2019	Gecina 4.25% 02/03/2016	Gecina 2.125% 01/01/2016	Gecina 4.50% 09/19/2014
	Euro Medium Term Notes	Euro Medium Term Notes	Bonds redeemed in cash and/or in new and/or existing shares (Ornane)	Euro Medium Term Notes
Issue date	04/11/2012	02/03/2011	04/09/2010	09/20/2010
Issue amount	€650 million	€500 million	€320 million	€500 million
Issue price	99.499% in respect of €650 million	99.348% in respect of €500 million	€111.05	99.607% in respect of €500 million
Maturity date	04/11/2019	02/03/2016	01/01/2016	09/19/2014
Annual interest	4.75%	4.25%	2.125%	4.50%
ISIN code	FR0011233337	FR0011001361	FR0010881573	FR0010943316

6.5.3. TRADING VOLUMES IN NUMBER OF SHARES AND VALUES

Shares (ISIN Code FR0010040865).

Trading volume and price trends

Month	Number of shares traded monthly	Average value traded per month *(€ million)*	Price extremes high *(€)*	Price extremes low *(€)*
July 2011	1,388,707	132.61	99.73	91.30
August 2011	2,534,387	200.51	97.83	70.26
September 2011	2,383,248	169.49	80.24	63.51
October 2011	1,387,922	94.06	74.39	59.80
November 2011	1,300,752	79.95	70.00	52.51
December 2011	1,185,446	71.89	65.95	54.03
January 2012	1,763,999	117.81	76.20	58.10
February 2012	1,340,460	99.77	77.33	70.00
March 2012	1,393,717	107.64	80.89	70.17
April 2012	2,046,247	145.93	78.87	64.92
May 2012	1,355,787	92.89	71.99	64.99
June 2012	1,294,635	90.19	72.55	66.84
July 2012	1,192,591	86.28	76.77	68.59
August 2012	562,040	43.06	78.49	74.00
September 2012	1,277,462	101.91	82.93	75.62
October 2012	1,000,597	80.57	86.22	75.87
November 2012	2,765,130	231.87	89.25	82.54
December 2012	790,599	67.96	88.81	83.83

Trading volumes and price trends over five years

Year	Number of shares traded	Number of trading days	Price extremes high	Price extremes low	Latest prices
2008	25,750,713	256	113.87	35.88	49.64
2009	30,367,941	256	85.88	25.85	76.14
2010	18,830,390	258	91.80	61.06	82.31
2011	22,801,404	257	105.00	52.51	65.00
2012	16,783,264	256	89.25	58.10	84.90

Source: NYSE Euronext.

CSR RESPONSIBILITY AND PERFORMANCES

FOREWORD

Since 2007, Gecina has made sustainable development a key aspect of its strategy and operation and has been resolutely involved in a continuous improvement policy. This innovation momentum resulted in an initial 4-year CSR action and target plan from 2008 to 2012. The efforts and successes of this plan in environmental issues have been largely recognized and have significantly contributed to the Group's development and permanence today.

The detailed analysis of the results and difficulties encountered during this first period was naturally used as a basis for preparing the second plan for the 2012 to 2016 period. This plan includes the target for Gecina, expressed by its CEO, Bernard Michel "to go much farther by accepting genuine civic responsibility, by making its Corporate Social Responsibility (CSR,) a key factor of its activity, in its mission, its business model, its products and services, its strategic goals, and its investment criteria".

Gecina is convinced of the need to radically change:

- the offering and practices of companies;
- their governance, by putting back the company's expectations and the interest of stakeholders at the center of their strategy.

Indeed, although most players are currently more focused on environmental concerns, new societal challenges are emerging, which stem from the gradual development towards:

- the dematerialization of the economy;
- the priority given to use rather than to ownership;
- the decline of sprawling cities and the need for close-knit, local communities;
- the search for flexibility and modularity of real estate programs;
- the establishment of a link between the building's environmental performance and employee productivity;
- adapting the housing portfolio to the aging population requiring long-term care;

These societal challenges, on top of the current and future strict regulatory constraints (RT 2012, etc.), the progression of international standards (BREEAM, HQE®, LEED®), require that the players of the real estate sector review their development strategies by focusing on innovation and "green value"; In the short and medium term, the connection between environmental performance and valuation of the property holding will be increasingly tangible.

Real estate players are directly concerned by the Grenelle,environment project. It imposes an unprecedented paradigm shift for the construction sector within a very short time.

Gecina considers this transformation as a real opportunity for development and leadership. In 2012, Gecina adopted a proactive initiative which involved:

- updating the materiality matrix where each of the stakes were revalued in light of the results obtained and the change in underlying risks;
- preparing a specific organization, in early 2013, for the determined change towards responsible property holdings, the "PRIME*" project. This project will focus on searching for best-in-class environmental standards, the innovative steering of operations, energizing relations with tenant customers by deploying environmental appendices and developing new commitment contracts that guarantee results and collective performance;

* *Responsible property holding, Innovation and Environmental Management.*

- steering all components of the CSR process whose progress or difficulties are valued through detailed, continuously enhanced reports (*e.g.*, recognition in 2012 of the actual consumption for residential buildings with collective heating systems). It must be noted that over and above its application in the monitoring of implemented actions, this reporting has demonstrated its efficiency in the answers to be given to the new non-financial reporting requirements of Article 225 of the Grenelle 2 Act.
- commitment to focus on the creation of a dialogue and sharing committee with "stakeholders".

7.1. BACKGROUND AND ISSUES AT STAKE, THE NEW CHALLENGES OF THE REAL ESTATE SECTOR

7.1.1. GLOBAL STAKES WITH HIGH IMPACT ON THE REAL ESTATE INDUSTRY

7.1.1.1. A WORLD OF UNCERTAINTIES

We are surrounded by uncertainties; from the latest CIA report "Global trends 2030" to the Global risks 2013 report of the World Economic Forum (WEF) through to the "Sustainability Yearbook 2013" produced by KPMG and Robeco SAM, one can hardly find a global projection model that does not emphasize the risks to the planet, or rather to the people living on the planet and attempt to evaluate their consequences for natural persons or legal entities.

If we exclude geopolitical and technological risks that have a lesser impact on Gecina and only take account of environmental and societal components, we realize that the future is shaped by two "megaforces" [1]:

- a moderate scenario of global population growth expected to reach 9 billion inhabitants in 2050, 70% of whom will live in cities (8.2 in 2030, with 60% in cities) [2].

  The additional 2,billion inhabitants by 2050 are the equivalent of a new city with one million inhabitants every week, (150,000 a day!);
- the doubling of the middle class by 2030 [3], with its consequences in terms of improvements in standards of living, the (legitimate) aspiration of all individuals for more comfort and enhanced well-being in return for their efforts.

The two "megaforces" will just compound the already existing pressure on ecosystems and biodiversity, and on the use of natural resources:

- water: while already nearly one,billion individuals do not have access to clean drinking water, global demand is expected to exceed supply by 40% [4] by 2030;
- energy: many uncertainties affect this sector which is becoming increasingly volatile: the need to use fossil fuels, as it appears to be a necessary part of the global energy mix, makes it increasingly improbable that we shall be able to stop the 2°C bump in the earth's average temperature;
- commodities, craved by new economies in huge quantities, synonymous with huge economic uncertainties in terms of supply and price;
- food which contains all the previous constraints, increase in demand, impact of climate change on production yield, diminishing arable lands (urbanization, deforestation, etc.).

Gecina shares this diagnostic and is conscious of the essential role of the real estate sector in this necessary paradigm shift. It has therefore integrated all these constraints into its considerations about the materiality matrix of the issues at stake (see Chap. 7.2.2) and introduced sustainable development into its organization and its "genetic heritage". It is integrated into project management, management mode, in the operation of all services and in the daily practices of its 500 employees.

Green performance, the Group's headquarters project carries this major challenge, decisive for the future.

7.1.1.2. PREPARING THE CITY OF TOMORROW [5]

Building the equivalent of a city for one million inhabitants every week involves adjusting our mindset of the city and paying more attention to the notion of sustainable development to preserve our resources.

Gecina is convinced that the solution would be close-knit communities and that sprawling, American-style peri-urban areas will be banished. In bioclimatic terms, the shape of buildings will be a decisive factor in optimizing energy consumption. Next, we will have to think of ways of using resources sparingly while rethinking the urban metabolism, in other words an optimum way of managing the city's incoming and outgoing utilities: energy, water, waste, greenhouse gases such as CO_2, methane, etc.

The sustainable city will require coordination between built zones and green zones to preserve biodiversity. Planners would be bound to reintroduce social and societal diversity: economic, generational and functional diversity. It would no longer be a question of splitting neighborhoods along socio-professional lines, nor separating living areas from working areas. Some components of any kind of daily life,

(1) "Sustainability Yearbook 2013" produced by KPMG and Robeco SAM.
(2) UN habitat – State of the world cities 2010/2011 – Cities for All: Bridging the Urban Divide.
(3) OECD development center – Working paper No. 285: The emerging middle class in Developing Countries.
(4) 2030 Water Resources Group – Charting our water future: Economic frameworks to inform decision-making.
(5) Principal source: "Penser la ville durable – La French green touch" – AFEX July 2012.

from energy production to waste management, will be pooled differently, on a smaller scale. Only this integrated approach to the city will promote the optimum use of resources and utilities, characteristic of the sustainable city. The sustainable city will also be reversible and resilient, equipped with the resources required to overcome socio-economic and demographic crises, and natural disasters, even if it has to go through in-depth regeneration.

The city must not be conceived as a juxtaposition of individual buildings. We can no longer keep on thinking along the lines of individual buildings; we need to think about neighborhoods or even the entire city. To do so, we need to have a genuine metropolitan governance so that the city can be designed as a coherent and indivisible whole that is obvious for all.

The sustainable city will be desirable, and designed for mobility, evaluated in terms of how one gets around the city and how it is shaped by transit systems with emphasis on mass transit systems. New communication technologies will play a key role by optimizing time management: users will have access to real-time information about traffic jams, available parking spaces, book a taxi in any transport, etc. It will be natural to change from one transit system to another effortlessly, going from the subway to the bike, the bus or the tramway, etc., such as the Rio cable car which has really changed the face of an underprivileged part of the city and its appeal.

As a civic company, Gecina is involved in the planning and development of sustainable cities by managing and operating a responsible property holding, by anticipating mandatory standards and obligations on energy and environmental efficiency, for the ultimate purpose of reducing construction costs.

7.1.1.3. CSR, CHALLENGES AND RESILIENCE FACTOR

Is there any other economic activity in society that is more regulated than the "real estate" industry? Designing, investing, managing, refurbishing the real estate property holding, for social and economic purposes – inseparable these days – is an activity that occupies an increasingly structuring role in modern society, in both mature and emerging countries, in saturated capitals and in new growing cities. This situation has an impact on supply, depending on the Company's level of requirement: price which conditions accessibility, the adaptation of goods to new usages and the acceptance of projects. In fact, a growing characteristic of the real estate market is that decision-making is increasingly dependent on the collective framework.

The performance of the offering increasingly stems from the quality of regulations, transparency of mechanisms, the integration of collective stakes, as much as the value-for-money ratio which the manufacturer is capable of providing; more than ever, real estate is a "socially dependent" activity.

This phenomenon of the growing societal integration of real estate can result in letting public figures deal with the overly restrictive part of the market and safely (assuming the possibility exists) devoting oneself to specific projects. The other strategy entails making this contextual deal a differentiating factor for performance, since the bulk of demand for office space, housing, commercial infrastructure or collective use structures can be found in this category of negotiated products, in the economic field of "shared value". It's a matter of a fair association between value creation for the private investor, measured through the operation and value of assets; and value creation for the Society, which the local community measures through the externalities taken into account by the project. This collaborative method will characterize the essence of tomorrow's market. There is a host of possible solutions and in fact, no definitive models have yet been found. The community is faced with the challenge of finding ways of thinking, deciding, and controlling long-term projects. The private sector has to meet the challenge of innovating, proposing, managing products as "sustainably" as expected.

Gecina has chosen to be a real estate operator with high societal skills, to be a player with clout in this modern urban deal, which is particularly advanced in France. Three challenges are speeding up these changes on the real estate market. There is of course the energy challenge, which is a matter of investment and innovation but basically, also a question of good usage and good sharing of economic and technical factors (efficiency, mix, metrics, adaptation, etc.). There is the challenge of urban integration which is primarily social, from upstream to downstream of the project, it is a prime factor for attracting first-time buyers and involves skills that go beyond the traditional knowledge of engineers and architects of an isolated project. Lastly, there is the challenge of collaborating with customers, helping them to manage their needs, behavior, and development over time and space in order to optimize the use of a structure throughout the entire life cycle.

This sustainable dimension of the new real estate business model changes the parameters of the performance and business know-how. It assigns social corporate responsibility (CSR) a new place in skills within the value chain. It anticipates constraints, transforms them into opportunities for development and apprehends their utility and not only their costs, to save time and gain the resources, consensus and mechanisms that ensure optimum societal integration of a real estate investment. This knowledge consists in establishing links between the stakeholders who play a role in the life of an asset and those who decide on its overall profitability.

This real estate model with a strong societal dimension characterizes the difficult transition facing the sector and which it has to meet head on, to reduce unnecessary costs, to accelerate processes, reduce complexities and generate growth opportunities, in both economic and social terms. Collaborative progress has been made since the Grenelle,environment project. The "green value", which evaluates the sustainable dimension of an asset, has contributed to this learning process, just as comprehensive cost control and non-financial reporting. This is a far cry from good practices and residual benevolence… Through strong intellectual, technical and operational investment recognized today by many market place appraisers, Gecina has incorporated this societal change into the core of its programs. The company intends to draw a competitive advantage from this strategy for its investors and partners. This CSR skill produces resilience in the context. It is also a clearly-asserted conviction. In Gecina's opinion, if we "responsibly" perform our business as builders and real estate managers with a broad and innovative view of societal interest, the market will surely recognize the usefulness of this business. And this usefulness will translate into value, for the company and for Society.

7.1.2. SUSTAINABLE REAL ESTATE IN 2012

7.1.2.1. AN INDUSTRY UNDER TENSION BUT A NEW VISION OF THE SECTOR (6)

As a powerful economic sector in France, the real estate sector is at the heart of the environmental topic. In France, with **70 million tons of oil equivalent**, the building sector consumes 43% of final energy (and nearly 60% if we include induced transports) and contributes nearly 25% to national greenhouse gas emissions (**120 million tons of CO_2** or 32.7 million tons of coal).

Overall activity generates around 360 million tons of waste per year (41% of waste) and is a very high consumer of water (18% of consumption).

The building sector is perceived as rather inert and structurally slow to change, given the low renewal rate (300,000 housing units and 14 million,sqm of heated commercial buildings), and a stock with a very long service life, (nearly 30 million housing units and more than 814 million,sqm of heated commercial buildings). However, carried by the momentum of the Grenelle,building plan, and the skillful guidance of Philippe Pelletier, whose appointment has been aptly extended by the new government by five years, the sector successfully positioned itself as a key player capable of solving the environmental challenges facing Society.

As a leading source of untapped energy savings that can be used immediately, for which investments are identified as the most profitable, this could very well be the only sector which offers sufficiently strong growth possibilities to meet our national commitments to reduce greenhouse gas emissions.

No program for controlling our environment and our energy can ignore this fact: the real estate sector must be the place for in-depth change, decisive for our common future by exploring all the progress paths possible:

- buildings can use several energy sources, including renewable energy. This energy can be combined. They can, if necessary, change several times during the life of the building;
- projects to improve the energy efficiency of buildings can be planned over several years and each time this change strengthens the real estate value of the asset;
- occupants of buildings have relatively constant practices over time. Their needs evolve over long cycles, without abrupt changes, and can be reasonably anticipated.

All players must understand the need to invest today in order save as from tomorrow on the operating charges of buildings, a major movement that will permanently change how we live in our homes or use our professional premises.

7.1.2.2. INNOVATIONS AND TRENDS

Searching to improve energy performance is a significant source of development of new products, which can eventually be deployed on a large scale or used on isolated projects. Products developed in 2012 include the creation of 70% transparent solar cells by researchers at UCLA, the storage of solar electricity to match production to use (Sumitomo Electric in Japan), the development of the fuel cell to power a 38-floor building in London (FuelCell Energy Solutions) or again the integration of microalgae in the façades of buildings (Ennesys in Nanterre). In another field, the water recycling shower (Ecovéa by Jedo) saves up to 80% of the water and energy used. The common point to remember is that all these solutions have to go through national certification procedures which some perceive as red tape limiting the smooth emergence of new products or commercially viable practices. Innovation can also be suggested by regulatory constraint: "since the adoption of the energy policy on energy labeling (Council directive 92/75/EEC), the market of domestic appliances has been transformed to offer products with good energy yield and generates energy savings of around 700TWh (estimate of the savings from the energy labeling of refrigerating appliances, dishwashers and laundry washing machines between 1966 and 2020) and raise the competitiveness of the European industry" (source: European Commission – PAEI). And this change of behavior can sometimes be initiated by the will for differentiation of players and new services, such as compensation, are created and extended today to individuals; MasterCard calculates the weight in CO_2 emissions of a cardholder based on the customer's card purchasesSummarizing these two focus points, the innovation task force for the sustainable building plan (formerly Grenelle) has adopted the definition of the Oslo manual that describes innovation as "the implementation of a new or significantly improved product (good or service) or process, a new marketing method or a new organizational method in business practices" (final report-September 2011: innovation drivers in the building sector). Thus, over and above product innovation alone, the real estate service must rethink itself through new practices.

By correlating it with the search for performance, Gecina wishes to respond to the primary expectations of the building user, namely live or work in comfortable, healthy and environmentally-friendly premises. Thus the in-depth change occurring in the real estate industry entails, without renouncing the classical intrinsic features that make the quality of a building (location, architecture and interior decoration, performance of technical equipment, headroom) shifting from the exclusive focus on means to a performance bond. To do so, new tools, metrics and verification plans are required to guarantee energy performance in use. At the same time, customer relations have been revised to create new areas of exchange between owners and tenants, promoted by the environmental appendices to contracts or think tanks such as Gecina lab, in order to share information, make action plans and optimize the use of rented spaces.

Design and development practices are also changing in the same way. Now is the time for upstream diagnostics in order to anticipate any future constraint that might generate additional costs and delivery delays. The digital model has become an optimization tool to limit sources of development errors at a time when buildings are moving from centimeters to,millimeters by creating paperless components of an as-built file to facilitate operation.

New missions are appearing: "commissioning" is for example aimed at optimizing the start-up of buildings by bringing together all

(6) Principle source ADEME – Contexte et enjeux– secteur construction.

stakeholders (design, construction and operation) for one or two years after delivery.

Innovation can also be very participative and some large structures have already understood this by striking up alliances with research organizations – Vicat and the CEA – or by creating partnerships between academia such as Lafarge with the Ponts Paris Tech university, not to mention the large number of companies that drive their employees with internal trophies, workshop sessions such as the ones developed by Gecina in its generations 2.0. project.

Lastly, innovation cannot be limited to a structure alone and must be shared among the players of the same sector to be transformed into a driver for changing practices with a view to becoming the market reference. Through permanent intelligence, Gecina seeks inspiration from multiple sources and especially from collective innovation structures such as the Paris region Innovation laboratory and also intervenes in numerous events and training programs to present its reflections, studies and research and development in the perspective of anticipating the trend and contributing to the progress of the entire profession.

7.1.2.3. ETHICS AND COMPLIANCE OF THE SECTOR

Just as other sectors, the real estate sector is concerned about numerous ethical issues. In a competitive environment which particularly affects the acquisition of land and available assets and subject to real estate speculation, due to the natural laws of the market, the goal is to guarantee the transparency and integrity of the internal organization and transactions for stakeholders (shareholders, customers, associations, etc.). The implementation of robust due diligence and control procedures helps to anticipate and track practices that do not comply with the expected loyalty.

The contribution of non-financial reporting plays an important role in confirming that the accounts intended for shareholders and investors are true, so that they can benefit from accurate information on the value of the company's property holding in light of the new CSR trends (such as energy performance and the risk of obsolescence of the property holding).

Furthermore, another critical issue is the prevention of any form of corruption in the real estate sector, where calls for bids are strictly regulated. Accordingly, compliance with buying procedures, good commercial conduct and reasonable diligence, are major ethical issues for the sector. In this framework, the application of turnover procedures for real estate appraisers ensures the independence of property appraisals. In strict compliance with the laws, decrees and regulatory texts, the sector's compliance also applies to the prevention of insider trading on the Stock Exchange, frauds, financial embezzlements, unfair competition and trusts.

In compliance with its legal obligations, the information given, especially to tenants, is true and complete, especially regarding the transparency on prices and charges billed to tenants. The transparency of lobbying elected officials and public authorities is also a powerful compliance issue for the sector (especially regarding the coherence of the positions defended with the CSR strategy of the real estate company concerned).

Lastly, in terms of internal organization, the compliance of practices with the AFEP-MEDEF and AMF recommendations is essential. Gecina goes further than these recommendations by proposing its own ethical charter (see chapter,7.3.1).

7.1.3. INSTITUTIONAL AND REGULATORY CONTEXTS IN MOVEMENT

7.1.3.1. THE GRENELLE,1 AND 2 LAWS IN APPLICATION, A VERY AMBITIOUS REGULATORY CONTEXT.

Improving the energy efficiency of buildings is part of the priority goals of the Grenelle,Environment project. This project set off a genuine "green revolution" that has first impacted the renovation of existing buildings and second, led to a radical technological change for new buildings.

The "Grenelle,1" law (No. 2009-967 of August 3, 2009)

This planning law defines for the existing portfolio the goal of 50,kWhPE per,sqm per year by 2050, with an intermediate stage of reducing energy consumption by 38% by 2020.

For new buildings, it sets by 2020, the widespread development of "positive energy" buildings (BEPOS): a building will produce more energy than it consumes.

New buildings: ground-breaking technologies

Primary energy consumption (PEC) imposed for new builds in,kWhPE/sqm/year

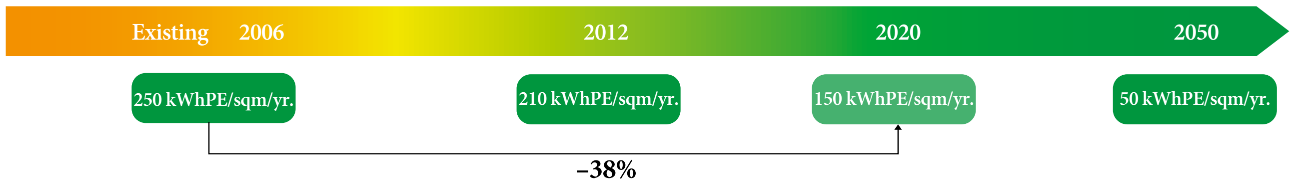
The Grenelle,environment project set the goal of making low-energy buildings (*Bâtiments Basse Consommation*) common place in the new construction industry by 2012 for commercial buildings. The goal is to halve the energy consumption of new buildings and thus to achieve, over a very short period, a greater "energy leap" than that made over the last thirty years. This target was implemented with the adoption of a new thermal regulation (*régulation thermique* – RT 2012) that applies to building permits filed as from October 28, 2011 for new buildings in the commercial and public sectors, and on and after January 1, 2013, for all other types of new buildings.

The new thermal regulation also sets higher standards in the design of buildings. It is a significant contribution to France's "energy and climate roadmap": the "energy leap" made in new buildings is expected to cut CO_2 emissions by 35 million tons by 2020.

This will make France one of the European leaders in the "green" building sector with unparalleled targets and a focused timetable. The development of the BBC (*Bâtiment Basse Consommation*) low consumption building level, that rapidly became the market standard is well ahead of the projected timetable,of the Grenelle,environment project, contrary to what was first predicted by the vast majority of industrial companies.

Existing property holdings: energy renovation

Primary energy consumption (PEC) targeted for all existing buildings in kWhPE/sqm/year



kWhPE: kilowatthour of primary energy.
Primary energy: final energy (invoiced) + energy required for its production/distribution..

The "Grenelle 2" law (No. 2010-788 of July, 12, 2010)

Law enacting a national commitment for the environment. 248 articles (as many decrees or orders have been published or are pending) deal with six major projects: the building industry and urban planning, transport, energy, biodiversity, risks, and governance.

The property market will continue to take environmental efficiency into account in coming years, driven by the new obligations below, which are key for the industry:

- Environmental appendix to the lease for office leases or leases for retail property larger than 2,000 sqm This obligation concerns new or extended leases as from January, 1, 2012 and will become mandatory for ongoing leases, starting from July, 14, 2013 (Decree published December, 31, 2011).
- Work to improve energy efficiency for existing commercial buildings, to be made by 2020. (Decree expected in the first half of 2013).

  The first two obligations will be decisive drivers in building new relations with its customers, geared towards a rewarding partnership built on sustainable and responsible buildings.
- Carbon assessment for companies with more than 500 employees, as from January,1, 2011.
- Environmental and social data reporting in the annual report to be subsequently audited by an independent third party, as from fiscal year 2012.
- Posting energy performance in the real estate sale or rental announcements, as from January, 1, 2011.

The Grenelle,1 & 2 laws also set ambitious goals for the transport sector where the planned measures strive to reduce CO_2 emissions by 20% by 2020 by diversifying and streamlining urban transport and for biodiversity, with the flagship measure of a national "green and blue belt".

The French goal is to halt the recent phenomenon of rapid decline in biodiversity. The new governmental team has strengthened this objective with the announced creation of a National agency for biodiversity on the ADEME model which has proven the efficiency of its energy-driven actions. As these goals affect the sustainable city, the real estate sector is also very directly affected.

Strengthened Grenelle

Since the end of December 2011, governments have adopted a program of actions to promote energy efficiency which presents, for the real estate sector, five key areas of measures:

- support for energy savings work in companies (amplify the mechanism of energy savings certificates);
- support for changes in conduct (set an obligation to turn off commercial neon signs between 1 am and 6 am, review an obligation to turn off the outdoor and indoor lights of non-residential buildings, encourage people to implement ISO,50001 by enhancing the relevant energy savings certificates);
- step up the thermal renovation of residential property (ensure the dependability of energy performance audits, launch a study to promote the sale of real estate assets that use the least energy, examine the clarifications on energy criteria in texts on decency in the rental portfolio);
- support for the use of more efficient equipment (revise the tax on company cars);
- faster incorporation of energy efficiency into government procu-rement contracts.

7.1.3.2. THE SECTOR IS GETTING ORGANIZED IN FRANCE AND WORLDWIDE DRIVEN BY NEW PRESSURE FROM CUSTOMERS

The inevitable,depletion of fossil energy and risks of soaring energy prices, the obligation to publish (since 2011) the evaluation of greenhouse gas emissions and the new thermal regulation (RT 2012) imposed by Grenelle 2, have made tenants more sensitive to the environmental performance of their premises.

In the corporate headquarters market segment, although the location and comfort are still important criteria, high environmental quality has become a decisive competitive advantage.

Offices reflect the image and values of a business. They must therefore integrate the theme of sustainable development. As a showcase of the know-how, proof of contribution to sustainable development of its territory, especially with partners such as local governments or clients, the quality of offices play a role in the coherence of commitments with the business plan for any company involved in a comprehensive responsibility process.

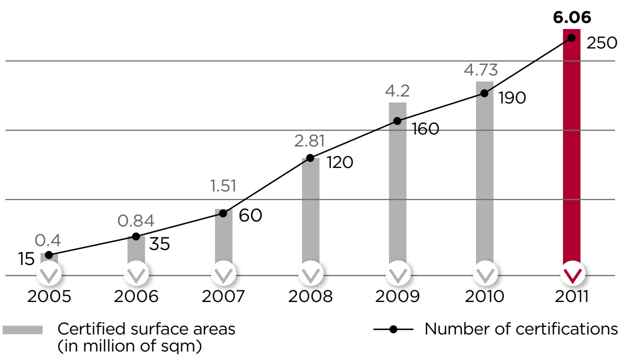
HQE® buildings have managed to gain a strong position on the commercial real estate market and now represent the majority of all commercial real estate and take-up.

About 12% of the total office property in Île-de-France is certified HQE® (source: JLL/Certivéa – February 2012).

Change in certified and non-certified HQE® construction square meters in the Paris region

Source : Jones Lang LaSalle – 2012.

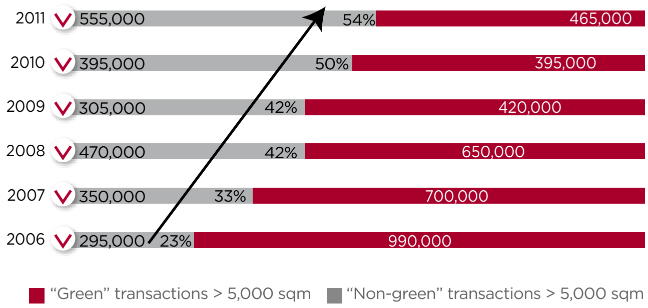
Cumulative change in number of HQE® certifications (office buildings of over 5,000 sqm in the Paris region)



Source: Jones Lang LaSalle – April 2012

In 2011, the percentage of transactions of more than 5,000,sqm signed on HQE® buildings was two times greater than five years ago. They represent 54% of the surface area of 5,000,sqm leased.

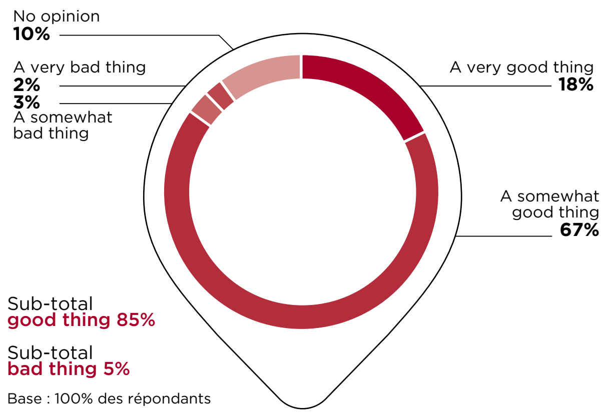
Penetration rate of HQE® in take-up greater than 5,000,sqm in the Paris region



Source: From Jones Lang LaSalle – April 2012

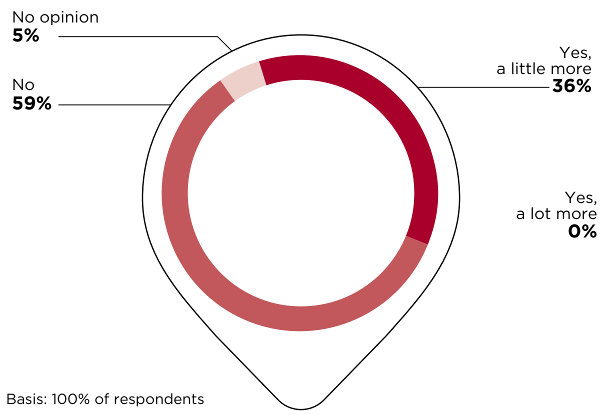
Relationships between landlords and tenants will change, and according to the BNP Paribas Real Estate/IPSOS user insight survey (2012 edition) (7) 85% of users consider that the introduction of environmental clauses into lease agreements is a "good thing" and 36% would even be prepared to pay more.

Opinion about the introduction of environmental clauses in leases



Source: 4th USER INSIGHT 2012 barometer survey – BNP Paribas Real Estate/IPSOS

Agreeing to a rent increase for an environmental label



Source: 4th USER INSIGHT 2012 barometer survey – BNP Paribas Real Estate/IPSOS

(7) User insight 2012 A survey by BNP ParibasReal Estate & Ipsos.

Gecina was one of the first real estate companies to implement a "green lease" long before the publication (on December 31, 2011) of the "green lease" application decree. Since 2010, 33 "green leases" have been signed with its user clients in its largest buildings, for a total surface area of 207,653 sqm, i.e 25% of the total portfolio.

Still a very high level of certification for housing units

According to Cerqual (2011), 120,000 collective and combined individual housing units applied for certification (identical to 2010). The percentage of housing units applying for the BBC Effinergie label amounts to 85% (*versus* 63% in 2010), in response to strong demand especially from investors.

7.1.3.3. THE ENERGY TRANSITION DEBATE

The data of the equation to ensure sustainable energy transition is known. Yet that does not make them any easier to measure and reconcile. On one hand, the scientific, economic and environmental information given to the debate are controversial. Hence a difficult public consultation and major questions that are yet to be answered: what is the actual cost of energy transition? What energy source is the most efficient? What is the impact of the different operating types on the environment? On one hand; to find its place in the energy mix, each energy must demonstrate that it reconciles as much as possible national competitiveness targets (in terms of employment and industrial potential), financial sobriety (limited capital needs, significant and rapid return on investment, limited cost for consumers), energy independence, reduction of impacts on soils, energy efficiency and reduction of greenhouse gases.

Pending the public framework proposed in October 2013, Gecina will continue to improve its overall energy efficiency, in collaboration with the sector's public and private players. In the short term, it's the type of action which best reconciles energy transition goals. That is why Gecina will continue to experiment in renewable energies to learn how to best integrate them in the responsible building initiative. Lastly, Gecina is working on ensuring better measuring and anticipation of the "complete cost" of energy, for its specific operation and its clients. With respect to these trends, Gecina remains alert to ensure optimum reaction to the new energy deal.

7.2. A CSR POLICY IN RESPONSE TO THE EXPECTATIONS OF STAKEHOLDERS

7.2.1. PRESENTATION OF GECINA'S STAKEHOLDERS

One of the pillars of the CSR policy entails setting up a formalized procedure for listening, answering and monitoring the expectations of its stakeholders. Gecina endeavors to do so by focusing on identifying the interactions of its activity with the representatives of its different categories of stakeholders listed below. It collects and analyzes their expectations, sometimes contradictory, optimizes the impacts of the activity to anticipate and better manage potential disputes. Lastly, through dialogue, Gecina ensures the smooth integration of the stakes identified by its stakeholders in its CSR policy.

Gecina has identified several groups of stakeholders:

- **Customers.** The management of customer relations is handled by each of the business divisions. Gecina conducts satisfaction surveys with its corporate customers, exchanges with them on CSR topics through Gecina Lab and gradually integrates these aspects into its contracts (green leases) by providing the expected comfort conditions. Concerning residential assets, the issue at stake is sharing with tenant clients the so-called "responsible building" strategy, for example through the *Conseils de Concertation Locative*, and signing medium/long term agreements with them on CSR issues.
- **Financial stakeholders.** They contribute the capital (in shares or debt) required for the development of Gecina or recommend capital finders. In order to maintain its appeal, the Group organizes presentations dedicated to analysts. The shareholders' voting mechanisms are described in chapter 7.3.4 of this document. The non-financial credit agencies evaluate Gecina's transparence, progress and performance in the area of CSR by using the basis of all the non-financial and financial information provided to them. The weighting of analysis criteria reveals new expectations and detects possible gaps between priorities in CSR and Gecina's CSR policy. The Group rigorously completes the questionnaires sent by the agencies and participates in the leading non-financial league tables (see league table in chapter 7.4.3); as can be observed in the results, this is fruitful.

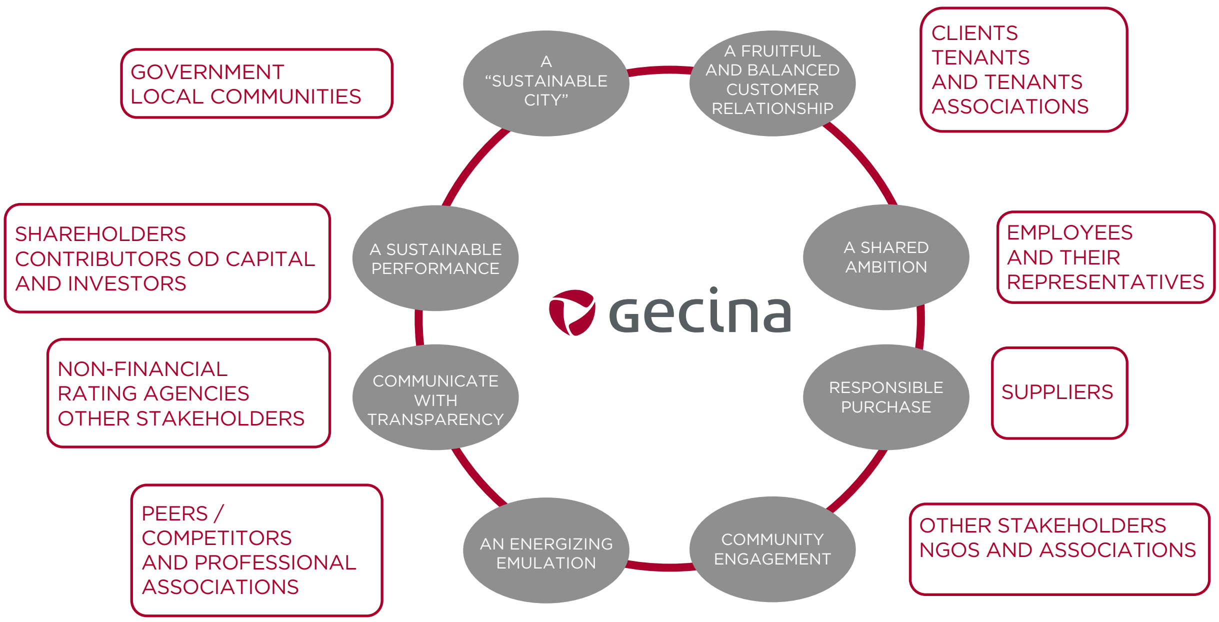
  These financial stakeholders raise two major questions: in what way does sustainable development impact Gecina's economic model and competitiveness? Does the CSR policy help to take advantage of these trends and convert these risks into opportunities by creating value sustainably for Gecina and its stake holders?
- **Public stakeholders.** Local communities and elected officials shape the landscape of the sustainable city (through especially the landscaping and sustainable development projects and local town planning plans) and issue the authorizations required to develop Gecina projects (direct impact on the ",license to operate"). In this framework, Gecina identifies fundamental societal challenges and takes account of public concerns in its projects in order to show its contribution to the sustainable city and the local positive print, at the heart of its projects.

  With respect to the French State, Gecina ensures compliance with procedures and payment of taxes and levies. Furthermore, Gecina participates in the discussions carried out by the industry and by FSIF, on the SIIC tax regime and seeks to model its direct and indirect tax impact.

(8) *French National Real Estate Federation.*

- **Suppliers.** Through its dedicated policy, Gecina implements its determination to integrate CSR into purchase procedures and ensures that significant suppliers have practices coherent with Gecina's CSR policy (cf. risk-driven management approach). Responsible buying also entails involving upstream suppliers and commercial partners in the broadest sense in technical, operational and usage innovations in order to fuel the "responsible building" approach (cf. complementary approach through opportunities).
- **Peers and competitors and professional associations.** Gecina participates in the work groups and think tanks of players in its sector especially on CSR issues (see description of the France GBC industry reporting standards to which Gecina contributes, etc. in chapter 7.4.1.2 and 7.5.2.1)
- **NGOs and associations** active in the framework of life and urban planning. Gecina meets the expectations of these stakeholders through solidarity involvement and attentiveness, focused on coherent projects with activity and the Group's CSR policy. Internally, in the context of skills sponsorship, employees become involved in long-term partnerships and Gecina pays continuous attention to the messages of civil society.
- **Employees** whose expectations regarding conditions of work, remuneration, employability and professional development are processed in the context of social dialogue initiatives and are integrated within human resource progress policy.

Adopt a responsible behavior with our stakeholders



7.2.2. MATRIX OF MATERIALITY

In 2012,,Gecina,decided to update its stakes mapping by taking inspiration from the latest benchmark methodological developments (SASB – Sustainability,Accounting Standard,Board, GRI – Global Reporting Initiative, the AA1000 Standard Assurance, and the IIRC, the International Integrated Reporting Council). This materiality test authorized Gecina,to clarify the impact of major CSR stakes on its business model and estimate the criticality. In addition to proposing a snapshot of the CSR context applied to Gecina,activities in 2012, this analysis serves as a decision-making took to adapt the action priorities to short, medium and long term developments. This mapping was based on a preparatory work of the employees of the CSR team who met at a seminar then compared with the opinions of stake holders, at individual meetings.

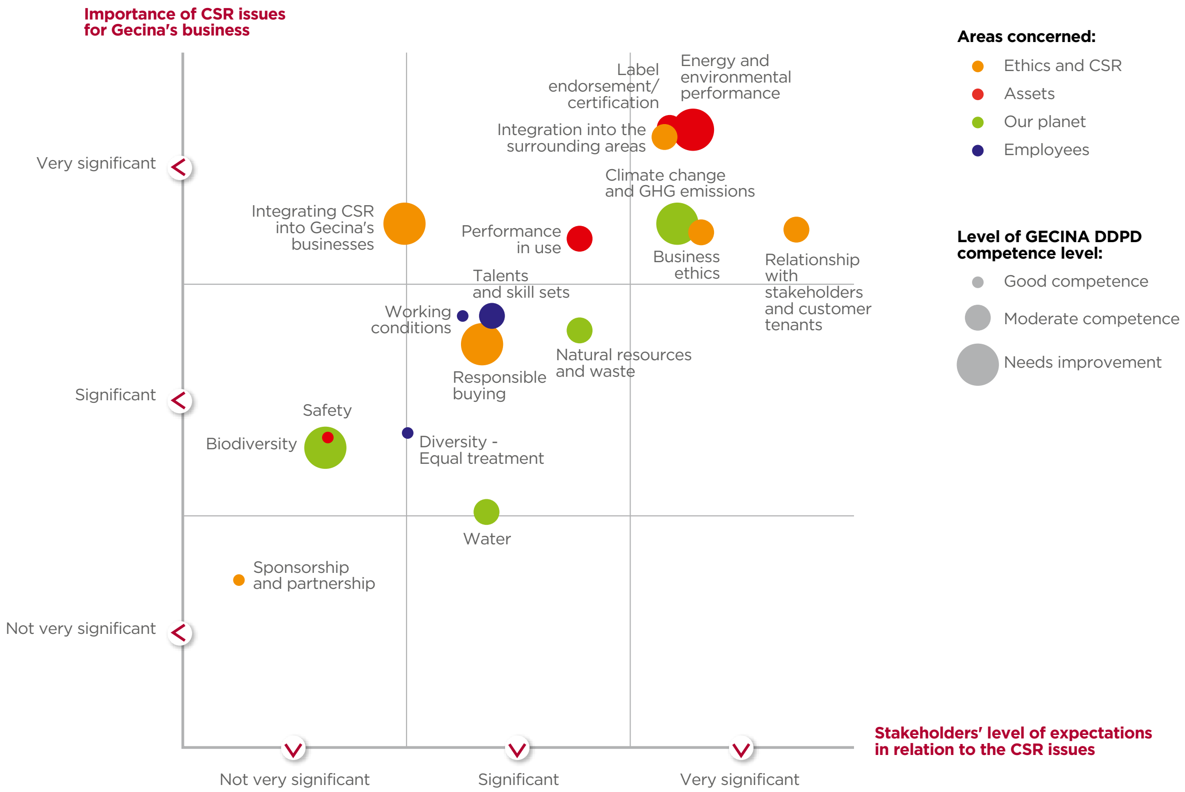
The work process took place in four stages:

- segmentation, definition and characterization of the impact of CSR issues on,Gecina's economic model;
- opinion of internal (executive committee) and external stake holders on the segmentation of issues and their criticality for performance;
- confrontation of the importance of each issue at its level of command by Gecina;
- final mapping of the issues and validation by the executive committee.

This method gives Gecina,the necessary distance for reviewing its current CSR strategy to test the financial materiality of major stakes, in order to rank them and anticipate them as best as possible.

Beyond the first representatives of external stakeholders met on this occasion (customers, appraisers, local communities, etc.), Gecina intends to set up, during the first half of 2013, a genuine "stakeholders" committee which will serve as a forum for constructive dialogue, both in terms of the policy implemented to cope with the challenges and in terms of the concrete results obtained.

Mapping Gecina's CSR issues



7.2.3. MANAGEMENT OF RISKS AND OPPORTUNITIES

Modeling the impact of the price of energy on the future needs of tenants

Gecina launched a study program in 2011 to identify and financially evaluate the risks linked to sustainable development based on several pillars. "The energy pillar" is aimed at analyzing and modeling the calculation of energy cost as a function of parameters such as the variation of the Group's energy mix. One of the scenarios is aimed at modeling the impact of a 20% to 30% increase in electricity cost on the energy bill by 2015 to 2017 [9] which would result, for example, from the policy to finance the modernization and reinforcement of the security of the distribution network or production park.

Today, Gecina works with its tenants to develop their win-win relationship around shared objectives and good practices in environmental and energy matters. There are numerous benefits to such an initiative: reducing energy and water consumption charges, reducing future risks linked to energy prices, reducing the risk of obsolescence by anticipating any asset impairment due to the integration of energy performance as an asset valuation criterion.

In continuation of this initiative, Gecina is endeavoring to deepen its understanding with respect to:

- the energy consumption behavior of occupants of its portfolio;
- the energy efficiency demand of its tenants, with a share of "pioneers";
- the development of energy production systems.

(9) Recommendations of the french Regulatory Commission of Energy (February 2013)

Ultimately, it's about understanding the weight of the energy performance criterion in the rental decision of customers. Anticipating the needs of future tenants and complying with existing or future regulations (commercial renovation decrees) as its primary goals of Gecina's energy strategy. The group wishes to fine-tune the estimate of return on investments from its energy efficiency initiatives: beyond purely financial parameters, the estimates may value parameters such as environmental awareness, brand image and impacts on the value of the property holdings.

On this topic as well, the group is concerned about sharing and enhancing its talks with financial and sustainable development experts. To this end, it works with the Ernst&Young firm in studying the impact of energy price on final energy consumption, CO_2 emissions and changes in tenant behavior and decisions.

Characterizing the relationship of tenants with their building's energy performance

The Group is highly involved in energy transition

The real estate sector represents the main potential for immediately exploitable,energy savings, for which investments are identified as being the most profitable.

As an operator of real estate property holdings, Gecina, in collaboration with its tenants, wishes to contribute to the achievement of the goals set by the Grenelle,1 (*e.g.* 50,kWep/sqm/year by 2050 for the existing portfolio) and the European Union Climate Plan (20% of renewable energy in the European mix, 20% of energy efficiency gains, 20% reduction of CO_2 emissions by 2020).

The group is actively involved in real estate projects at the cutting edge of consumption control and comfort such as the Newside building near La Défense. For the fifth consecutive year, Gecina has been on the podium (three times as number one) of the ranking of real estate companies within the 2012 Novethic-Ademe survey. This survey analyses and measures the quality of real estate companies' reporting on the energy and environmental performances of their portfolio.

Modernizing work methods

Faced with a growing demand from their employees, businesses increasingly seek to satisfy workplace accessibility needs and flexible working methods. This plan goes hand-in-hand with progress in digital technologies, the growing percentage of information jobs and family constraints.

These changes have led to a more flexible way of working in new environments: co-working areas in city centers, public areas are equipped with Wi-Fi, and urban telecenters serving the residential areas of large cities. In 2012, 12% of the working population in France (26% in the Paris region) worked from a remote location at least eight hours every month [10]. In the Paris region, by 2020, more than 150,000 teleworkers could be working in telecenters according to the *Caisse des Dépôts* [11], for a demand of 1.5 million,sqm. This represents a huge market potential for Gecina, which currently operates 1 million sqm of offices.

Anticipating the mobility of occupants: a key issue for the Group's strategy

Strategic issues in mobility

Gecina studies the needs of its tenants with respect to flexible working areas, in connection with changes in the mobility trends of its occupants. To do so, Gecina relies on the Generations 2.0 project which seeks to encourage the emergence, for its own employees, of new practices and develop new ways of exchanging and working together through the use of new information technologies.

The goal is to optimize the group's offering and its positioning on the market of commercial real estate: a genuine opportunity for self-differentiation with respect to the needs of its tenants. The following actions have been identified in connection with this strategy:

- prepare a questionnaire for tenants for better insight into the commuting habits of employees;
- evaluate the tendency of employees to adopt new forms of working;
- measure the real estate demand resulting from these new trends;
- draw the necessary conclusions in terms of strategy positioning.

To deploy these initiatives, Gecina has been primarily working with Ernst & Young since the end of 2012 on:

- analyzing changes to working methods;
- assessing the needs of tenants and occupants;
- identifying market opportunities;
- preparing a strategy and an action plan.

7.2.3.1. ADAPTING TO CLIMATE CHANGE

Anticipating the property holding risks linked to climate change

For Gecina, the need to control environmental risks is a fundamental aspect of its long-term environmental strategy.

Today, the Paris region experiences each year on average, one day of heat wave watch (more than 35°C), with 10-day peaks (2003). During the second half of the 21st century, the average will be 2 to 8 days a year according to scenarios, with peaks of up to 40 days [12]. The increased frequency of heat waves is one of the principal climate risks facing the Paris region's real estate property holdings.

It is essential to integrate these climate changes into the anticipation of risks. In the case of heat waves, the issue at stake involves adapting air conditioning facilities.

(10) Working parents in favor of remote working (Les salariés parents plébiscitent le télétravail), Le Figaro, May 16, 2011.
(11) The territorial issues at stake in the deployment of telecenters in France, Caisse des Dépôts, December 2011.
(12) "Livre Vert: État des lieux des enjeux climatiques", Paris Region, July 2010.

Management of environmental risks

In its risk mapping, Gecina has already undertaken to develop the financial measurement of climate impacts through several scenarios such as risks of flooding or natural disasters. The group has developed risk anticipation actions, especially with respect to the exposure of its real estate property holding to flooding risk, such as the major flooding of the Seine in 1910.

The next page will entail studying how to adapt air conditioning equipment to cope with climate change. To do so, the group has chosen to be assisted by Ernst&Young. The issue at stake is to anticipate future investment needs for optimized performance in terms of energy efficiency.

7.2.3.2. OTHER RISKS AND OPPORTUNITIES

Gecina recognized no provision or guarantee in 2012 to cover environment-related risks.

So far, Gecina has not recorded any complaints based on violations of privacy and loss of data on customers.

At the Group level, no significant fine was identified for non-compliance with the laws and regulations regarding the provision and use of its products.

7.2.4. OUR COMMITMENTS: GOALS, ACTION PLANS AND KEY PERFORMANCE INDICATORS

7.2.4.1. CSR POLICY

Since 2008, Gecina has been implementing an ambitious CSR policy, structured around three major focuses:

1. Controlling the environmental footprint;
2. Developing people-oriented property holdings;
3. Adopting responsible behavior with stakeholders.

Initially comprised of six commitments, focuses 1 and 2 of the policy were considerably completed in 2011 to include 11. First of all, as an extension of 2010, declared International year for National Biodiversity, in 2011, the group added two new commitments to focus 1:

- non-renewable raw materials;
- biodiversity.

Gecina strives to ensure that its environmental balance stays positive over time, in other words, the costs linked to the extraction of non-renewable raw materials and activity (utilization of soils, discharges, etc.) are lower than the income generated (conservation and strengthening of the flora and fauna).

Furthermore, Gecina has extended the scopes of "Energy efficiency" and "GHG emissions" to include "renewable energy" and "climate change" respectively.

Although the Group focused on reducing future energy needs right from the design of new buildings and the installation of low-energy equipment, Gecina targets renewable energy as a means of making buildings more efficient and not just as window-dressing to hide a poor design.

Since 2011, Gecina has developed an initial approach to quantify the monetary impact of risks and climate change through:

- simulation of the cost of a potential carbon tax;
- analysis of the financial impact of changes in consumption and energy price;
- assessment of the biodiversity of a site.

The second sustainable development focus for Gecina entails the development of a property holding attentive to the needs of people with the goal of continuing and measuring its actions on the themes of:

- health, namely the health quality of air, water and inhabited spaces;
- comfort and wellbeing, especially acoustic, olfactory and visual comfort.

With regard to ease of access to buildings, Gecina continues its efforts through two commitments:

- accessibility/adaptability;
- connectivity/clean transportation.

In 2012, Gecina completed the analysis of its residential property holding to identify the measures required to facilitate access to buildings for various disabilities: motion, vision and hearing impairments.

Lastly, the Group ensures that all its properties are close to public transport and promotes the use of clean transportation. With 92% of the properties in service located in Paris and in the Paris region, Gecina already takes account of the "Greater Paris" project in its investment choices and geographical repositioning.

The third focus of Gecina's sustainable development policy requires the Group to adopt responsible conduct with its stakeholders and has identified five commitments:

- oversee fruitful and balanced relations with its customers which is borne out by satisfaction surveys in residential property since 2000 and initiatives from the Gecina Lab think tanks with a number of major accounts from the commercial real estate segment;
- promote professional development and galvanize employees (actions of the sustainable development week, assistance for in-house career progression, exemplary head office project, etc.);
- implement responsible purchase practices with business partners and suppliers;
- engage in civic policies;
- contribute to ideas and works regarding the definition of best practices.

The first two focuses are summarized in the responsible building concept.

7.2.4.2. THE RESPONSIBLE BUILDING [13]

Gecina participates in the planning and development of responsible cities by deciding, building, managing or operating responsible buildings. A responsible building is a building designed in a sustainable development perspective, and the societal responsibility of each of its stakeholders. First of all, it is a building that fits seamlessly into all the components of the city and the neighborhood, that is healthy and comfortable, as well as energy-efficient, whose environmental footprint is positive or controlled throughout its entire life cycle. It is also:

- an **eco-designed building**

  The design, for new or renovated buildings, is an essential step for meeting the client's technical, esthetic, economic, health – comfort, environmental concerns, while taking a building's entire life cycle into account. In bioclimatic terms, the shape of buildings is a decisive factor in optimizing energy consumption. The design team must in particular:

  - take into consideration the expectations of all interested parties and especially of the building's users and operators,
  - derive maximum advantage from the territorial context,
  - select the products, building systems and equipment to reach the objectives assigned to the building,
  - optimize the value of the asset and its various costs (building, maintenance and operation).
  - Model the impact of a building on the productivity of occupants, apprehend the components of its non-financial value,
  - evaluate non-apparent impacts/externalities through an analysis of conceptual and constructive choices;

- an **eco-built/ eco-refurbished building which is deconstructed at the end of its life**

  Implementation must be meticulous to guarantee performance. All the work phases must be designed and developed to limit nuisances both for staff, local residents and for the environment;

- an **eco-managed building**

  The parties in charge of managing energy, water, activity waste, servicing and maintenance, associated with the building's design, strive to ensure optimum performance to maintain the initially planned performances or even improve them during the building's service life. The actions of the various parties most involved in each stage of the building's life cycle are coordinated through a management system tailored to the size of the project. The management system requires in particular, that at each stage where responsibilities are transferred, appropriate documents must be supplied to allow each party to gear its actions towards the achievement of the operational goals (commissioning, etc.);

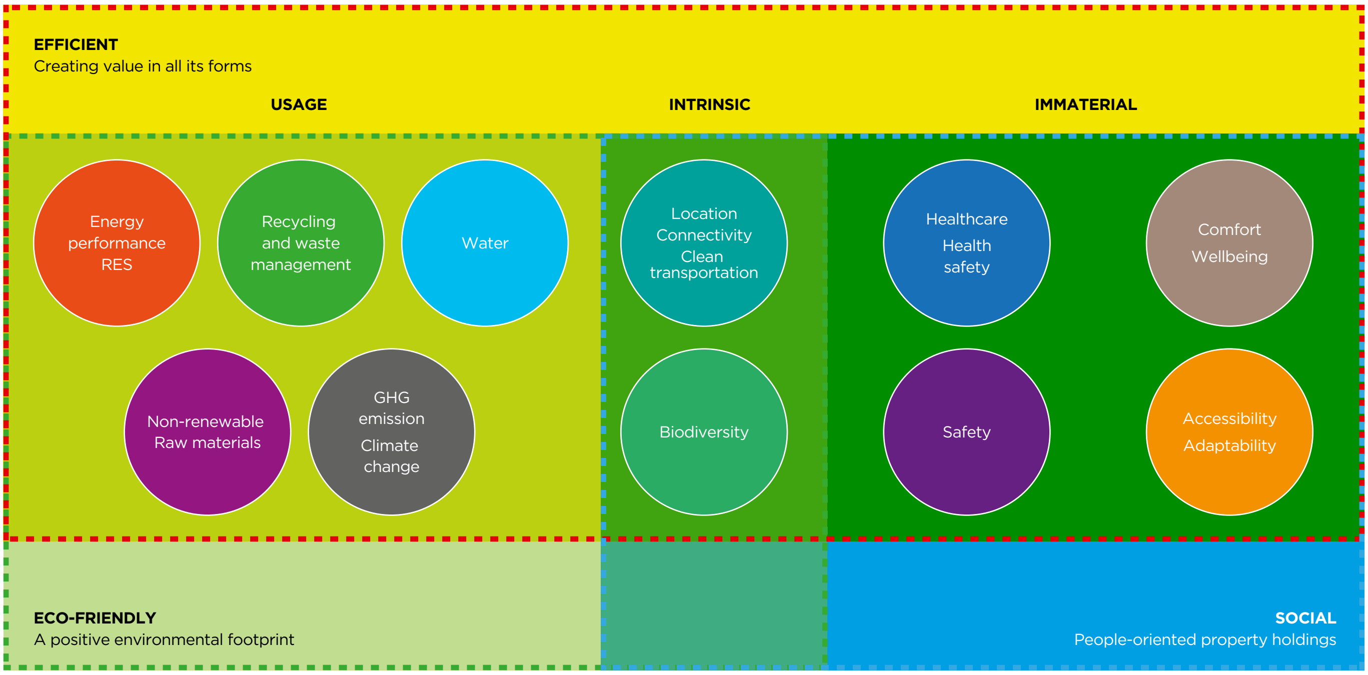
- an **eco-utilized building**

  Building users play a critical role. They must be involved to ensure that they act responsibly and use the full range of the building's potential, especially in terms of quality of life, productivity and operating costs (energy and water consumption, servicing – maintenance, etc.);

- a **building with rated performances**

  Performance rating in terms of comfort and environmental and economic impacts whether planned (design phase : use scenarios) or measured (use phase) should be a key concern for the parties involved and be subject to a performance bond as soon as possible.

The responsible building



(13) *In line with the concept proposed and adopted by France GBC.*

7.2.4.3. CREATING VALUE IN ALL POSSIBLE SHAPES

The definition of value for Gecina as a real estate company covers several concepts. The specific value of the property holdings, known and measured year after year, takes account of new concepts including potential costs of quantified environmental impacts and potential income from outside sources that the company can create not only for its tenants, but also for communities by setting up in their area.

The transformation that began with Grenelle,1 intensified with Grenelle 2 and has picked speed as awareness grows among stakeholders. The challenge facing the real estate sector is inevitably leading it to integrate "green value" into its businesses and practices.

Green value of the property holding?

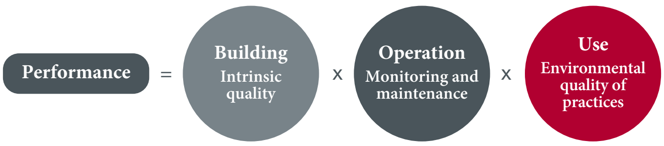
Energy transition, the core of the Grenelle,building program, is an active component of making real-estate environmentally friendly. As such, energy and resulting CO_2 emissions measured *via* Energy Performance Audits are the only criteria that can be identified to establish green value. While numerous studies have tried to pinpoint the exact nature of green value, virtually all of them have just focused on energy.

However, in addition to this issue, ultimately buildings cannot be made greener without taking account of comfort and health, which also reflect the demands of end users, the decisive factors for the environmental footprint of buildings (grey energy, water, waste, consumption of finite raw materials, etc.).

In this perspective, numerous signs of building quality coexist and in due time will need to be clarified to retain those that will effectively help to ensure the desired quality and therefore identify green value by incorporating it as an appraisal factor for buildings.

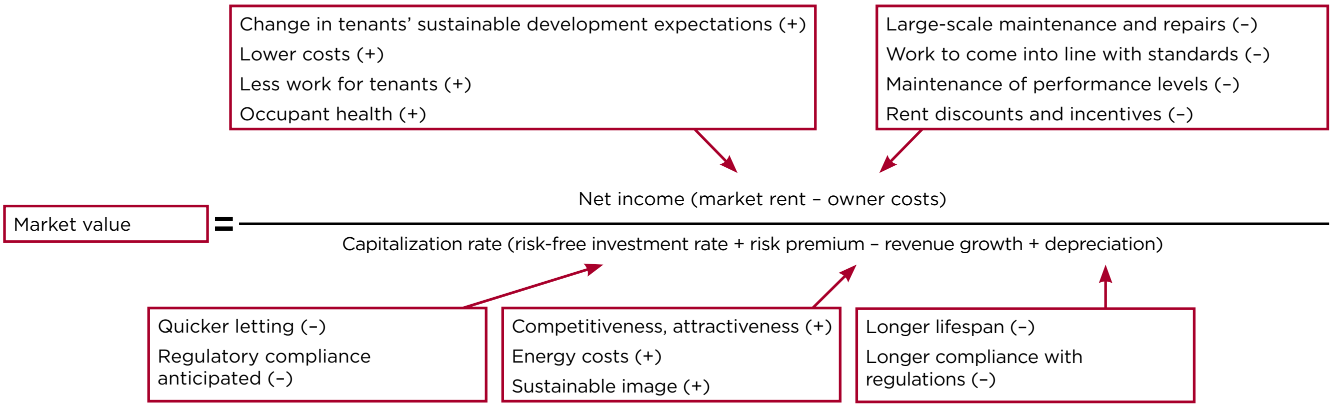
Several organizations have attempted to define green value through its constituent components. However, rather than a higher value for green buildings, we currently notice a discount on buildings without account being taken of environmental quality (*e.g.* certifications, energy label, etc.).

Denis François, Chairman of CB Richard Ellis Valuation and Raymond Gianno, Lawyer and partner AFFIRAE stress the fact that "obsolescence is indeed a constant risk, but it affects old and heterogeneous markets more (*i.e.* Europe) and is intensifying with the rapidly changing needs of end users (*e.g.* safety, technical, environment, environmental labels, EP value, environmental appendix to the lease and the green lease, mandatory financial reporting).In addition, the recession delays and then accelerates the effects of obsolescence, and that is why the transformation/reconstruction of obsolete buildings becomes crucial". (From IEIF – members meeting of November 17, 2011 – Real-estate obsolescence: false alert or real market?).



Sources: "Green Value: turning concept into practice" 2009

Environmental factors that can influence market value



Sources: Dr David Lorenz MRICS.

RICS *Sources:*
Excerpts from the economic study on the green value of CERQUAL real estate.

Gecina should factor in an assessment of new risks linked to the challenges of certifying new buildings and/or buildings in operation. So, what would be the impact on rental income of a new building delivered without reaching the expected level of certification or what would be the impact of a worse environmental performance of a building in use?

This is why Gecina decided to make "responsible" buildings a core focus of its sustainable development commitment by working on efficient usage with its tenants, specifically through Gecina Lab, a think-tank for discussion and sharing with these key account clients on all sustainable development issues.

While reviewing these new issues, in 2011 Gecina launched with the company Goodwill a study on the connections between environmental improvements of buildings (i.e. comfort, health quality of workplaces, reduction in consumption etc.) and the productivity of the tenant company, of which the first results were passed to several real estate companies and were the subject of a conference organized with France GBC at SIMI in 2012. A recent study ("Performance of Organizations" chair at the Paris Dauphine University/UCLA Institute of the Environment) published in 2013, supported by the AFNOR group, confirms the relevance of such an approach. The study found a 16% increase in the productivity of workers in companies that had adopted environmental standards such as ISO 14001.

A telling sign of the increased importance of the green value concept was the high sales price of ORIGAMI, a building certified NF HQE® commercial buildings process, with the THPE label and covered by a green lease signed with Barclay's with the goal of reaching the NF certification HQE® commercial buildings in operation. This represents confirmation for Gecina in this major focus of its policy.

Quantifying environmental impacts

Gecina has identified four issues that can impact the value of companies:

- increased energy costs from the scarcity of resources and climate change (see chapter,7.2.3 above);
- a new carbon tax;
- assessment of the disappearance of biodiversity; and
- a definition of a globally applicable accounting system.

Principle of a carbon tax

The principle of a carbon tax is intended to promote a change in the behavior of families and companies towards lower energy and carbon consumption and purchases. The July 28, 2010 "Rocard" report concluded that the Climate-Energy Contribution (CCE) is a critical measure for combating greenhouse gases. It stresses that this CCE should start at a level of €32 per ton of CO_2 (*i.e.* 7 eurocents per liter of gasoline and 1 eurocent per,kWh of natural gas), to reach €100,per ton of CO_2 in 2030. This contribution would become a strong signal for encouraging innovation especially with respect to reducing the energy consumption of buildings and alternatives to polluting methods of transport.

Initially to stimulate the awareness of stakeholders on this issue, Gecina introduced a CCE assessment by applying a value of €32/t of CO_2 emitted while performing sensitivity tests that could lead to a higher valuation. In view of the above, the Group assesses the 2012 impact of this tax at just under €1.1 million (0.2% of gross rental income).

Principle of the assessment of biodiversity

Biodiversity is not traded on a market and as a result has no identified price even if the cost of its deterioration can be estimated by the disappearance of services rendered, otherwise known as ecosystemic services, in other words a useful natural process and often essential for society. The value of biodiversity can therefore be expressed through the costs aimed at limiting or repairing damage caused by the decisions or actions of an organization (*e.g.* urbanization, use of automobiles, excessive use of artificial resources in farming, etc.).

While aware of the limitations of the exercise, the Group, in partnership with the Club Méditerranée, carried out a study on the Opio site, a holiday resort located on the Valbonne plateau with the company Gaïa domo, known as the Bio,Compta® method [14].This evaluation consists of quantifying biodiversity, considered as a "biological resource" and ending up by attributing it a financial value. Without going back on the critical points of the method, it relies on existing biodiversity indicators, as prepared by countries in conjunction with commitments made at the September 2002 Johannesburg Summit. These indicators were based on data and existing collection networks.

In conclusion to this study, the Gaïa Domo agency imagines that one day it will be able to add the biodiversity assessed on a site's plots of land to a property valuation, given that the biodiversity meets the definition of a biological asset under IAS 41. Consequently, the financial value of biodiversity would appear as an adjustment to an asset value, already present within the meaning of IAS 8, being a valuation difference and could be accounted for pursuant to IAS 16.

The adjustment resulting from the revaluation of properties could then be carried out in the consolidated financial statements by posting:

- an increase to Goodwill (within Non-current assets, Tangible fixed assets);
- an increase to Revaluation gain/loss (within Equity).

This accounting method will affect the presentation of the company's financial statements by increasing both the company's equity and assets through the value of its fixed assets.

However, it is important to stress that BioCompta® is in a Research & Development phase and that other systems are being prepared. In return, it would be necessary to evaluate all the company's external factors.

It is in this spirit of exploring new ways and anticipating possible consequences that Gecina is participating in the works of *Orée* and especially in the "Economy and Biodiversity – Accounting phase" Task force.

(14) Enhancement and protection of biodiversity shown on the site of the OPIO holiday village – Gaïa Domo agency July 2011.

Note that Gecina sought an alliance with the foregoing working group through the research conducted on the same theme within "HQE Performance" (see 7.5.2.3.1). Gecina expects these efforts to result in a pooling of the corresponding research and resources for an even more active participation during the first half of 2013.

Towards "global" accounting

The aim is measuring the environmental, social, societal and governance external factors of a company's business.

The first step is aimed at defining the measurements for ultimately, enabling strategic management through the integration of all aspects of sustainable development. On this issue, McDonald's France has initiated a task force, open to different stakeholders and led by Comité 21. Gecina participated in the first meeting on November 29, 2011 and wishes to continue contributing to this work.

7.2.5. OUR ECONOMIC CONTRIBUTION: BREAKDOWN OF THE VALUE CREATED BY GECINA

As a large listed real estate company, Gecina positions itself as a major player in the value creation chain of the real estate sector. The sector creates wealth, drives growth and accounts for more than a quarter of the overall net worth of France. It provides jobs to more than 2 million people. The SIIC tax status introduced in France in 2003 to give individual investors the same real estate investment opportunities as institutional investors, is based on the mutual fund principle: a fiscally-transparent entity insofar as it is invested in real estate, derives the bulk of its income from rentals, distributes the bulk of its earnings and a significant portion of realized capital gains and has a broadly diversified shareholding.

By promoting projects that help to revitalize territories and modernize cities, Gecina, like its peers, generates economic benefits invaluable in today's economic climate, including creating jobs.

In 2012, Gecina injected €331 million worth of orders into the construction and public works industry, both through the building or intensive restructuring of buildings, and through building improvement and maintenance works.

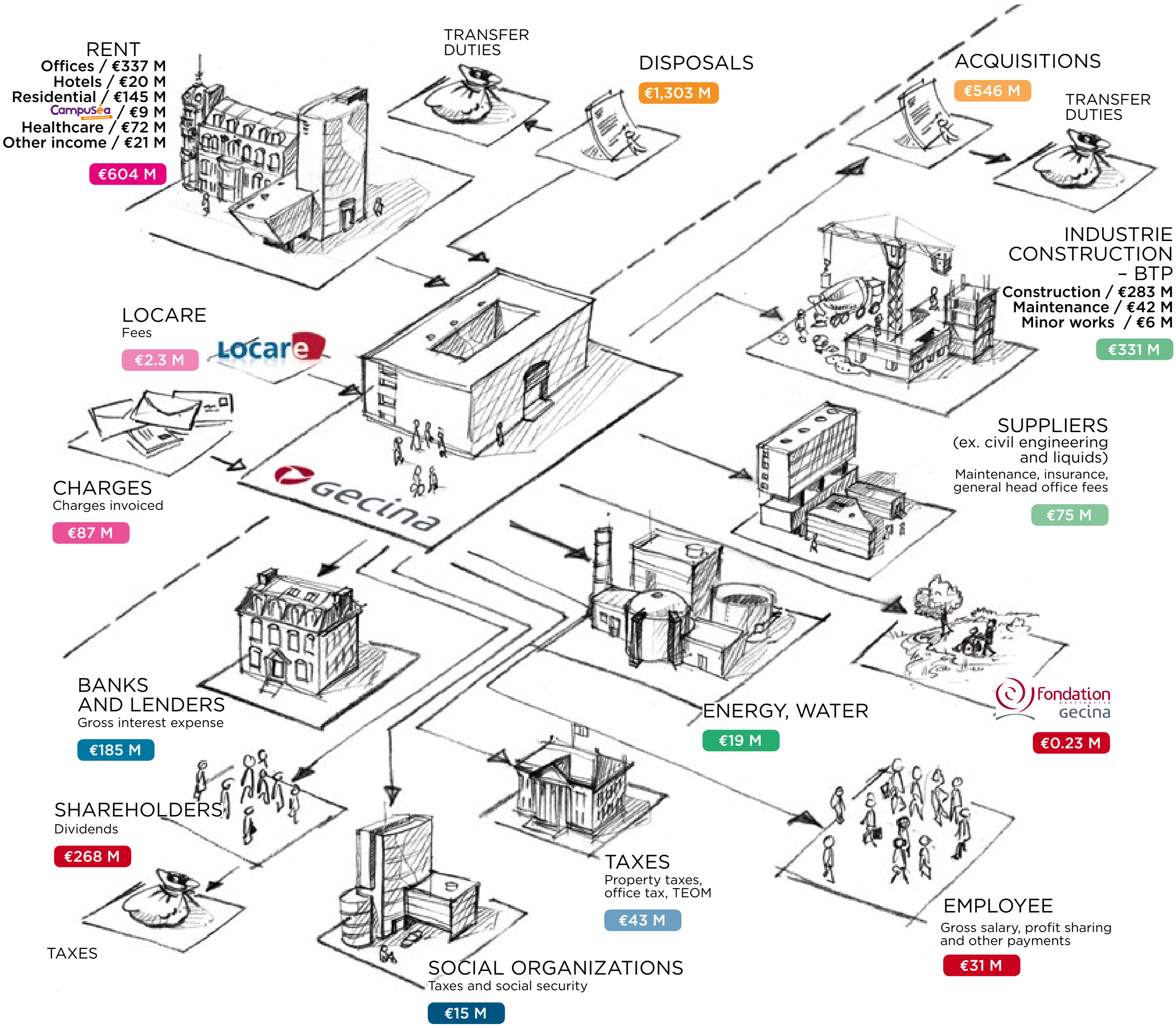
The Group has a gross payroll of €31 million.

Maintaining its debt-to-equity ratio around 40% to ensure sound management, the Group finances part of its developments through the regular turnover of its matured assets.

Gecina paid a total of €19 million for its water and energy bill which is mostly recovered from tenants.

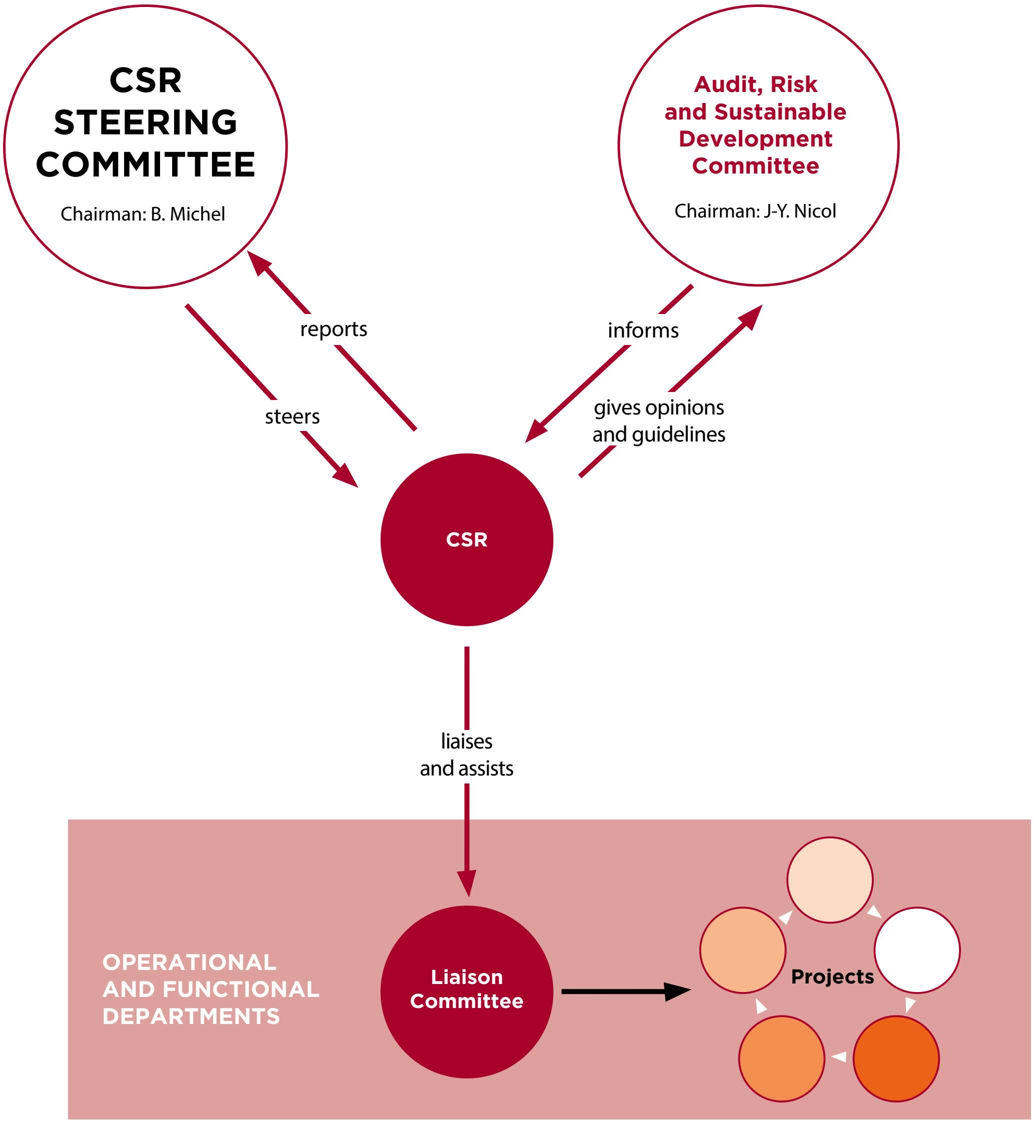
The Group develops means of evaluating the impact of its activity in terms of jobs and regional development and measuring its use of external service providers. In this respect, Gecina joined the "Mesure de l'empreinte économique locale" (measuring the local economic footprint) working group created by the Conseil Supérieur de l'Ordre des Experts Comptables (French supreme council of chartered accountants). An example of Gecina's local integration in the healthcare area can be found in the projects that Gecina helps to bring to life. Gecina creates benefits for the society through the construction of new healthcare facilities that centralize services that were previously dispersed in several facilities, thereby generating operating savings and benefits for the society as in Le Havre and Carcassonne.

Gecina Group's direct contribution to economic activity



7.2.6. STEERING AND COORDINATION OF THE CSR STRATEGY

7.2.6.1. A SHARED AMBITION: A STEERING COMMITTEE AND A LIAISON COMMITTEE FOR THE CSR PROCESS



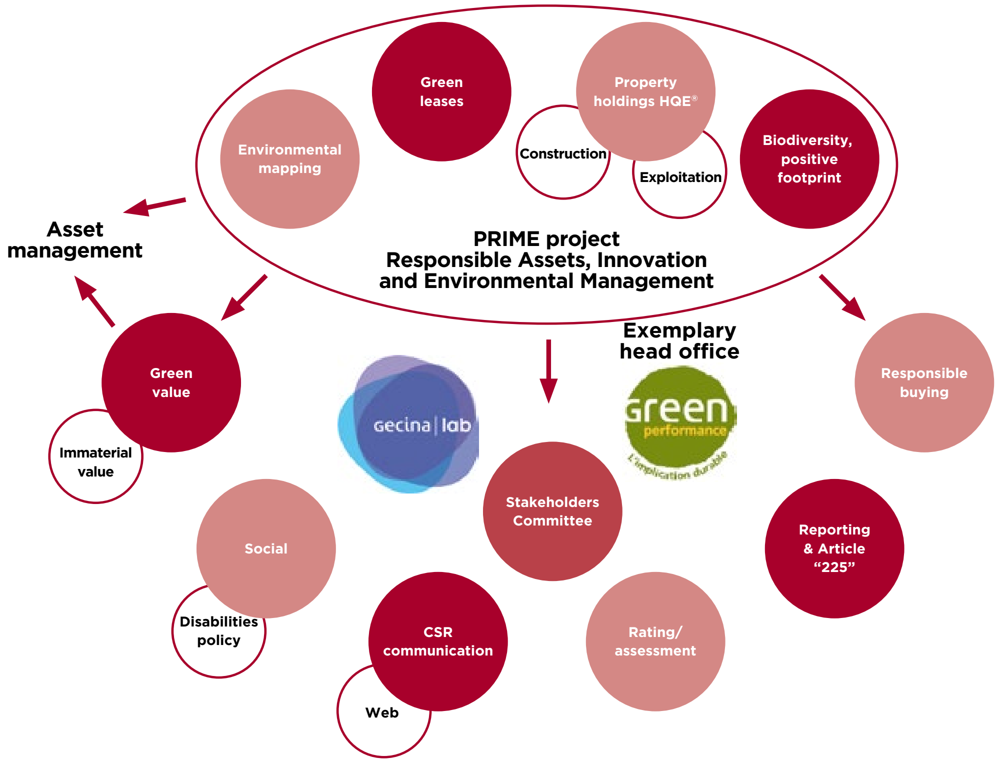
At the end of 2011, Bernard Michel, Chairman and CEO, decided to refocus the organization of Gecina's social responsibility on a main CSR steering committee in charge of:

- anticipating the areas in which Gecina must structure its process;
- defining the ambition, the goals and related action plans and assigning the right resources for reaching them;
- assessing actions initiated, ensuring compliance with the roadmap and updating if necessary the strategy tailored to three areas and 13 commitments, aimed at positioning Gecina as a leading real estate company in this matter;
- defining and organizing theme-based committees dedicated to the principal points of action.

Chaired by Bernard Michel, the committee meets every quarter, since February 2012.

Early 2013, at the same time as the implementation of the PRIME project (which stands for responsible property holdings, innovation and environmental management), the CSR liaison committee organized monthly meetings with the leaders and parties of the different projects (see 7.2.6.2 below).

7.2.6.2. A PROJECT MODE ORGANIZATION



The CSR department coordinates macro work groups on each of the topics under study.

In early 2013, the "PRIME*" project under the economic division was launched to lead the decisive change towards a responsible property holding. This project will focus on searching for best-in-class environmental standards, innovative operations management, energizing tenant/customer relations by deploying environmental appendices and developing new commitment contracts that guarantee collective result and performance.

7.2.6.3. ACTIVE PARTICIPATION IN REPRESENTATIVE BODIES AND THINK TANKS

Spreading and sharing of techniques

Much more than intelligence gathering, this involvement contributes methods that set standards and boost innovation. It facilitates the enhancement of employee skills through the dissemination of cutting-edge ideas and techniques and experimentation of new practices.

The Group is an active member of organizations that represent the construction and real estate businesses.

This participation helps Gecina to stay abreast of challenges, anticipate the future requirements of its business sector, act and establish recommendations for the sector leading to new practices.

Grenelle,Building Plan

Gecina has been an active member of the "private-commercial" working party within the Grenelle,Building Plan, through its participation in the "Existing building", "New-Build", "Green lease" and "Energy savings certificates" subgroups. In 2011 and 2012, Gecina also participated in the "energy performance guarantee" and "works on the existing commercial property" groups.

After a year of work, the "quality sign" group co-chaired by Gecina (Yves Dieulesaint) presented its recommendations at the end of 2011 & early 2012.

France GBC

Gecina is a founding member and member of the board of directors of France Green Building Council (France GBC). The aim of the association is to galvanize the French construction sector thanks to the diversity and complementarity of its members (Afnor, HQE® association, CSTB, Effinergie, Qualitel, Ifpeb, RésoBat association, etc.). Its role is to uphold France's position on the international scene and gather intelligence within the World GBC.

The "World Green Building Week", an event organized by the World GBC with national committees, is a week where the different committees organize events to promote sustainable construction and the environmental quality of buildings.

In 2012, as part of the second World Green Building Week in France organized the second week of september, the Group hosted a conference on biodiversity on its Horizons building.

SB Alliance

The Sustainable Building Alliance (SB Alliance) endeavors to develop common metrics that can be used to compare environmental performance internationally. Specifically, it measures six critical indicators: carbon, energy, water, waste, air quality and thermal comfort.

Gecina (Stéphane Carpier) participates in the "pilot test on common metrics" task force led by CSTB, tasked with defining common labels.

Fédération des sociétés immobilières et foncières (FSIF)

Gecina, member of FSIF, contributes to work carried out by the sustainable development commission.

Certivéa

Stéphane Carpier, technical director, is auditor for Certivea (NF HQE® commercial property and NF HQE® planning).

Association HQE

During the HQE summit at the end of 2012, Gecina demonstrated its involvement in development of the HQE® performance pilot operation (on five assets: Newside, Velum, Beaugrenelle shopping center, Villafranca, and Chambéry).

Gecina has signed the HQE® performance charter and participates in related working groups.

Association Apogée

Gecina, active member of Apogée, frequently attends meetings or conferences organized by Apogée

Association Orée

In 2011, Gecina joined *Association Orée* to participate in the general momentum to promote sustainable development by sharing on issues on which it excels, and to gain more insight into other topics in its activity (for instance biodiversity, etc.) by gaining feedback from its members.

Association Francîlbois

In 2011, Gecina joined Francîlbois to participate in the development of the wood industry in the Paris area (wood for construction).

For example, the Group delivered, in 2012, the "96/104" in Neuilly (HQE® and BBC new and renovation), first operation in a wooden structure in the influential area of the central Paris business district and La Défense.

Agora for sustainable development directors

As a member for several years, Gecina continued its participation in 2012 in the network life of Agora DD: visits, exchanges and debating parties to tackle various subjects.

Agrion

Agrion is a worldwide network, active in Frankfurt, Paris, San Francisco, New York and Beijing, whose members include companies concerned by energy, clean technologies, raw materials, mobility, urban management and sustainable development. It organizes sessions on the same topic in the same week in each country. Minutes of meetings are translated into English and published on the Agrion.org website.

Agrion is a federation of 20 communities organized around specialists. Each community organizes at least one event per month on its area of specialty.

- SRI, biodiversity, packaging, sustainable buying, Responsible marketing and communication, CSR, eco-design and LCA, water management, wind energy, Solar energy, Bio-energies (biomass, biogas, bio-fuels, wood), green business in China, Smart grid, electromobility, electric cars, batteries and energy storage, transport and multi-modality, sustainable building, sustainable city, green chemistry/Reach, the European Commission and regulations.

By joining this organization, Gecina seeks to develop a network of contacts to improve its knowledge on CSR topics and share its experience with other major players on the subject.

7.2.6.4. REPORTING AS A BUSINESS PERFORMANCE-ENHANCING TOOL

Integrated reporting is an innovative way of using reporting, developed by the International Integrated Reporting Council (IIRC) and launched in 2010. Used by the most advanced businesses in reporting, it is much more than a concept. It is a construction approach and a more strategic use of non-financial reporting. Gecina has chosen to build its reporting in an integrated manner, meaning that it uses reporting as a tool to facilitate decision-making and guide operational performance, to enhance value creation. The integrated reporting approach differentiates between two types of non-financial reporting. The first type concerns transparency and objectively reports on positive and negative externalities due to Gecina's activity. The second type serves as guidance for the process, by materializing actual and potential costs and analyzing Gecina's compliance with industry standards. In concrete terms, Gecina has once again improved its non-financial reporting, moving from 11 topics in 2011 to 19 in 2012, and now covers nearly 240 indicators in total. Gecina has also developed about 30 key performance indicators (KPIs), which are defined and monitored annually by the Steering Committee dedicated to the company's social responsibility, set up in 2012 and chaired by Bernard Michel. In this context, strict attention must be paid to ensure that the process falls within the financial reporting time frame to supplement it and that the collected data is reliable. To respond to the expectations of investors, the primary recipients of the integrated report, Gecina's non-financial report covers both past performance and future outlook. Lastly, being able to adapt an integrated reporting approach provides Gecina with a competitive advantage to ensure the comparability of its data over time.

7.3. GOVERNANCE AND ETHICS

7.3.1. APPLICATION OF GECINA'S ETHICAL CODE AND OFFICERS' COMPENSATION

ETHICAL CHARTER

An ethical charter reflecting the Group's fundamental values was distributed to all employees early 2012 and made public at the same time.

It focuses on eight issues:

- compliance with regulations;
- the Group's commitments;
- responsibility towards the environment;
- work conduct;
- ethical management of businesses;
- confidentiality;
- stock exchange compliance;
- whistle-blowing rights.

Each employee is asked to follow and ensure that others follow the charter at all times and will show flawless conduct in all circumstances.

In the event of a query regarding an operation or doubt about a specific situation, employees may report directly to the Chief Compliance Officer through an electronic mail address. The entire whistle-blowing system set up by the Group guarantees confidentiality for the employee.

The ethical charter and a practical guide illustrating the principles listed in the ethical charter were distributed to all employees (administrative, staff and building personnel) following the collective training process on the charter.

In 2012, 75% of employees at head office attended one of the four information conferences on the ethical charter.

These two documents complete the provisions, regulations and internal policies already applied in the Group.

OFFICERS' COMPENSATION

All items linked to the nature, content and amounts of officers' compensation can be found in Chapter 5.1.2.

7.3.2. ANTI-MONEY LAUNDERING AND FRAUD CONTROL

As an operator in the real estate sector, the Gecina Group is concerned by the fight against money laundering and terrorism financing. In 2012, the Group took action to strengthen its prevention system by preparing a new procedure that will be used to improve the knowledge of its counterparties about this theme and facilitate decision-making processes. The new procedure will be deployed in 2013 under the supervision of the Compliance function.

7.3.3. IN-DEPTH RELATIONSHIP WITH INDIVIDUAL INVESTORS

The Group objectives include making Gecina known to the largest number of people, creating loyalty, intensifying and consolidating the close relationships nurtured over several years. This is Gecina's way of maintaining an in-depth relationship with its individual investors.

The individual shareholder relations team interacts frequently with shareholders at the various meetings. In 2012, Gecina participated in several conferences/debates in partnership with CLIFF (French association of investors relations) and the F2ic (Federation of individual investors and investment clubs), and with different press media (*Le Revenu, Mieux Vivre Votre Argent*): in Lille, Montpellier, Nancy and Toulouse. In addition, in June, November and December 2012, Gecina organized a tour of the Paris property holdings for its shareholders.

The General Meeting is also a special time for dialogue between shareholders and the Group's corporate officers.

Gecina published three "Letters to our shareholders" in March, July,and December,of 2012, which can be downloaded from the Company's website (www.gecina.fr).

Lastly, substantial means of information are provided to all:

- the Company systematically sends information by e-mail in response to requests from shareholders;
- a specific e-mail address: actionnaire@gecina.fr;
- a website with a Shareholder section;
- a toll-free number (0,800,800,976), free calls in France.

7.3.4. SUMMARY TABLE,OF GOVERNANCE INDICATORS

In 2012, Gecina expanded the field of stakeholders within its CSR reporting by publishing a summary table,of the Group's main governance elements in addition to the special chapters in the reference document.

GECINA – Governance and financial communications indicator

		2008	2009	2010	2011	2012	2012 Reference Document chapter
Operation of management bodies	Number of Board members (at 12/31/N)	18	15	18	14	13	5.1.1
	% of independent Board members	61%	40%	39%	36%	38%	5.2.2
	DEFINITION OF INDEPENDENCE IN ACCORDANCE WITH THE AFEP-MEDEF CODE	yes					5.2.2
	% of women on the board of directors	6%	7%	11%	14%	23%	5.1.1
	AFEP/MEDEF correspondence table	–			information in Reference Document	Table in compliance	5.2.1
	Number of employee representatives on the Board of Directors	4 members representing administrative categories of staff (employee, supervisor, manager, senior manager); no voting right					5.1.1
	Board member term of office	3	3	3	4	4	5.2.2
	Turnover (incoming / outgoing)	4 incoming / 6 outgoing	10 incoming/ 13 outgoing	3 incoming	1 incoming / 5 outgoing	1 incoming/ 2 outgoing	5.1.1
	Directors' compensation	€1,785,850	€1,921,400	€1,750,000	€1,750,000	€1,360,000	5.1.2.1
	Director's compensation voted at GM	yes					
	Number of board of directors meetings	10	10	12	12	9	5.1.1
	Board meetings attendance rate	95%	95%	95%	98%	94%	5.1.1
	Board of directors evaluation	–	–	yes external	yes external	yes external	5.2.3
	Number of independent board committees	5	5 then 3	3	3	3	5.2.3
	Number of board committee meetings	24	33	34	34	31	5.2.3
	Board committee meetings attendance rate	91%	94%	92%	98%	96%	5.2.3
Corporate officer	Separation of the duties of Chairman of the Board of Directors and Chief Executive Officer	no	yes	yes	no	no	5.2.3
	Effective separation of roles	yes, Deputy CEO	yes	yes	no	no	5.2.3
	Organization of the succession of the CEO	no	no	no	no	yes [1]	5.2.3
	Compensation of the CEO voted at GM	no	no	no	no	no	–

		2008	2009	2010	2011	2012	2012 Reference Document chapter
Shareholder democracy	Publication of the detailed breakdown of company capital	yes	yes	yes	yes	yes	6.2.1
	Publication of bylaws				–	yes [2]	–
	Voting rights			1 share = 1 vote ; no double vote			6.2.2
	Anti-takeover actions	no	no	no	no	no	6.3.3
	Voter turnout /quorum	80,96%	82,96%	78,46%	81,56%	57.22% [3]	–
	Number of resolutions submitted	27	35	24	38	14	6.1.4
	% positive votes/ % negative votes /% abstained breakdown	Y:96.6% N:2% A:1.4%	Y:80.9% N:16.9% A:2.1%	Y:91.9% N:7.7% A:0.4%	Y:95.6% N:4% A:0.4%	Y:94% N:1.9% A:4.1%	–
	Number of resolutions submitted by minority shareholders	0	6	1	0	0	6.1.4
	Number of regulated agreements presented at GM	2	2	4	3	3	6.1.4
	Rate of approval of regulated agreements % positive votes /% negative votes / % abstained	Y:80.3% N:2.2% A:17.5%	Y:97% N:1.5% A:1.5%	Y:77.3% N:22.5% A:0.2%	Y:96.9% N:3% A:0.1%	Y:87.9% N:2.7% A:9.4%	–
	Provisions to facilitate voting rights	Ballots are mailed to all shareholders + Use of electronic voting devices at the meeting			Upload beforehand of the information relative to the general meeting, including ballots + Ballots are mailed to all shareholders + Use of electronic voting devices at the meeting		–
Financial communication	Number of financial roadshows completed	5	9	18	21	14	–
	Number of investors met	71	169	274	282	204	–
	Number of non-financial roadshows completed	0	0	1	2	0	–
	Number of ISR investors met	0	0	4	30 [4]	3	–
	Existence of an individual shareholders committee and number of committee meetings	no	no	no	no	no	–
	Number of individual shareholders meetings	4	4	6	5	7	–

(1) in progress at end 2012
(2) website
(3) no presence in quorum of one of the Group's major shareholders
(4) June and November 2011: ODDO Forums; July 2011 : MERRILL LYNCH

7.4. OUR CSR PERFORMANCE

CHANGES IN 2012 REPORTING

The 2012 report is a transition report. It closes the Group's first four-year 2008/2012 CSR plan and prepares the continuation of the 2012/2016 plan.

It therefore allows the Group to measure the achievement level of 2012 targets and how to adjust them according for 2016. It has adapted to incorporate new environmental and industry requirements. It now includes new topics such as biodiversity, governance, and financialization.

Two important items in the reporting protocol have been updated. The publication scope of energy, water and waste data is compliant with the EPRA and France GBC recommendations. Their collection period has been adapted to ensure that the information for year N can be published in the reference document. (cf. chapter,7.4.1.1 below).

7.4.1. REPORTING SCOPE AND METHODOLOGY

Gecina is constantly developing and honing its reporting protocol. This covers the full range of the Group's activities and serves as internal guide (organization of feedback and control, roles and responsibilities of contributors).

The protocol also represents reporting standards for the external verification of data. It defines in particular:

- scope;
- list of indicators;
- calculation rules and procedures: one record for each indicator;
- retrieval procedures and timetable;
- validation and control.

Gecina has improved the relevance of this protocol in response to new regulatory requirements (Article 225 of the Grenelle,II law), industry works (EPRA, France GBC) and by integrating the certification recommendations made by the Mazars firm in 2012 on non-financial data for fiscal 2011, especially by:

- creating and updating social reporting standards;
- identifying and qualifying new reporting scopes and periods.

7.4.1.1. REPORTING SCOPE AND PROTOCOL

Businesses and assets concerned

The scope covers all businesses operationally controlled by Gecina in France from January,1 to December,31 of the reporting year.

The assets and all businesses of the Gecina Group arranged according to the nomenclature below are included in the scope:

- Offices: real estate assets for office and commercial use;
- Residential: residential real estate assets and students residences;
- Head office: assets and activities related to the sites operated and occupied by Gecina for its operation primarily using administrative staff;
- Group: head office + building staff and superintendents.

Following the strong development of the healthcare assets portfolio in 2012, Gecina started the data collection process for this activity which was not consolidated in the scope this year. Gecina publishes the consumption and emission levels of healthcare assets in Chapter 7.5.2.1.4, for information only.

The logistics activity (sold in 2012) and the hotels activity (held for sale in the near future) were not included in the scope of consolidation because they are immaterial.

The scope of activities applicable to each sustainable development indicator in the protocol is defined and specified in each of the related methodological factsheets, as required by the nomenclature specified above.

Changes in scope

Changes in scope can be explained by:

- acquisition of assets;
- developments;
- asset disposals;
- creation or discontinuance of activities.

Assets recognition rules

- An asset is in service if it is present in the property holding from 01/01/N to 12/31/N.
- Acquisitions made and developments delivered in reporting year N are effectively recognized from January 1 of year N+1, with the exception of the energy consumption indicator (see chapter 7.5.2.1).
- Data and information concerning disposals made in reporting year N are excluded from all data for reporting year N.

Property holdings coverage rate

Social indicators cover 100% of the Group's workforce.

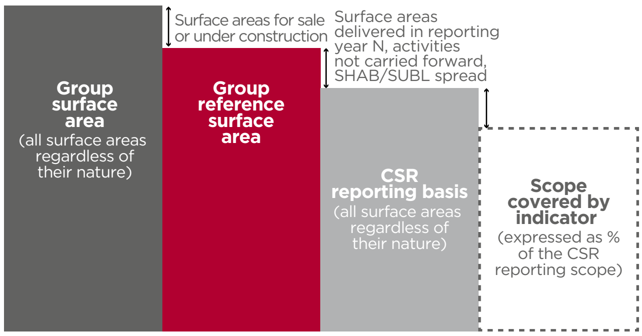
Most of the environmental indicators expressed as percentages are built as follows:

- Total surface area providing measured data/Surface area in service = %.
- Offices and head office surface area: Refers to the rental gross floor area (French acronym SUBL), in other words the private surface area including the rented communal areas.
- Residential surface area: Refers to the net floor area (French acronym SHAB).

The adopted office and residential surface areas are:

	2008	2009	2010	2011	2012
Offices *(SUBL, sqm.)*	903,037	891,815	824,466	799,673	815,758
Residential including student residences *(SHAB, sqm.)*	893,883	838,554	786,874	652,233	513,566
Scope of CSR reporting *(sqm.)*	1,796,920	1,730,369	1,611,339	1,451,906	1,329,324

Surface areas representing 65% of the Group's reference surface area.



Variants of asset segmentation

In response to the industry works conducted by France GBC and in accordance with EPRA recommendations, Gecina publishes since 2012, a breakdown of indicators that show the level of control and action on the asset with respect to energy, greenhouse gas emissions and water.

Each indicator factsheet specifies whether or not this segmentation is applied.

Period and history

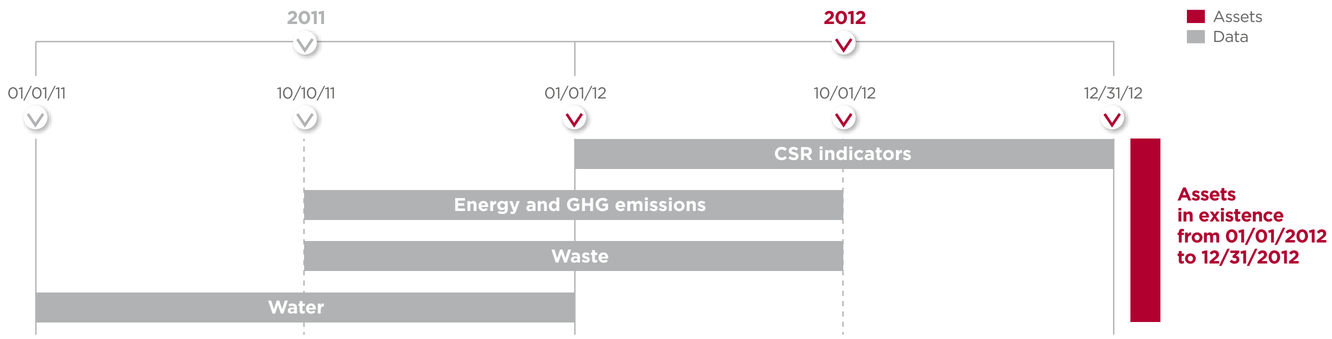
To be able to compare the results from one year to another, the history of reported information, if available, covers years N-1, N-2 and N-3, with the corresponding methodologies.

The Group archives all records of reported data by activity.

Gecina has opted for data consolidation over the accounting period of year N. As a result, all CSR indicators reflect the activity from 1/1/N to 12/31/N barring the exceptions quoted below.

Timing differences from fiscal 2012

As Gecina has no control over all energy meters but wishes to publish in this report (*i.e.*, at a more recent date than in previous years) the detailed consumption levels and volumes, it has decided to shift the data collection period starting from the 2012 accounting year. Therefore, the data on energy consumption, greenhouse gas emission and the volume of waste for year N cover the period from 01/10/N-1 to 09/30/N. Water consumption volumes cover the period from 01/01/N-1 to 12/31/N-1.



Emission factors for the conversion of final energy consumptions into greenhouse gas emissions (kgeqCO_2/kWhEF)

The sources of regulatory conversion factors stem from the decree of September,15, 2006 regarding energy performance audits for existing buildings offered for sale in mainland France, amended by the decree of February,8, 2012 or the emission factors obtained from the supplier's data if any, to improve the quality of data. Following the publication of this decree, all emission values were updated retroactively to 2008. Data after 2011 and published in 2012 present the differences with those published in 2011.

7.4.1.2. REPORTING COMPLIANCE WITH CSR REPORTING STANDARDS

Following the final publication of the application decree of Article 225 of the Grenelle 2 law, in April 2012, Gecina checked its compliance with its new CSR topics. The Grenelle 2 law extends the regulatory obligations introduced by the NRE 2001 law, and requires all CSR data to be reported in the management report. 42 topics are listed, on a comply-or-explain basis. Through the France GBC (France Green Business Council) task force, Gecina has helped to place these major topics in perspective, with respect to the activity of a real estate company. The reporting standards validated through France GBC have been adopted by all members of the task force, including Gecina. It specifically clarifies the scope and strengthens the comparability of the information collected, within the sector in France. Furthermore, Gecina relies on the recommendations of the European Public Real Estate Association (EPRA) for reporting material on sustainable development issues (Best Practices Recommendations on Sustainability Reporting). These reporting standards include the recommendations of the GRI CRESS, GRI segment supplement, being the most widely-used reporting standards framework internationally. Gecina also works on the basis of other major internationally-recognized reporting standards with a view to convergence (ISO 26000, etc.). The correspondence table,(chapter 7.9) shows Gecina's compliance with previously mentioned major French and international reporting standards.

7.4.1.3. DATA QUALITY

The CSR data measured, collected and analyzed by Gecina are from different sources: invoices, certificates, typographical readings, Météo France data bases, manual or automated meter reading, building permits, geometric readings, etc.

Any estimates made due to unavailable data on the reporting date, are based on the real data of the month in question for the previous year, or for the period under consideration, adjusted to reflect changes in scope affecting the year under consideration.

For example, 76% of energy consumptions and greenhouse gas emissions from the office business stem from the collection and analysis of actual invoices The estimated portion is 24% and it primarily concerns part of the consumptions paid by tenants.

Responsibilities

Operational entities are the departments or services with the data and information to be reported. They are responsible for collecting and compiling the data, entering them into the appropriate reporting tools and transmitting them to management accountants.

A management accountant is appointed for each business line. His/her role entails:

- collecting data from operational entities;
- consolidating the indicator's data on the scope for which he or she is responsible;
- checking data reliability by conducting required consistency checks (concordance year N/N-1, concordance between sites, audit ratios).

A contact person (business technical director) is appointed for each business line. His/her responsibility includes:

- checking that the business line's data are reported;
- checking that the data have been audited internally and therefore validate their concordance with previous years and their sincerity;
- checking, then validating the data submitted by the management accountant;
- checking the right justification for changes in scope observed since the prior period and any discrepancies with the reporting methodology defined in the protocol;
- providing and presenting the reported data at quarterly reporting reviews at CSR Steering Committee meetings.

The CSR Committee is responsible for:

- updating and disseminating the reporting protocol according to changes in indicators, the Group's activities, applicable regulatory or external reporting standards, and according to comments from external auditors;
- launching the annual reporting campaign by informing the various managers of the reporting stages and deadlines;
- analyzing the comments and justifications of key persons on the reported data;
- consolidating all reported data at Group level;
- restituting the consolidated data for internal and external communications.

Internal audits

During the collection and validation of reported information, the Group conducts general reviews to check the reliability of the reported data using pertinent ratios by indicator. The data must be systematically formalized and archived.

A comparison of data calculated at the different reporting stages is made with the data from the previous quarter or previous year.

7.4.1.4. CHOICE OF KEY INDICATORS

These indicators have been selected on the basis of:

- social and environmental impacts, significant social and societal impacts of Gecina's activity (see materiality chapter,7.2.2);
- to guide the Group's sustainable performance;
- to respond to the regulatory requirements applicable to the Group;
- in compliance with external reporting expectations on sustainable development.

7.4.1.5. CLIMATE CHANGES

Contrary to the residential sector where the energy performance of the portfolio is still mostly carried out on a conventional basis, the commercial portfolio takes account of real consumptions. If it is interesting to track the absolute energy consumption of the portfolio in order to measure the total carbon trace, assessing the progress of actions carried out on the office property, especially in relation to the goals set (for Gecina, base 100, 2008 consumptions), implies adjusting the data obtained to reflect climate changes.

In 2009 and 2010, due to harsher winters and/or hotter summers, primary energy consumptions stated on actual invoices do not reflect the upgrades to properties since 2008. To adjust this value, it must be compared with climatic data or "UDDs" (Unified Degree Days) obtained from Météo France national data bases.

In 2010, Gecina decided to determine with its Cap Terre adviser, which helps it to analyze the thermal behavior of its office properties since 2008, the impact of climate change on the consumption and emission levels of this property holding.

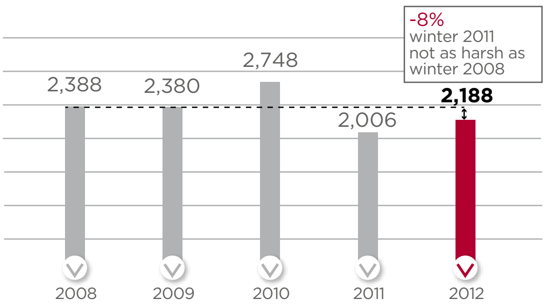
While a direct proportionality was established between heating consumptions and "hot" UDDs – we heat because it's cold outside – simulations conducted on nine air-conditioned office buildings with different typology showed that the same logic did not apply to "cold" UDDs. In fact, we cool a room because it is hot outside but also because of other indoor sources of heat; and the relative percentage of air-conditioning due to each of these two causes changes according to the energy performance of the building.

After this study, Gecina adopted for evaluating its results both in absolute value but also on a same-climate basis by adjusting for office properties:

- heating consumptions of 100% of the change of hot UDDs;
- air-condition consumptions:
  - 50% for properties built before 1930 (family 1),
  - 30% for properties built between 1975 and 1990 (family 5),
  - 40% for properties built after 1990 (family 7),
  - for families 2, 4 and 6, properties without air-conditioning, no adjustments.

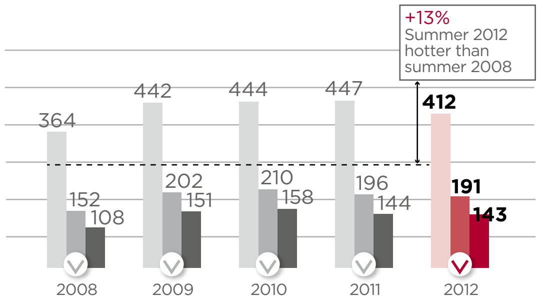
We continued to use the system of correction in 2012.

Changes in "hot" UDDs



Weather station: Paris-Montsouris
* period from 10/01/2011 au 9/30/2012

Changes in "cold" UDDs



Weather station: Paris-Montsouris
* period from 10/01/2011 au 9/30/2012

7.4.1.6. DATA AUDIT

In 2010, for the first time and in anticipation of future obligations of the Grenelle 2 law, seven key indicators were audited to test the relevance and performance of the systems in place. Ernst & Young and OXEA conducted interviews with contributors to check the proper understanding of the definitions of indicators. They also reviewed internal controls and audit proofs, consistency and plausibility tests to check their conformity with the internal evaluation process.

The 2011 verification program was prepared with the Mazars firm. The Group identified 21 key indicators, of which 14 of these indicators were considered moderately assured and seven reasonably assured. The program concluded on an unqualified revision for the entire audit program.

The program was repeated in 2012 with Mazars and relied on the verification of numerous indicators. Gecina continues its voluntarist commitment to improve quality and the reliability of its CSR reporting and in 2012, beyond the specific obligations described in article 225, requested the extension of the audit to qualitative information which is verified for "coherence".

2012 verification level

	"Reasonably" assured	"Moderatly" assured	"Coherence"
Number	**8** indicators	**25** indicators	**22** informations
Including KPI	*7*	*20*	–

7.4.2. TABLE OF PERFORMANCE INDICATORS

Gecina – Commitments and 30 indicators associated with the 2012 target CSR scope

Focuses of Gecina's policy	Commitments	Key actions	Indicators	Scope: Activity (1)	Scope: % covered	Goals: 2012	Goals: 2016
Developing the environmental footprint	Energy efficiency,GHG emission and renewable energy	Reducing energy consumption and GHG emissions through operations management, capex policy on infrastructures, capex policy on buildings and tenant support – Offices	% reduction in primary energy consumption per,sqm/p.a (2008 basis, constant climate scenario)	B	76%	–23%	–40%
			% reduction in primary energy consumption per,sqm/p.a (2008 basis, constant climate scenario)	B	76%	–15%	–30%
			% of properties with an EPD label of A, B or C	B	95%	10%	25%
			Greenhouse gas emission level in $kgCO_2$/sqm/p.a. (2008 constant climate scenario)	B	76%	21	17
		Reducing energy consumption and GHG emissions through operations management, capex policy on infrastructures, capex policy on buildings and tenant support – Residential	% reduction in primary energy consumption per,sqm/p.a (2008 basis)	R	100%	–23%	–40%
			% reduction in primary energy consumption per,sqm/p.a (2008 basis)	R	100%	–15%	–30%
			% of properties with an EPD label of A, B or C	R	100%	10%	25%
			Greenhouse gas emission level in $kgCO_2$/sqm/p.a.	R	100%	34	26
		Procuring renewable energy from our providers; using energy produced by buildings	% of renewable energy sources in the energy mix	O/R	85%	20%	25%
	Responsible building	Using sustainable buildings	% of office buildings with HQE®Exploitation certification	B	100%	40%	80%
		Developing high-performance buildings	% of surface area delivered certified (Offices: 12/14 HQE® Efficient or Very Efficient targets; Residential: H&E A profile)	O/R	100%	100%	100%
		Monetizing the impact of climate change on asset value	Energy/climate contribution (simulation)	O/R	100%	not applicable	
	Water	Contributing to reducing water consumption	% reduction in water consumption en m3/sqm/p.a.	O/R	35%	–15%	–25%

(1) Scope: O = Offices; R = Residential; H = Health; Ho = Hotels; Head office = administrative employees of the Group; Group = head office + employees and building superintendents.
(2) Only 2012 data that have been audited by the statutory auditors that provide reasonable assurance ☑☑.
NB: In the 2011 Sustainable Development Report (p158 to 161), audited data that provided moderate assurance were marked by ☑.

Results						State of progress		
2008	2009	2010	2011	2012	Audit of 2012 data Mazars [2]	2012	2016	Additional information
basis	–15.7%	–18.9%	–17.4%	–18.2%		79%	46%	Between 2008 and 2012, Gecina reduced (constant climate scenario) the average consumption of its office and residential buildings by 86,kWhPE/sqm./p.a and average GHG emissions by 3.4 kgCO_2/sqm./p.a. Gecina has set for itself new goals for 2016 whose details can be found in Chapter 7.5.2.1.
basis	–14.9%	–18.2%	–16.1%	–16.7%		obj. reached	56%	
0.0%	0.0%	0.3%	0.2%	0.0%		0%	0%	
27.80	25.20	23.90	24.70	24.40		88%	68%	
basis	–3.5%	–5.2%	–9.1%	–11.2%		49%	28%	Between 2008 and 2012, Gecina reduced the average consumption of its office and residential buildings by 25,kWhPE/sqm/p.a and average GHG emissions by 8 kgCO_2/sqm/p.a. In the 2nd quarter 2013, Gecina will set for itself new goals for 2016 whose details can be found in Chapter 7.5.2.1.
basis	–4.9%	–6.9%	–11.2%	–14.6%		97%	49%	
7.0%	8.5%	9.4%	14.7%	17.0%		obj. reached	68%	
43.80	41.20	39.70	37.80	35.80		95%	73%	
12.2%	12.5%	13.4%	12.4%	14.9%		75%	60%	Gecina continues to decrease its dependence on high-carbon energy sources by replacing the fuel oil-based production systems in buildings in use, connecting them to urban networks and incorporating photovoltaic panels in its new construction or reconstruction building projects.
0.0%	0.0%	5.2%	19.0%	33.6%	☑☑	84%	42%	7 assets were certified in 2012 representing a surface area of 117,700,sqm and 4 assets will undergo certification in early 2013 thrus bringing the certified surface area to over 339,000,sqm.
0.0%	0.0%	39.6%	86.2%	80.4%	☑☑	80%	80%	84.3% of offices delivered in 2012 meeting the 12/14 targets in the Efficient and Very Efficient category including NEWSIDE (17,860 sqm, 9 Very Efficient targets and 3 Efficient tragets); among residential properties, one asset at rue de Chambéry obtained BBC certification.
€2.0m	€1.7m	€1.6m	€1.3m	€1.1m		not applicable		Assessment is based on the calculation of a carbon tax with a unit cost of €32/ton of CO_2 emitted.
basis	–3.6%	–11.0%	–15.5%			obj. reached	62%	2012 data were not available at the time of the publication of the 2012 annual financial report as expenses are settled during the 1st quarter of 2013 (see Section 7.4.1.1).

Focuses of Gecina's policy	Commitments	Key actions	Indicators	Scope		Goals	
				Activity [1]	% covered	2012	2016
Developing the environmental footprint	Non-renewable raw materials	Using labels and finding alternatives through re-use, substitution or optimization of processes.	Indicator under development				
	Biodiversity	Ensuring the protection and restoration of biodiversity affected by activities	aggregate % of green plots of land after offset against buildings (cf. § 7.5.2.3.3)	O/R	60%		
			aggregate % of land plots having undergone a biodiversity inventory	O/R	60%		
	Recycling and waste management	Contributing to waste sorting and recycling	% of surface areas equipped for selective sorting of waste	O/R	100%	60%	80%
			% of equipped surface areas in a room outfitted for selective sorting of waste	O/R	100%		
	Environmental governance	Deploying an environmental management system in activities	EMS coverage rate	O/R	100%	35%	65%
Developing a people-oriented asset base	Health and safety	Mapping and assessing asset risk level	% of property holdings with a "Very Efficient" or "Efficient" score	O/R/H/Ho	100%	>50%	>70%
	Accessibility, adaptability	Facilitating access to buildings for people of all disabilities	% of office properties with reduced mobility access	B	86%	40%	50%
			% of communal areas accessible or adaptable,for people with reduced mobility	R	64%	50%	60%
	Connectivity, clean transport	Having properties with a public transport link within a 400 m radius	% of property holdings with public transport access at less than 400 m	O/R	100%	> 90%	> 95%

(1) Scope: O = Offices; R = Residential; H = Health; Ho = Hotels; Head office = administrative employees of the Group; Group = head office + employees and building superintendents.

(2) Only 2012 data that have been audited by the statutory auditors that provide reasonable assurance ☑☑.

NB: In the 2011 Sustainable Development Report (p158 to 161), audited data that provided moderate assurance were marked by ☑.

Results						State of progress		
2008	2009	2010	2011	2012	Audit of 2012 data Mazars [2]	2012	2016	Additional information
			47.9%	38.3%				Right from their design, Gecina ensures that buildings blend into the landscape through the planning of green areas designed to protect and promote the organic balance of ecosystems and protect local natural resources by planting vegetation on surfaces that can be used for that purpose (green roofs and walls). For 2012, this initiative resulted in lower impact on land combined with an increase in green surfaces.
				30.3%				
44.80%	45.90%	58.5%	60.6%	62.0%		obj. reached	78%	In 2012, a sorting/recovery contract was signed with 12 multi-tenant office buildings representing a surface area of 60,000,sqm SUBL. Residential assets enjoy selective waste collection services provided by local authorities. Since 2008, Gecina has been delivering a program aimed at eliminating garbage chutes and outfitting garbage rooms to improve safety in residential buildings and promote selective sorting of waste.
3.10%	3.20%	13.40%	36.70%	44.5%				
5.60%	6.60%	13.10%	21.40%	29.50%	☑☑	84%	45%	415,133,sqm (44.8% of office properties) had an EMS in 2012 of which 74% through "operation" certification and 26% on the basis of "construction" certification.
	17.0%	33.8%	55.5%	73.6%	audited by Oxea	obj. reached	79%	Improvements in risk performance of property holdings is the result of the implementation by business lines of action plans on lead, asbestos, and telephone masts.
		39.0%	42.3%	44.3%		obj. reached	85%	In 2012, an accessibility audit was conducted on 90% of office properties. Over 44% of surface areas are accessible to wheelchair users, people with reduced mobility and the sight-impaired, and more than 86% are accessible to the hearing-impaired.
		53.0%	52.5%	53.3%		obj. reached	88%	53.3% of properties are accessible to wheelchair users or people with reduced mobility, and more than 98% are accessible to the partially-sighted and hearing-impaired.
88.7%	89.6%	91.8%	92.5%	91.8%	☑☑	obj. reached	97%	Access to public transport is a fundamental criterion for our customers in choosing their location. Gecina is already anticipating the transport policy of Greater Paris for the positioning of its future developments.

				Scope		Goals	
Focuses of Gecina's policy	Commitments	Key actions	Indicators	Activity [1]	% covered	2012	2016
Adopt responsible conduct with regard to our stakeholders	Customers	Establishing balanced customer relations	Satisfaction rate of outgoing residential customers	R	100%	>90%	>90%
			Recommendation rate of outgoing residential customers	R	100%	>90%	>90%
			% surface areas signed with green leases out of the total surface areas signed over the period	B	100%	100%	100%
	Employees	Making progress in gender equality	% of women in the managerial population (including executive officers)	Head office	100%	>45%	>50%
			% women in external recruitment with open-ended contracts	Group	100%	50%	50%
		Developing skill sets	% of positions filled in-house	Group	100%	>25%	>25%
			Average number of hours of training per employee	Group	79%	21	25
		Mobilizing and raising employee awareness through the Bilan Carbone	% reduction in the level of employee greenhouse gas emissions in tCDE/employee/p.a.	Head office	100%	–10%	–20%
		Raising employee awareness of business ethics	% of people having received ethics code training	Group	100%	100%	100%
	Responsible buying	Implementing a responsible purchasing process with partners and suppliers	In 2012 Gecina structured its strategy and defined a "Responsible Buying" action plan whose state of progress is measured with the indicators published in Section 7.7.3.				
	Activity impact	Assessing the environmental impact of works projects and programs	% of new projects that have been the subject of an impact survey	Group	100%	100%	100%
	Shareholders and investors	Raising investor awareness to the CSR issues of the sector and the Group	Number of analysts and ISR investors met	Group		>20	>20
		Establishing a balanced representation of women on the Board of Directors	% of women on the board of directors	Group	100%	20%	40%

(1) Scope: O = Offices; R = Residential; H = Health; Ho = Hotels; Head office = administrative employees of the Group; Group = head office + employees and building superintendents.

(2) Only 2012 data that have been audited by the statutory auditors that provide reasonable assurance ☑☑.

NB: In the 2011 Sustainable Development Report (p158 to 161), audited data that provided moderate assurance were marked by ☑.

Results						State of progress		
2008	2009	2010	2011	2012	Audit of 2012 data Mazars [2]	2012	2016	Additional information
93.0%	95.0%	93.0%	93.0%	91.0%		continuous objective		Incoming and outgoing customer satisfaction surveys are conducted systematically since 2006; these are followed up by action plans. A reception quality measurement method was created in 2010 and is peformed before the entry inventory. It aims to ensure that all the services put at the disposal of the client are satisfactory.
92.0%	92.0%	93.0%	93.0%	90.0%		continuous objective		
0.0%	0.0%	28.1%	42.1%	79.0%	☑☑	79%	79%	For Gecina, the green lease is not simply a legal appendix but the core of the renewed relationship between the lessor and the user, mobilizing the stakeholders around a common goal. In 2012, 20 leases representing 85,387 sqm were signed with key Groups: OBERTUR, EADS, ROLAND BERGER,
47.8%	47.3%	48.5%	49.3%	50.8%	☑☑	obj. reached	obj. atteint	Works undertaken in 2010 inside the company to promote professional equality between men and women materialized in late 2011 in the signature of an agreement with the representative union organizations.
		50.0%	47.0%	55.0%		obj. reached	obj. atteint	
		30.3%	43.5%	47.0%		continuous objective		17 positions were filled in 2012 including 8 through in-house mobility.
12	13	22	24	28		obj. reached	obj. atteint	In 2012, the Group devoted 5.14% of its payroll to continuing professional training. Through this commitment, 85.2% of employees present were able to benefit from an average of over 4 days of training per person over the year.
basis	−2.4%	−5.8%	−9.2%	−29,9%	☑☑	obj. reached	obj. reached	Operations management at head office and optimization of the Group's vehicle fleet has contributed considerably to the improvement of Gecina's Bilan Carbone carbon assessment, with a 2012 value at 1.36 tCD_E/employee/p.a.
				100.00%		continuous objective		Drafted in accordance with the Group's fundamental values, it was distributed to employees in early 2012 and also publicized at that time. The deployment of this charter will include in particular the distribution of a practical guide and a training day devoted to ethics and related issues.
In 2012 Gecina structured its strategy and defined a "Responsible Buying" action plan whose state of progress is measured with the indicators published in Section 7.7.3.								
100.0%	100.0%	100.0%	100.0%	100.0%		continuous objective		Given the certification objective (HQE, H&E) of all assets under development, all construction or renovation projects will be the subject of impact surveys.
		4	30	3		continuous objective		Gecina is a regular participant at environmental forums leading a dialogue with ISR investors and rating agencies.
6.0%	7.0%	11.0%	14.0%	23.0%		obj. reached	58%	There are 3 women on Gecina's Board of Directors.

7.4.3. A PROCESS RECOGNIZED BY NON-FINANCIAL RATING AGENCIES

Non-financial rating agencies evaluate the CSR performance of businesses, compared to their international peers. These agencies are the preferred partners of investors who include non-financial performance as a factor in their investment decisions. Historically linked to the responsible investment trend, non-financial analysis practices are increasingly used by so-called mainstream investors. Gecina responds to the assessments of the most significant players, by filling out questionnaires. These assessments are a means for Gecina to integrate the opinion of its stakeholders, provided that the criteria used for the analysis reflect their expectations.

Gecina is well positioned in the most recognized non-financial rankings. Gecina is a member of five indices including the DJSI Europe (Dow Jones Sustainability Index), one of the strictest, most widely known and complete CSR indices. Gecina was already present in the DJSI World index last year. These indices are calculated by the Sustainability Asset Management (SAM) company, a pioneer in non-financial analysis, which only selects 15% of the assessed real estate companies. Gecina strives to maintain and strengthen its position. In 2012, Gecina obtained the overall score of 69 over 100, versus 63 in 2011. Gecina improved its score in the agency's three pillars for analysis: economic /governance, environmental, social/ societal. Gecina should nevertheless improve on the question of responsible buying (see the strategy in place in 2012 (cf. chapter 7.7), workplace health and safety, and retention of talents.

Gecina is also listed in the FTSE4GOOD indices of the British agency EIRIS, STOXX ESG leaders of Sustainalytics, and ASPI Eurozone as well as on Vigeo's Ethibel Sustainability index.

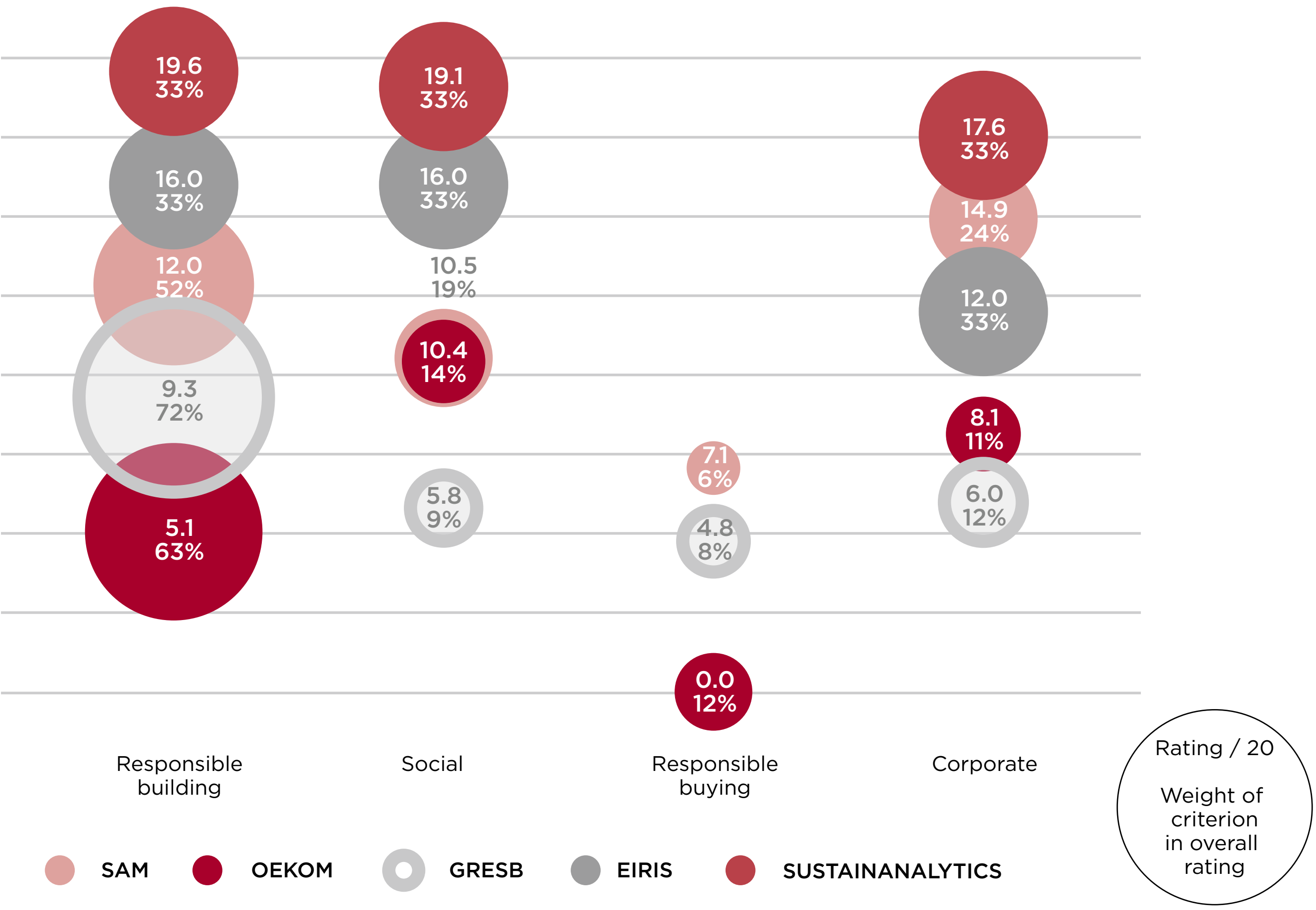
Gecina also obtained a transparency score of 78 over 100 in 2012 (*versus* 42 in 2011) and a B performance rating from the Carbon Disclosure Project (CDP). Previously absent, Gecina obtained a 48% rating in the Global Real Estate Sustainability Benchmark (GRESB) ranking, and placed 15 out of 72. For the first time, Gecina was selected by OEKOM with a performance of C- compared to the C rating given to real estate sector. A constructive meeting was arranged with OEKOM at the end of 2012 to understand the reasons for this assessment which is significantly different from the others, understand the decisive factors taken into account for the analysis, and develop specific solutions for change in 2013.

Gecina CSR assessment summary

Agency	Dedicated ISR indices	*Rate the raters 2012* [1]	Questionnaire	2010 and earlier assessment	2011 assessment	2012 assessment and trends	Date of latest update – dates non traduites
Carbon Disclosure Project	Rating	65% (max)	Online questionnaire to be filled out by Gecina	–	Score: 42/100 Performance: –	**Score: 78/100 Performance: B**	June 2012
EIRIS	FTSE4Good index	54%	Questionnaire filled out by the analyst. Submitted to the company for verification	–	Absolute score: 3/5 Relative score: 76/100 Index member	**Absolute score: 3.5/5 Relative score: 83/100 Index member**	January 2012
EPRA	Rating	–	No	–	–	**Performance: 4th**	September 2012
Goldman Sachs SUSTAIN	Data	–	Questionnaire filled out by the analyst. Submitted to the company for verification			Deliverables = sale of databases	02/2012 on 2010 data
GRESB	Rating	–	Online questionnaire to be filled out by Gecina	–	–	**Score: 48/100**	September 2012
Inrate	Data	39%	Questionnaire filled out by the analyst. Submitted to the company for verification			Deliverables = sale of databases	05/2012 on 2010 data
Novethic	Barometer survey	–	No	2008: 2nd (rating 58%) 2009: 1st (rating 79%) 2010: 1st (rating 89%)	1st (rating 76%)	**3rd *tied* (rating 77%)**	July 2012
Oekom Research	Rating	52%	Questionnaire filled out by the analyst. Submitted to the company for verification	–	–	**Performance: C-**	November 2012
SAM	Dow Jones index	53%	Online questionnaire to be filled out by Gecina	Score 2009: 35 / 100 Score 2010: no response member of DJSI World since 2009	Score: 63/100 member of DJSI World	**Score: 69/100 member of DJSI Europe/member of DJSI World**	June 2012
Sustain-analytics	STOXX Global ESG Leaders Index	48%	Questionnaire filled out by the analyst. Submitted to the company for verification	–	Score: 89/100 Index member	**Score: 93.7/100 Index member**	September 2012
Trucost	Rating	–	Questionnaire filled out by the analyst. Submitted to the company for verification	–	–	–	December 2012
Vigeo	ASPI Eurozone index, Ethibel	33%	Questionnaire filled out by the analyst. Submitted to the company for verification	Score 2009,: 30.2/100 Score 2010,: 33/100	Score 2011: 42.8/100	–	July 2011

(1) *"How credible do experts find particular ratings and rankings to be ?" Rate the raters 2012 – Polling the experts / Globescan and SustainAbility.*

Mapping of the five leading rating agencies [15]



Gecina uses the results of rating agencies for peer comparison and for identifying areas of improvement. To facilitate the analysis of results from the various agencies, all the ratings were placed on a scale of 0 to 20 then grouped according to four important issues identified by the Group. The results show a certain volatility between agencies, the sign of a changing sector for both the evaluators and the parties involved.

Ignoring these results would be a mistake. In fact, each of the reporting standards, through the insights they give or the different weightings, can draw attention to specific progress points.

This type of difference is especially noticeable when we resort to renowned certifications (HQE®, BREAM®, LEED®) for buildings (cf. Chap. 7.5.1.3). Although in Gecina's opinion, there is no need to systematically seek them as HQE® certification is reliable and robust, it is sometimes useful to seek them as a means of appreciate the differences, as we did on the Newside (triple certification: HQE® Exceptional, LEED® Platinum and BREAM® Very Good) and Beaugrenelle projects (double certification: HQE® and BREAM® Very Good).

(15) Which communicate a detailed evaluation, beyond a global rating.

7.5. RESPONSIBLE PROPERTY HOLDINGS THAT ENHANCE THE WELL-BEING OF OUR TENANTS

7.5.1. MANAGEMENT OF THE ACTIVITY

Improving the energy performance of existing buildings is a priority of the Grenelle,environment project and Gecina has made it a major pillar of its sustainable development policy since 2010. Gecina is aware that environmental performance should be comprehensive and has therefore focused on a multi-criteria process symbolized by the responsible building.

Gecina considers that certification drives enhanced performance and has therefore been seeking HQE® Construction certification for its buildings since 2006 and HQE® Exploitation since 2011.

SMG exploitation is the natural extension of SMG construction. Combining various operating methods (integrating operating constraints right from the design phase and extending commissioning throughout the warranty year) ensures the compliance of buildings with Gecina's construction standards, expressed in the performance-enhancing programs associated with each asset type and with responsible operation.

7.5.1.1. OPERATION GUIDANCE

In commercial real estate as in residential real estate, operational guidance is based on the technical expertise of operational and management teams. Translated into standard documents (guide of technical services for commercial real estate and specifications for residential real estate) Gecina's service requirements are defined in terms of the quality, technical and environmental performances of the products to be implemented and security. These tools are preliminary to the renovation works carried out on the existing property holdings and are implemented in the action plans set up at the level of the different real estate entities.

An action plan to improve the energy performance of buildings

The energy performance improvement plan defined by Gecina can be broken down into four points:

- optimize commercial building management: work in concert with operating companies to obtain an estimated average gain of 15%;
- renew energy-generating facilities by promoting renewable energies: heating, cold distribution, ventilation, lighting, secondary usages for potential improvement of around 15%;
- work on built units: insulation of the shell, optimization of solar contributions, representing a significant improvement potential, but a low return on investment considering the current cost of energy;
- change user behavior: an estimated gain of 10%, extended to day-to-day actions.

The actions developed in commercial real estate are primarily focused on the operation and configuration of management systems, especially through investments to improve BMS (Building Management Systems). Buildings above the average (the most energy-intensive) are specifically analyzed to pinpoint the sources of excessive consumption and implement an emergency corrective plan.

Another action driver, Gecina's analysis of the energy consumption of restaurants has led to the development of the "green restaurant" concept based on a more efficient use of the materials in place and the search for optimal performance whenever equipment is replaced. Assisted by Interface, an engineering firm, Gecina has developed this new concept on the Horizons building and in 2013 intends to "greenify", on the same model, the staff restaurant of its head office.

For the purpose of continuing its efforts to transform its property holdings, Gecina developed in 2010, an Operations General Management System for commercial real estate recognized by Certivéa through the HQE® Exploitation certification.

By choosing the HQE® process to manage and operate its assets, Gecina is asserting its intention to exceed energy performance by setting itself goals for each building on the 14 targets and especially that involves improving water consumption or the percentage of recycled and recovered waste. It is expressing its social and civil commitment, giving new meaning to the relationship between employees (directors and technical managers, management officers) and service providers (operating companies, service contractors and caterers). It galvanizes stakeholders to make them active participants in the operation of a building and improvement in its overall performance.

The HQE® Exploitation process provides a fresh take on the relationship between property owners, tenants and operators and invites them to come together to seek ways of improving the building's environmental performance, an ideal framework for defining the practical terms of a green lease. Environmental and social clauses are embedded into operations procurement contracts and work contracts to ensure the integration of sustainable development challenges and help to reach the goals set for the building. For occupants, Gecina has written several environmental guides which outline the standards that it applies and would like to see applied in its rental buildings:

- an environmental occupancy guide for the operator;
- an environmental occupancy guide for building occupants (simplified version of the operator's guide supplemented with examples of green actions);
- an environmental operation guide.

(Downloadable on Gecina's website: www.gecina.fr).

Considering that responsible operation is an essential factor for converting an asset into a "responsible building", Gecina participated in 2012 in the task force for the drafting of the "*exploitation résidentiel millésime 2013*" (residential operation 2013 version) reporting standards created by Qualitel. The work of this task force composed of social landlords, tenant associations and multi-technical operators led to a first version of the reporting standards.

For the purpose of testing these new reporting standards, two Gecina residences, the student residence of Château des Rentiers (Paris 13th arrondissement) and the Square Seguin residence, were visited by the future auditors.

7.5.1.2. NEW CONSTRUCTIONS DRIVE ENHANCED PERFORMANCE

The technological revolution launched by the Grenelle,roundtable,entails designing totally virtuous buildings in environmental terms and infinitely less energy intensive during their use.

Gecina strives to incorporate the best French and international standards in all its projects. Accordingly, in anticipation of French thermal regulation RT 2012, Gecina has been pursuing since 2010, BBC endorsement for its new assets under construction and systematically targets 12 of the 14 targets of the NF HQE® commercial buildings certification, aspiring to an "Efficient" or "Very Efficient" level, or again for the residential sector, the most ambitious profiles of the two certifications, Habitat&Environnement for new buildings and Patrimoine Habitat&Environnement for renovations.

Today, Gecina wishes to go a notch further and seeks to obtain the Effinergie + label, THPE RT 2012, for its new assets under development as illustrated by the Garden Ouest project (development of 39,000,sqm. of offices on available land for the property holdings in Montigny-Le-Bretonneux).

In 2012, a construction General Management System was deployed in the wake of the findings of the task force comprised of Sustainable Development and Architecture and Construction departments.

This management system recognized by Certivéa in April 2012 is a tool that Gecina intended to set up to guide the quality of its new constructions and refurbishment for all its activity lines for the purpose of continuing the certification of its assets and raising its property holdings to the best current and future standards.

Modeled on the SMG Exploitation, SMG Construction comprises five processes that cover the various phases of a project (programming, selection, design, construction and operation). The system coordinates the different stakeholders, establishes an inventory of the input and output documents to be produced for each phase and defines procedures that guarantee the smooth implementation of the project but also how to reach the expected performance level.

Guidance tools such as the "Responsible building" dashboard were created for project monitoring. This table,summarizes the 11 topics defined by the "Responsible building" concept of Gecina's CSR process to monitor the operating methods, the performance indicators and related labels of each topic and each phase.

Gecina has developed templates to ensure the consistency of all input and output documents. Accordingly, the performance-enhancing program, the standard specifications for the construction of commercial buildings, summarizes Gecina's requirements in terms of quality, usage and technical and environmental performances.

A user manual presents and summarizes all the elements of SMG Construction to facilitate the understanding of the SMG by the program leaders.

7.5.1.3. RECOGNITION THROUGH CERTIFICATION

The development of an Operations General Management System provides a framework for the responsible management of buildings, improves the environmental performance by unfolding an action plan for each of them and capitalizing the good operating practices developed on property holdings.

This process, audited and recognized by Certivéa, illustrates Gecina's involvement in the integration of the HQE® process within the operations management of its property holdings.

The HQE® Exploitation certification is a key Gecina commitment, which seeks to reach the following goals:

- 40% of its office floor space certified HQE® Exploitation by 2012;
- 80% of its office floor space certified HQE® Exploitation by 2016.

An annual on-site or documentary audit performed by Certivéa evaluates the system developed for each property and analyzes the achievement of performance goals on each building. Every five years, this certificate is reviewed and if necessary, Gecina is invited to shift to a new version of the reporting standards, covering the usual topics plus the latest sustainable development topics which Gecina already works on, such as the carbon impact of traveling, consideration for biodiversity and multi-criteria approach to indoor air quality.

In 2012, seven new buildings representing 117,700,sqm. received HQE® Exploitation recognition:

- Gecina's head office, located at 16, rue des Capucines (Paris 2nd arrondissement), a fully-reconstructed 10,570,sqm. building delivered in 2005;
- The Khapa (92 Boulogne-Billancourt), new 19,640,sqm. building delivered in 2008;
- The Angle (92 Boulogne-Billancourt), new 11,500,sqm. building delivered in 2008;
- Mercure (Paris 15th arrondissement), fully-reconstructed 8,700,sqm. building delivered in 2011;
- The 96/104 (Neuilly-sur-Seine), fully-reconstructed 10,665,sqm. building delivered in 2012;
- Anthos (92 Boulogne-Billancourt), new 9,300,sqm. building delivered in 2010;
- Horizons (92 Boulogne-Billancourt), new 36,670,sqm. building delivered in 2011.

Offices in use

2010

Portes de la Défense
SOM (Skidmore, Owing et Merill)
HQE® operation
42,800 sqm.

2011

Le Crystalys
Atelier 2M
HQE® operation
25,800 sqm.

Défense Ouest
SOM (Skidmore, Owing et Merill)
HQE® operation
57,150 sqm.

Le Valmy
Agence Di Fiore
HQE® operation
29,400 sqm.

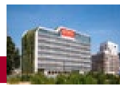
2012

16 rue des Capucines
Naud et Poux
HQE® operation
10,570 sqm.

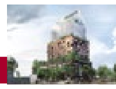
Khapa
Foster et Partners
HQE® operation
19,640 sqm.

L'Angle
J. P. Viguier
HQE® operation
11,500 sqm.

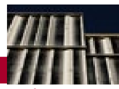
Mercure
SIENNA, 2AD
HQE® label THPE 2005
HQE® operation
8,700 sqm.



Anthos
Naud et Poux
HQE® operation
9,300 sqm.



Horizons
Ateliers Jean Nouvel
HQE® label THPE 2005
36,670 sqm.



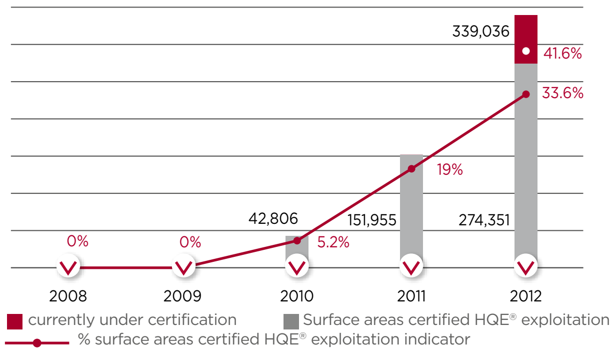
96/104
LOBJOY & BOUVIER
HQE® label BBC (1 new building)
HQE® label THPE 2005 (2 renovated buildings)
HQE® operation
10,665 sqm.

The addition of seven buildings to the four buildings already certified HQE® Exploitation, represented at the end of 2012 33.6% of office space certified HQE® Exploitation.

In the panel of recently delivered buildings, the buildings below will soon undergo certification:

- Park Azur (92 Montrouge), new 24,000,sqm. building, delivered in 2012;
- Magistère (Paris 8th arrondissement), fully-reconstructed 7,825,sqm. building delivered in 2012;
- Point métro 2 (92 Gennevilliers), new 15,000,sqm. building, delivered in 2012;
- Newside (92 La Garenne-Colombes), new 17,860,sqm. building delivered in 2012.

Office surface areas certified HQE® exploitation



Accordingly, with these four buildings, the percentage of HQE® Exploitation certified surface areas will reach 41.6% at the end of the Q1 2013.

Initiated in 2006 with the Cristallin building in Boulogne-Billancourt, one of the very first buildings in France to be certified NF commercial building HQE® Construction process, Gecina continues its third-party-based certification process. It now has a property holding of 292,000,sqm. certified or under certification if we include the case by case Anglo-American label endorsements and certifications such as BREEAM®, and LEED® to take full advantage of international practices.

HQE® certification for office and retail developments

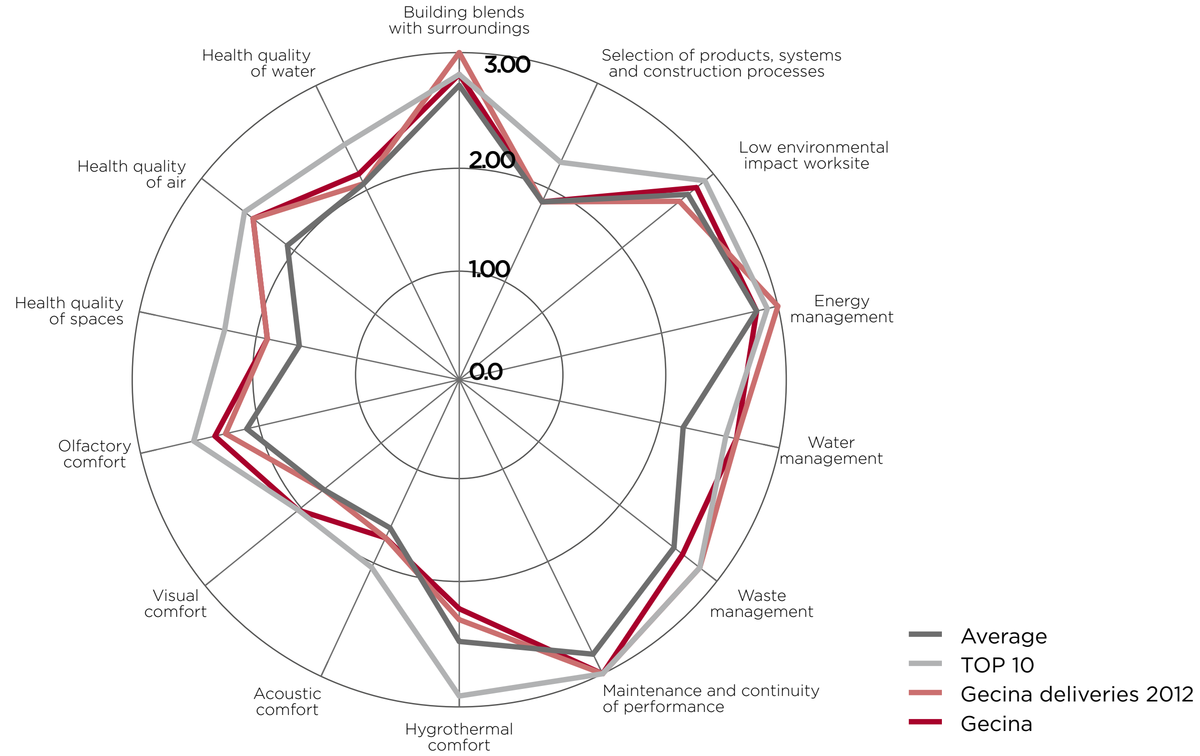
Activity	Statut	Delivery date	Label	Certification No.	Assets	Architect	Surface area (sqm)	HQE® process targets: Eco construction 1	2	3	Eco-management 4	5	6	7	Comfort 8	9	10	11	Healthcare 12	13	14	No. of efficient or very efficient targets
OFFICES + COMMERCIAL PROPERTIES	Delivered	2005	HQE	NF380/05/011	Le Cristallin	Arte Charpentier	24,075	3	2	3	3	3	3	3	1	3	3	3	3	3	2	13/14
		2008	HQE	NF380/06/021	Khapa	Norman FOSTER	19,639	3	1	3	2	3	1	3	1	1	2	3	2	3	2	10/14
		2008	HQE	NF380/06/022	L'Angle	Jean-Paul VIGUIER	11,427	2	1	2	2	3	2	3	1	1	2	3	2	3	2	11/14
		2010	HQE THPE 2005	NF380/07/111	Origami*	Manuelle GAUTRAND	5,255	2	2	3	2	2	3	3	2	2	2	1	1	1	2	11/14
		2010	HQE THPE 2005	NF380/07/117	Anthos	E. NAUD & L. POUX	9,595	2	1	3	3	3	3	3	3	2	3	3	2	3	2	13/14
		2011	HQE THPE 2005	NF 380/08/184	Mercure	Sienna + 2AD	8,700	3	2	3	3	2	3	3	3	2	2	2	2	2	2	14/14
		2011	HQE THPE 2005	NF 380/07/115	Horizons	Jean NOUVEL	36,670	3	2	3	3	3	2	3	3	1	1	3	3	3	2	12/14
		2012	HQE THPE 2005 for the 2 renovated buildings, HQE BBC for 1 new building	NF 380/09/339	96/104	Lobjoy & Bouvier	10,665	3	1	3	3	3	3	3	2	2	2	2	2	2	2	13/14
		2012	HQE THPE 2005	NF 380/09/346	Magistère	Anthony BECHU	7,825	3	1	3	3	2	3	3	2	1	1	2	2	2	2	11/14
		2012	HQE BBC, LEED Platinium, BREAM Very Good	NF 380/10/493	Newside	Valode & Pistre	17,860	3	3	3	3	3	3	3	3	2	2	2	2	3	2	14/14
		2012	HQE BBC		Park Azur	Philippe RIGWAY	24,000	3	2	2	3	3	2	3	2	2	1	2	1	2	2	12/14
		2012	HQE BBC	NF 380/08/128	Pointe Métro 2	Jean-Paul VIGUIER	15,000	3	2	2	3	2	3	3	2	1	2	3	2	3	2	13/14
	Under construction	2013	HQE, BREAM Very Good		Beaugrenelle (Pegase, Verseau)	Valode & Pistre	30,000	3	2	3	2	3	3	3	1	1	2	1	1	1	2	9/14
		2013	HQE BBC	NF 380/11/647	Vélum	Frank HAMMOUTENE	15,225	3	2	2	3	3	2	3	3	1	1	2	1	2	1	10/14
		2013	HQE BBC		Docks de St-Ouen	Franklin AZZI	16,155	3	2	3	3	2	3	3	2	1	2	2	1	3	3	12/14
		2015	HQE THPE 2005		Garden Ouest	Hubert GODET	39,900	3	2	3	3	2	3	3	2	2	2	2	2	2	3	14/14
	TOTAL						**291,991**	**16/16**	**11/16**	**16/16**	**16/16**	**16/16**	**15/16**	**16/16**	**12/16**	**8/16**	**12/16**	**14/16**	**11/16**	**14/16**	**15/16**	

No. of efficient or very efficient targets

Base
Efficient
Very efficient

** Building sold in 2011.*

Levels of performance of office assets by HQE® target



**Source Crane Source - Paris offices 2012 - latest 61 assets certified HQE® construction*

The chart above presents the performances of Gecina buildings certified NF HQE® Commercial buildings compared to a sample of 61 buildings certified NF HQE® Commercial buildings (source Deloitte/Grecam Crane Survey Paris offices – winter 2012). Although the buildings delivered by Gecina demonstrate significant above-average performances, we note, however a certain discrepancy on the "comfort"-specific targets, compared to the top 10 certified buildings. For Gecina's teams and the producers of these buildings, this is an additional challenge for the upcoming period.

Offices + Residential development certification

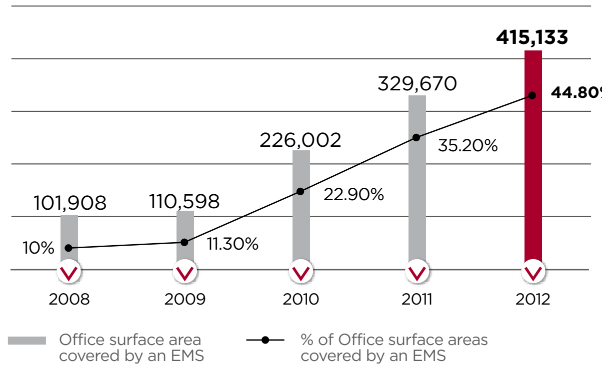
	2008	2009	2010	2011	2011
Surface area certified with a high-level of certification*	0	0	18,730	49,248	68,414
Surface area delivered	35,714	4,754	47,340	57,126	85,114
% of surface areas delivered certified with a high level of certification	**0.0%**	**0.0%**	**39.6%**	**86.2%**	**80.4%**
% of surface areas delivered certified	*87.0%*	*0.0%*	*50.7%*	*86.2%*	*89.6%*

** Offices: 12/14 targets HQE Efficient or Very efficient; Residential: Profile A H&E.*

In 2012, 94.1% of commercial buildings delivered were HQE® construction,certified; 84.3% presented at least 12 targets out of the 14 at "Efficient" or "Highly Efficient" level. One residential building out of two delivered in 2012 (15% of delivered properties) has an A profile and an H&E label.

These results demonstrate that 29.5% of Gecina's property holdings are covered by a **third-party recognized environmental management system,** this rate is 44.8% for the Offices activity. The implementation of processes and operating methods on the entire property holding is one of the goals set by Gecina in its next four-year plan. By 2016, it intends to use an environmental management system to cover 100% of the surface areas of the property holdings, especially by working with Qualitel to develop a similar for the residential sector based on the commercial model.

EMS coverage – Office property portfolio



7.5.1.4. FROM EXEMPLARY HEAD OFFICE TO LAB BUILDING

Gecina's head office is a remarkable building that won an award at the 2005 SIMI awards. It stands as a testimony to the paradigm shift in the real estate sector. Gecina wishes to make its head office a lab building, a demonstrator of the future of property holding, a place for testing innovations for products and materials as well as management/operating actions:

- study of constructive systems on renewable energy themes (solar panels embedded in glazing, urban wind mills) or indoor air quality (ventilation system cleaning process, purifying or pollution-trapping materials);
- preserve and enhance biodiversity: redesign potential green areas to encourage the development of native wild life and flora;
- waste-to-energy projects: develop the cradle-to-cradle approach, collect waste and give it a second life;
- educate employees about green actions: organize "exemplary head office" participatory workshops.

An environmental management study was conducted by Riposte Verte [16] in 2011 to identify possible action drivers. It identified two of them: improving the performance and contribution of employees in this quest for efficiency.

The success of the first four-year plan is based on the reduction of energy consumption and greenhouse gas emissions of the building thanks to a more detailed programming of the centralized management system which particularly ensures that lights and computer terminals are automatically switched off, the development of a deflection system with VOLTALIS and modification of lighting systems – lobby, floor landings, restaurants equipped with LED lights and the installation of motion sensors in washrooms.

To go even further in the search for energy savings, Gecina performed an in-depth energy audit which resulted in the scheduling of works for an estimated primary energy gain of 20%: implementation of a heat recovery system for the foul air from the ATUs[17]20 in lobby, corridors, cafeteria and restaurant areas, connection to the CPCU[18]21 network for the production of DHW for the restaurant and for preheating fresh air in the ATUs and implementation of variable output pumps. The Building Management System (BMS) will also be improved to contribute to the goal of optimizing energy consumption.

In 2012, all washroom faucets were fitted with aerators to reduce the flow to 1.9 l/min *versus* the previous 9L/min, thereby saving 504 m^3/year.

Changing certain behaviors and office practices helps to reduce the carbon footprint of Gecina's head office. Gecina also encourages sustainable gestures. It develops a responsible paper policy by buying FSC® and European Ecolabel certified paper.

All the company's copy machines and printers are networked in a badged system and are equipped with duplex and scanner functions. This option facilitates a paperless culture and the electronic archiving of leases, invoices and other internal administrative documents and cuts down on the paper reproduction of documents. A buffer memory key stores prints before confirmation, allowing the user to delete print instructions in case of a mistake.

Since 2011, employees are invited to sort the waste produced in their activities. Trays for sorting and recycling paper, bound documents, cans and plastic bottles have been placed on all floors of the building. Consumer products that are no longer used such as glasses, coffee capsules, mobile telephones and batteries can be disposed of in the sorting center installed on the ground floor. The new arrangement supplements those already in place in the living and working areas.

Between 2008 and 2012, thanks to the different actions implemented, the Gecina head office significantly reduced its consumption of natural resources and reported the results below:

- –32% of primary energy consumed with an outlook of -56% for 2013;
- –45% of greenhouse gas emissions;
- –43% of water consumption.

This success was confirmed when we obtained the HQE® Exploitation certification in 2012, issued by Certivéa.

(16) Created in 2006, the Riposte Verte Association has set itself the task of providing support to commercial sector players in their practices and mentalities as they take concrete action against climate change and generally incorporate environmental issues into their activities.
(17) ATU: Air Treatment Unit – DHW: domestic hot water.
(18) CPCU: Compagnie Parisienne de Chauffage Urbain.

7.5.2. OUR ENVIRONMENTAL PERFORMANCE

7.5.2.1. ENERGY PERFORMANCE AND GHGS

GECINA reports all the consumptions for its commercial and residential buildings.

Gecina has chosen to adopt for fiscal year 2012, the recommendations of article 225 "Construction/Real Estate" of the CSR reporting guide, drafted by France GBC with Gecina's participation. The principle adopted is to break the data down according to the source and the level of command in the data collection.

The table,below details the different methods used to publish consumption data.

There are three types:

- actual data from invoices or on-site consumption readings;
- estimated data based on ratios obtained from the actual readings of previous years;
- Data calculated on the basis of recognized methods (EPA 3CL for housing or RT Calculation as applicable for other assets) for assets for which no data is neither available nor accessible (case of individually-heated collective housing, recently-delivered assets for which the occupancy rate is insufficient);
- For healthcare assets, the collected data, actual consumptions derived from the energy performance certificate (DPE) or invoices, are not yet sufficiently reliable to be used and presented in the Gecina 2012 results. In 2013, we will continue working within partnership committees, which offer the opportunity to meet tenants in that asset class, in order to optimize this approach.

Our goal in 2013 is to continue the action with tenants of assets where Gecina considers that it collects reliable and relevant data in order to measure all consumptions in scope 3. The office real estate asset class is a priority in this approach, the means of action such as the environmental appendix or Gecina Lab will be invaluable drivers in this perspective.

	CORPORATE Head office consumption	**BUSINESS ACTIVITIES** Consumption recorded through Gecina's accounts	**STAKEHOLDERS** Consumption not recorded through Gecina's accounts
Basis 1: Gecina has no information regarding the building's consumption	no assets	no assets	Residential and student assets with individual or co-owned heating assessed by EPA's 3CL (Conventional Consumption Calculation in Housing) method Healthcare business Hotel business
Basis 2: Gecina has partial information regarding the building's consumption	no assets	Portion of actual consumption recorded through Gecina's accounts for residential and students assets with shared heating (heating + domestic hot water) Portion of actual consumption recorded through Gecina's account for multi- and single-tenant office and commercial assets	Portion of consumption paid for by tenants of residential and student assets with shared heating Portion of actual consumption paid for by tenants for multi- and single-tenant office and commercial assets Portion of estimated consumption paid for by tenants for multi- and single-tenant office and commercial assets
Basis 3: Gecina has all the information regarding the building's consumption	Head office: All consumption	Portion of actual consumption recorded through Gecina's account for multi- and single-tenant office and commercial assets	Portion of actual consumption paid for by tenants in multi- and single-tenant office and commercial assets
TOTAL PROPERTY HOLDINGS CONSUMPTION	**TOTAL CORPORATE BASIS**	**TOTAL BUSINESS ACTIVITIES BASIS**	**TOTAL STAKEHOLDERS BASIS**

7.5.2.1.1. Energy performance and CO_2 emissions

7.5.2.1.1.1. Energy performance and CO_2 emissions of the property holding

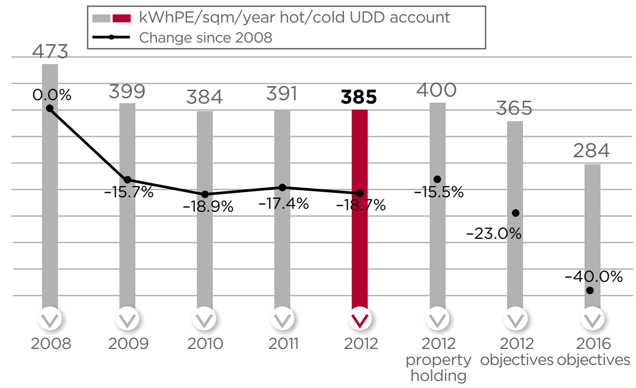
Energy performance and CO_2 emissions of the property holding

	Indicators	Corporate	Business activities Consumption recorded through Gecina's accounts	Stakeholders Consumption not recorded through Gecina's accounts	Total
Basis 1 Gecina has no information regarding the building's consumption	MWhPE	no assets	no assets	39,350	39,350
	kWhPE adjusted by heating/cooling degree-day units			39,350	39,350
	MWhFE			25,368	25,368
	kWhFE adjusted by heating/cooling degree-day units			25,368	25,368
	ton of CO_2			4,972	4,972
	ton of CO_2 adjusted by heating/cooling degree-day units			4,972	4,972
Basis 2 Gecina has partial information regarding the building's consumption	MWhPE	no assets	132,798	192,054	324,852
	MWhPE adjusted by heating/cooling degree-day units		128,927	187,057	315,984
	MWhFE		100,512	77,258	177,770
	MWhFE adjusted by heating/cooling degree-day units		100,341	76,400	176,741
	ton of CO_2		18,107	8,269	26,377
	ton of CO_2 adjusted by heating/cooling degree-day units		18,345	8,436	26,781
Basis 3 Gecina has all the information regarding the building's consumption	MWhPE	5,058	53,363	103,059	161,480
	MWhPE adjusted by heating/cooling degree-day units	5,098	51,301	101,670	158,069
	MWhFE	2,412	27,028	43,569	73,009
	MWhFE adjusted by heating/cooling degree-day units	2,374	26,068	43,339	71,780
	ton of CO_2	223	2,769	5,140	8,133
	ton of CO_2 adjusted by heating/cooling degree-day units	232	2,849	5,304	8,385
TOTAL	**MWhPE**	**5,058**	**186,161**	**334,463**	**525,682**
	MWhPE adjusted by heating/cooling degree-day units	**5,098**	**180,228**	**328,077**	**513,403**
	MWhFE	**2,412**	**127,540**	**146,195**	**276,147**
	MWhFE adjusted by heating/cooling degree-day units	**2,374**	**126,409**	**145,107**	**273,889**
	ton of CO_2	**223**	**20,876**	**18,381**	**39,481**
	ton of CO_2 adjusted by heating/cooling degree-day units	**232**	**21,194**	**18,712**	**40,138**

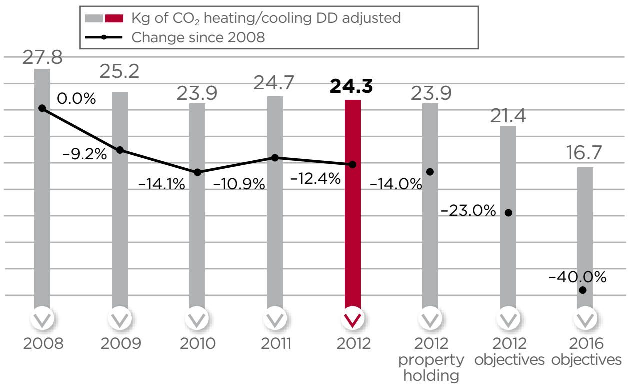
7.5.2.1.1.2. Energy performance of the Office property holding

Office assets continued to improve their performances in 2012, illustrated by the curve below. However, it is clear that the actions taken until then have capped annual results at a level of gain of 18% between 2008 and 2012.

Average primary energy consumption (2008 constant climate) – Offices



Details of energy consumptions and greenhouse gas emissions – Offices



7.5.2.1.1.2 Change in primary energy, final energy consumption and CO_2 emissions – Office

	2008	2009	2010	2011	2012
Number of assets	83	78	78	78	74
Ref. surf. area	683,952	650,412	650,412	650,412	621,749
kWhPE	323,783,329	290,187,013	297,711,337	271,520,951	250,395,352
KWHPE/SQ^M/P.A.	**473**	**446**	**458**	**417**	**403**
YoY change	0.0%	–5.8%	2.6%	–8.8%	–3.5%
Change since 2008	0.0%	–5.8%	–3.3%	–11.8%	–14.9%
kWhPE adjusted by heating/cooling degree-day units	323,783,329	259,619,593	249,581,561	254,193,719	239,370,205
KWHPE/SQM/P.A. ADJUSTED BY HEATING/ COOLING DEGREE-DAY UNITS	**473**	**399**	**384**	**391**	**385**
YoY change	0.0%	–15.7%	–3.9%	1.8%	–1.5%
Change since 2008	0.0%	–15.7%	–18.9%	–17.4%	–18.7%
kWhFE	156,635,473	139,871,654	145,273,502	129,108,708	120,153,364
KWHFE ENERGY/SQM/P.A.	**229**	**215**	**223**	**199**	**193**
YoY change	0.0%	–6.1%	3.9%	–11.1%	–2.6%
Change since 2008	0.0%	–6.1%	–2.5%	–13.3%	–15.6%
kWhFE adjusted by heating/cooling degree-day units	156,635,473	126,746,601	125,365,873	126,163,356	118,611,427
KWHFE/SQM/P.A. ADJUSTED BY HEATING/ COOLING DEGREE-DAY UNITS	**229**	**195**	**193**	**194**	**191**
YoY change	0.0%	–14.9%	–1.1%	0.6%	–1.7%
Change since 2008	0.0%	–14.9%	–15.8%	–15.3%	–16.7%
ton of CO_2	18,998	16,839	17,855	15,084	14,548
KG OF CO_2	**27.8**	**25.9**	**27.5**	**23.2**	**23.4**
YoY change	0.0%	–6.8%	6.0%	–15.5%	0.9%
Change since 2008	0.0%	–6.8%	–1.2%	–16.5%	–15.8%
ton of CO_2 adjusted by heating/cooling degree-day units	18,998	16,412	15,528	16,089	15,126
TON OF CO_2 ADJUSTED BY HEATING/COOLING DEGREE-DAY UNITS	**27.8**	**25.2**	**23.9**	**24.7**	**24.3**
YoY change	0.0%	–9.2%	–5.4%	3.6%	–1.7%
Change since 2008	0.0%	–9.2%	–14.1%	–10.9%	–12.4%

The detailed analysis of consumptions shows that while the gain linked to improving the operation of properties in service in the property holding from 2008 to 2012 is 16%, a value close to the announced target of 15%. Assets under reconstruction, which represent only 4% of surface areas, over the same period, present an average gain of 43.1%.

Clearly, the reconstruction of assets helps to significantly improve performance in the commercial division. However, given the occupancy constraints and the budgets required, other means of action are required to achieve our goals.

Accordingly, to continue in the momentum of the early years and keep on tracking "negawatts" [20], Gecina has decided to implement a new ambitious four-year plan by harnessing supplementary tools:

- **Active efficiency solutions:** A request for proposals was launched early 2012 to analyze the automatic and dynamic management solutions available on the market. While seeking a genuine tool to monitor the consumption levels of each of the assets in the property holding, Gecina seeks to:
  - view consumption data in real time;
  - deploy an early warning system to correct unscheduled overruns;
  - consolidate the collected data (centralized reporting momentum).

  Six assets in the property holding were put through a testing phase at the end of 2012 for deployment planned for the second half of 2013.
- **Black-out solutions** by working with VOLTALIS: transparent for the user of a building, these solutions provide relief and generate consumption gains during power consumption peak periods by allowing the black-out of some of the building's non-critical equipment for a short period.
- For several years already, the **replacement of energy equipment** is subject to a technical/economic analysis in overall cost with a preference for the most energy-efficient.
- Lastly, Gecina is testing **green energy supply** on two newly-delivered buildings: Newside and Magistère. The hydraulic origin production guarantees for the two buildings will help to reduce the pe/fe ratio set at 2.58 to 1.07. In addition to the CO_2 emissions avoided by the use of renewable energies, Gecina attentively follows new developments related to the primary energy/final energy conversion factor which is still under discussion by experts (see 2009 Senate report, Energy balance for France 2012, etc.).

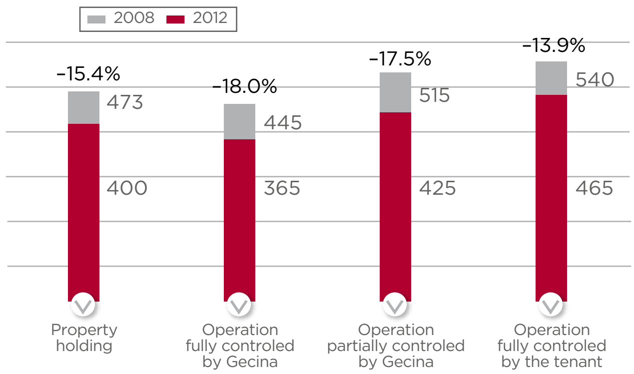
The first 2008/2012 four-year plan showed the difficulties encountered on the basis of the originally defined scenarios. Although these results are basically close to our initial target –79% of progress on the energy theme in commercial real estate, 88% in greenhouse gas emissions and goal reached on final energy – **there is still a long way to go until 2016**.

The lessons learned from this period and the works carried out collectively with France GBC have drawn attention to the need to segment the property holding according to the following typology:

- When the operation is fully controlled by Gecina (62% of surface areas and 368,kWhPE/sqm./year including the head office where a 32% gain was achieved between 2008 and 2012), it is more likely that the goals can be reached. That is why on this property holding, Gecina is modeling new scenarios aimed at confirming its ambition by 2016;
- When the operation is partially controlled by Gecina (14% of surface areas and 424,kWhPE/sqm./year), the means for action are limited to the scope of the communal areas and collective heating and chilling networks. Shifting the 2016 target by roughly two years seems realistic considering the deployment of environmental appendices on a large scale;
- When the tenant is exclusively in charge of operating the site (24% of surface areas and 465,kWhPE/sqm./year), Gecina can hardly intervene on the asset and only the environmental appendix may be able to create the conditions for significantly improving performances. Accordingly, on this property holding, Gecina has moved its target for energy gains to 2020, the horizon initially set by the Grenelle,project, knowing that it is probably the most ambitious goal even if it concerns a longer term.

Chart below shows that Gecina's level of control on the asset is immediately reflected in absolute consumption terms and in the relative gain over the 2008-2012 period.

2008/2012 primary energy consumption breakdown of assets following Gecina's operationnal control (2008 constant climate) *(kWhPE/sqm/year)*



(20) Negawatt: power saved thanks to a change in technology or behaviour (concept promoted in France by the NGO "Negawatt").

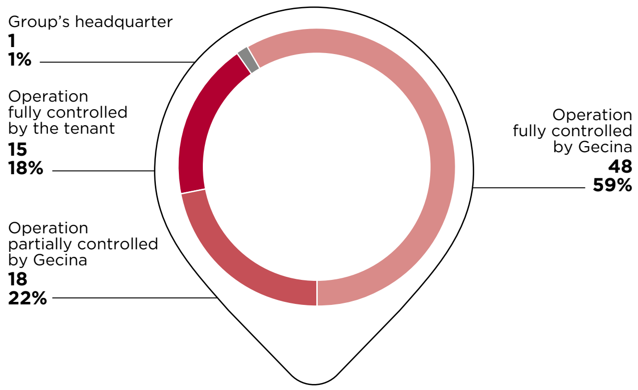
The tables and charts below present the consumptions of the property holding according to the segmentation recommended by France GBC.

Consumption breakdown following the recommendations of EPRA and France GBC

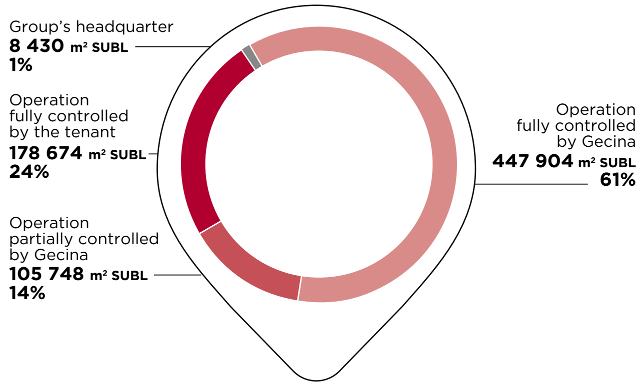
	Indicators	Corporate	Business activities Consumption recorded through Gecina's accounts	Stakeholders Consumption not recorded through Gecina's accounts	Total
Basis 1 Gecina has no information regarding the building's consumption		no assets	no assets	no assets	
Basis 2 Gecina has partial information regarding the building's consumption	MWhPE	no assets	74,972	192,054	267,026
	MWhPE adjusted by heating/ cooling degree-day units		71,100	187,057	258,157
	MWhFE		42,686	77,258	119,944
	MWhFE adjusted by heating/ cooling degree-day units		42,515	76,400	118,915
	ton of CO_2		5,473	8,269	13,742
	ton of CO_2 adjusted by heating/ cooling degree-day units		5,710	8,436	14,147
Basis 3 Gecina has all the information regarding the building's consumption	MWhPE	5,058	53,363	103,059	161,480
	MWhPE adjusted by heating/ cooling degree-day units	5,098	51,301	101,670	158,069
	MWhFE	2,412	27,028	43,569	73,009
	MWhFE adjusted by heating/ cooling degree-day units	2,374	26,068	43,339	71,780
	ton of CO_2	223	2,769	5,140	8,133
	ton of CO_2 adjusted by heating/ cooling degree-day units	232	2,849	5,304	8,385
TOTAL	**MWhPE**	**5,058**	**128,335**	**295,113**	**428,506**
	MWhPE adjusted by heating/cooling degree-day units	**5,098**	**122,401**	**288,727**	**416,226**
	MWhFE	**2,412**	**69,714**	**120,827**	**192,953**
	MWhFE adjusted by heating/cooling degree-day units	**2,374**	**68,583**	**119,738**	**190,695**
	ton of CO_2	**223**	**8,242**	**13,409**	**21,875**
	ton of CO_2 adjusted by heating/ cooling degree-day units	**232**	**8,559**	**13,740**	**22,531**

Breakdown of assets following Gecina's operationnal control

By number and % of assets



By surface area and % of surface areas (sqm SUBL)



Average for office and commercial assets (excl. usage)

Usage related to activities within assets represent on average 25% of the assets' total consumption in final energy and 29% of primary energy.

	Full control over operation by Gecina	Control over operation shared with tenant	Full control over operation by tenant
No.	49	18	15
Surf. area *(sqm SUBL)*	456,334	105,748	178,674
MWhPE	172,325	47,479	87,049
kWhPE/sqm/p.a.	**378**	**449**	**487**
MWhPE adjusted by heating/ cooling degree-day units	166,610	44,908	83,056
KWHPE ENERGY/SQM/P.A. ADJUSTED BY HEATING/COOLING DEGREE-DAY UNITS	**365**	**425**	**465**
MWhFE	83,629	23,296	38,751
kWhFE energy/sqm/p.a.	183	220	217
MWhFE adjusted by heating/ cooling degree-day units	82,072	23,078	38,267
kWhFE/sqm/p.a. adjusted by heating/ cooling degree-day units	180	218	214
ton of CO_2	9,720	2,712	4,688
Kg of CO_2/sqm·/p.a.	**21**	**26**	**26**
ton of CO_2 adjusted by heating/ cooling degree-day units	10,103	2,813	4,860
KG OF CO_2/SQM/P.A. ADJUSTED BY HEATING/ COOLING DEGREE-DAY UNITS	**22,1**	**26,6**	**27,2**

7.5.2.1.1.3. Energy performance of residential property and student residences

(as required by the CSR reporting guide Article 225 Real Estate Construction prepared by France GBC)

Residential property and students residences

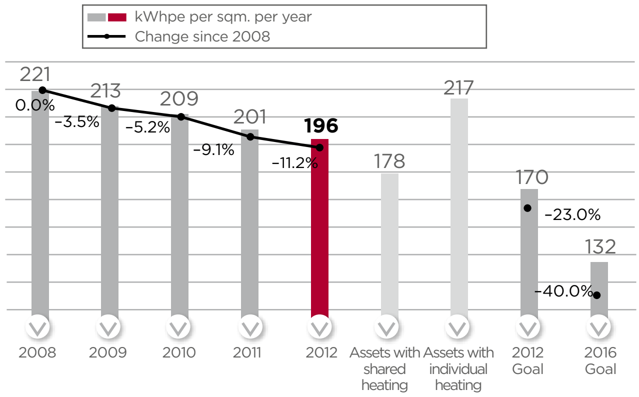
- Since 2008, there has been a constant improvement in the performance of our residential properties thanks to an optimized works and management plan for asset operations.
- Nevertheless the performance presented does not reflect all the work carried out on our assets. This is because the choice made four years ago to communicate about results derived from Energy Performance Certificates using the 3CL methodology for calculating residential energy consumption only covers the results of building work or changes in energy sources. This decision to standardize the results of individually and collectively heated properties masks the operating improvements made on these assets for the years in question.
- However, this policy, carried out on more than half the properties (33 assets but 64% of the surface area), has considerably improved our overall performance. That is why we decided that as from 2012 there will be independent monitoring of these two categories using the same methodology for buildings with collective heating as for third-party buildings, which will be based on actual climate-adjusted consumption.
- For assets with individual heating, it is currently not conceivable for Gecina to collect all tenants' invoices to identify actual consumption. For this reason, this portion of our properties (53% of properties but only 36% surface areas) will continue to be analyzed using EPC methodology (this may change, depending on work in progress).
- Nevertheless, to assess actual performance accurately, a performance supervision system is being established for commercial assets; and an analysis is being carried out for residential assets and should be completed over the next two years. Such measurements for individual assets require tenants' approval, and will be examined in the light of data protection legislation.

The diagrams below show that for buildings with collective heating, the result for 2012 of e=178 kWhPE/sqm./year is not far off the initial objective of 170 kWhPE/sqm./year.

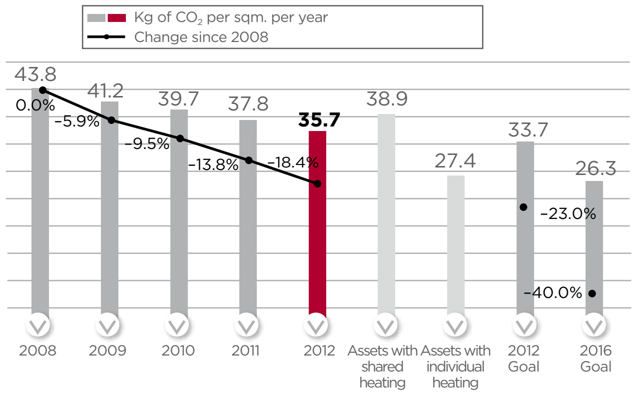
At the time of writing this report, the overall results of analyses for the past four years are not yet complete. This is all the more so since Article 225 of the Grenelle 2 law requires the inclusion of non-financial information in the reference document. This has led to an offset in the data taken into account over a rolling period ended September,30, 2012.

It will be seen that at this point, Gecina wishes to have enough time to be able to retrospectively assess changes to be made in the objectives, distinguishing henceforth those properties whose results and measurement techniques appear significantly different. It seems reasonable to suppose that full and complete information will be available and ready to be put online during the second quarter of 2013.

Primary energy consumption average – Residential



GHG emissions average – Residential



Details of energy consumption and CO2 emissions – residential property

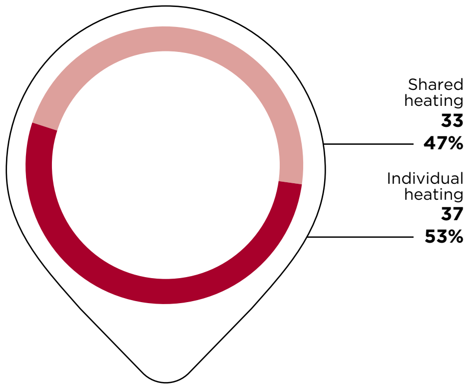
	2008	2009	2010	2011	2012
No. of assets	128	116	106	93	70
Ref. surf. Area	885,892	827,727	776,759	642,977	506,306
kWhPE	195,391,780	176,096,187	162,334,245	128,926,796	99,127,106
kWhPE/sqm/p.a.	**221**	**213**	**209**	**201**	**196**
YoY change	0.0%	–3.5%	–1.8%	–4.1%	–2.4%
Change since 2008	0.0%	–3.5%	–5.2%	–9.1%	–11.2%
kWhFE	174,508,921	155,056,773	142,427,118	112,456,328	85,145,430
kWhFE/sqm/p.a.	**197**	**187**	**183**	**175**	**168**
YoY change	0	–4.9%	–2.1%	–4.6%	–3.8%
Change since 2008	0	–4.9%	–6.9%	–11.2%	–14.6%
ton of CO_2	38,818	34,144	30,808	24,299	18,099
kg of CO_2/sqm/p.a.	**43.8**	**41.2**	**39.7**	**37.8**	**35.7**
YoY change	0.0%	–5.9%	–3.8%	–4.7%	–5.4%
Change since 2008	0.0%	–5.9%	–9.5%	–13.8%	–18.4%

Consumption breakdown following the recommendations of EPRA and France GBC

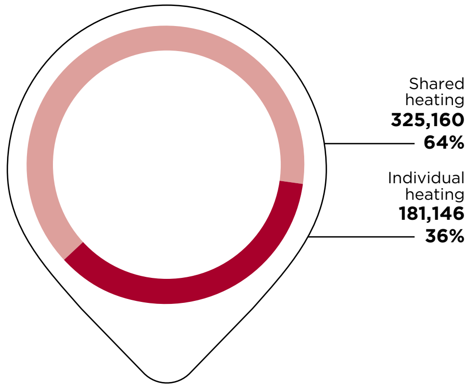
	Indicators	CORPORATE	BUSINESS ACTIVITIES	STAKEHOLDERS	Total
Basis 1 Gecina has no information regarding the building's consumption	MWhPE	no assets	no assets	39,350	39,350
	MWhFE			25,368	25,368
	ton of CO_2			4,972	4,972
Basis 2 Gecina has partial information regarding the building's consumption	MWhPE	no assets	57,826	N/D	57,826
	MWhFE		57,826		57,826
	ton of CO_2		12,634		12,634
Basis 3 Gecina has all the information regarding the building's consumption					N/A
TOTAL	**MWhPE**		**57,826**	**39,350**	**97,176**
	MWhFE		**57,826**	**25,368**	**83,195**
	ton of CO_2		**12,634**	**4,972**	**17,606**

Breakdown of assets following GECINA's operational control

By number and % of assets



By surface area and % of surface areas (sqm SUBL)



Ratios

	Actual consumption for assets with shared heating	Consumption assessed by the 3CL method for assets with individual heating
No.	33	37
Surf. area *(sqm SUBL)*	325,160	181,146
kWhPE	57,826	39,350
kWhPE/sqm/p.a.	**178**	**217**
KwhFE	57,826	25,368
KwhFE/sqm/p.a.	178	140
ton of CO_2	12,634	4,972
kg CO_2/sqm/p.a.	39	27

7.5.2.1.2. Energy Performance Certificates

Improvements in asset efficiency can be seen from the following graphs showing changes in energy certification.

Office properties

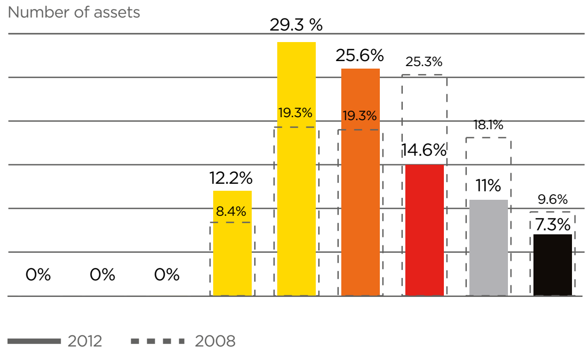
The percentage of assets (by number) has improved from 27.7%, in categories D and E, to 41.4%. These ratios are based on abnormal consumptions following the validated reporting protocol for publication of annual results. They differ from the methodology used by the "Renovation of commercial properties" work group led by Maurice Gauchot, which uses the total consumption of each asset, pending the publication, announced for April, of the decree by Cécile Duflot, Minister for Territorial Equality and Housing, and the specification of a definitive ruling on the performances to be achieved.

At present, Gecina measures the assets that have improved their energy classifications and has confirmed that between 2008 and 2012, three assets classified in G, H and I have moved up two classes while 14 assets in the same categories have moved up one class. Similarly one asset in categories D, E and F has moved up two classes while 13 assets in those categories have advanced one class.

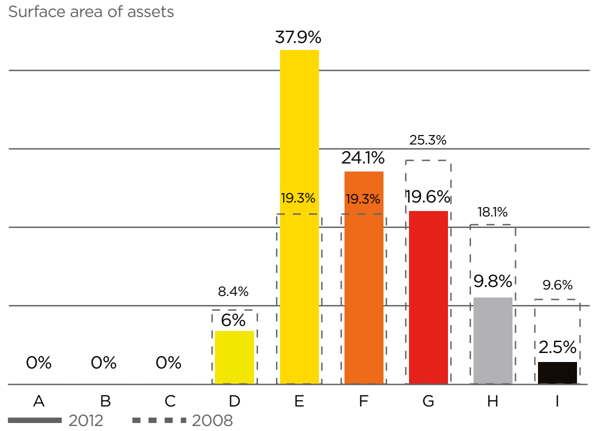
Over the same period, six assets in D, E and F have gone down one class and two assets in G, H and I have gone down one class. The precise analysis of the buildings concerned is ongoing to determine the causes: change in occupancy, installed equipment, excessive consumption, etc.

The charts below show the trend of energy labels over the 2008-2012 period. The color bar chart corresponds to 2012; 2008 is shown by a single unbroken line.

2008 / 2012 breakdown by energy label of office properties in service *(number of assets)*



2008 / 2012 breakdown by energy label of office properties in service *(surface area of assets)*

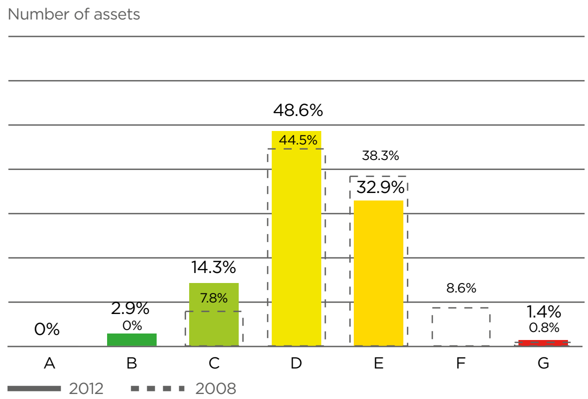


Residential assets and student residences

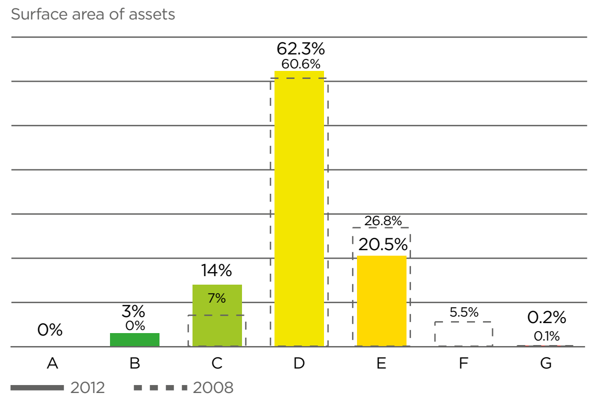
As with commercial property, the number of low energy efficiency assets has decreased considerably, with a gain of +10% in categories C and above, reaching the lower limit of the 2020 national objective, which is set at 150,kWhPE/sqm./year.

Furthermore, virtually all properties are in energy categories D or E, which is measurably close to the targeted average. Monitoring actual results for collectively heated assets will confirm the importance of managing asset operations for continuing this net improvement in the efficiency of our assets.

2008 / 2012 breakdown by energy label of residential properties in service *(number of assets)*



2008 / 2012 breakdown by energy label of residential properties in service *(surface area of assets)*



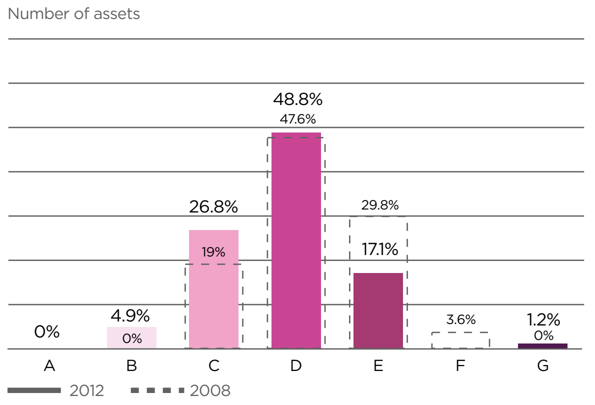
7.5.2.1.3. Climate labels

Climate labels show the same trend as energy labels but with greater emphasis on improvements linked to changes in heating production with lower carbon emissions, calculated with the same transformation coefficient for primary energy accounting purposes.

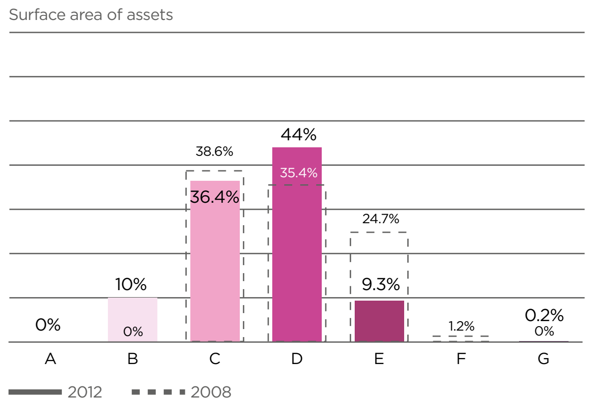
Climate labels for third-party assets benefit from a predominantly electrical energy mix, with low carbon emissions, considering that in France electricity is primarily generated by nuclear plants.

Office properties

2008 / 2012 breakdown by climate label of office properties in service *(number of assets)*

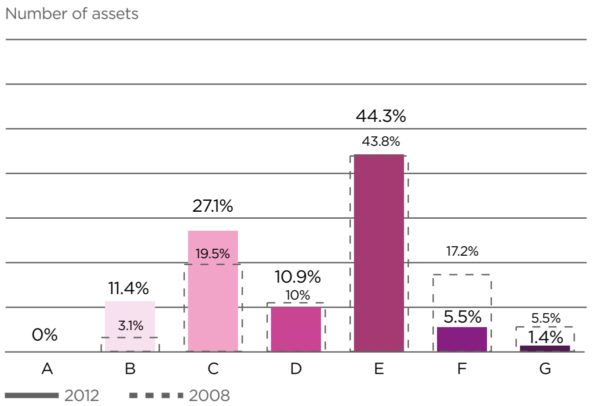


2008 / 2012 breakdown by climate label of office properties in service *(surface area of assets)*

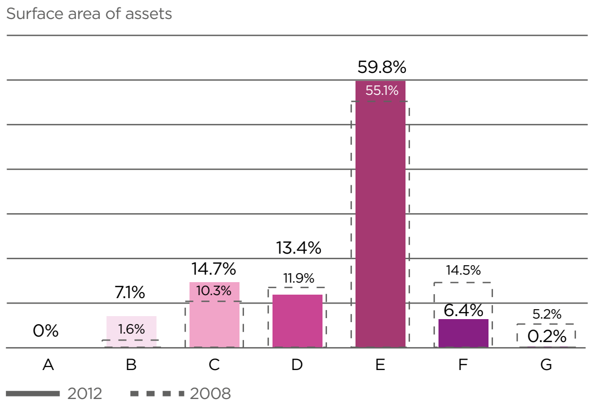


Residential properties and student residences

2008 / 2012 breakdown by climate label of residential properties in service *(number of assets)*



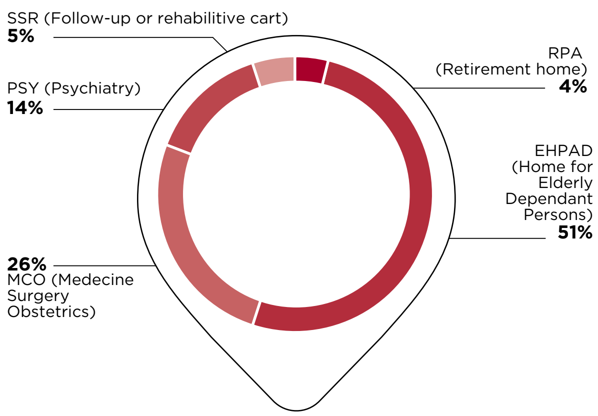
2008 / 2012 breakdown by climate label of residential properties in service *(surface area of assets)*



7.5.2.1.4. Healthcare property energy efficiency

For the first time, Gecina is publishing details of its healthcare properties (covering 86% of properties); the graph below shows the breakdown between the various categories of establishment (clinics, Homes for Elderly Dependent Persons, etc.).

Breakdown of healthcare properties by number of assets

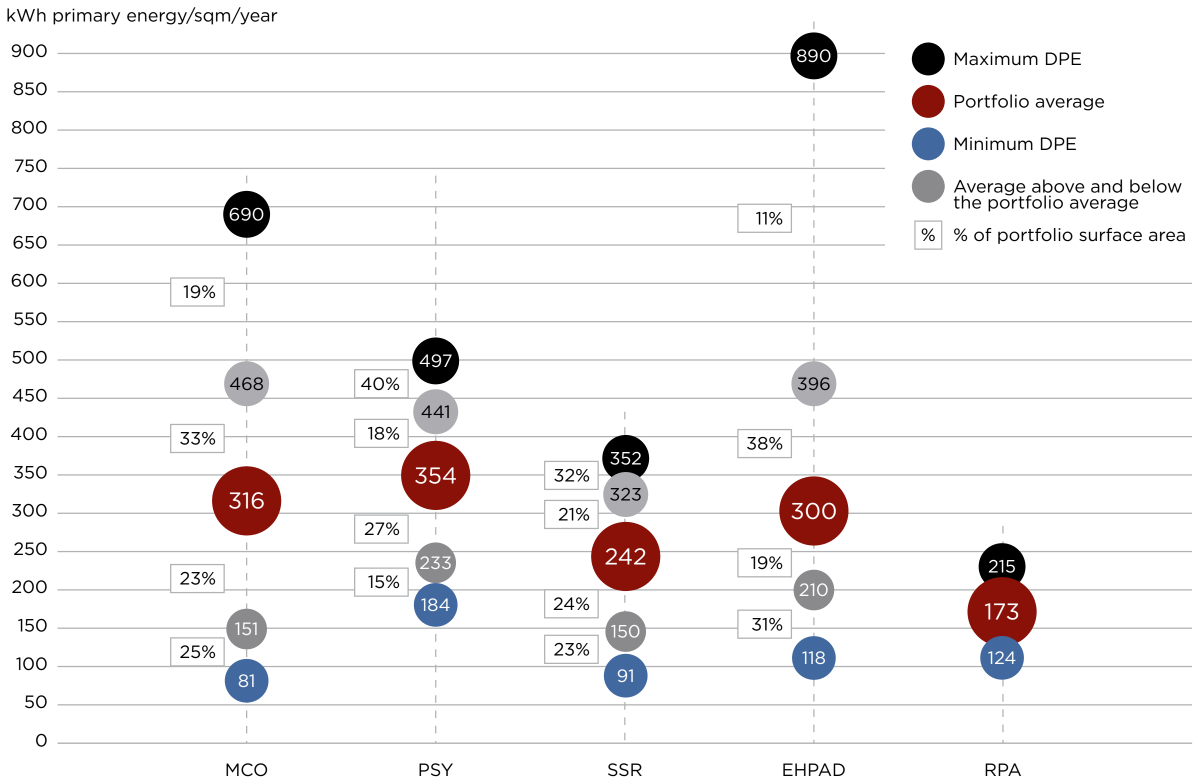


Graph 2 shows the wide differences in energy efficiency between different categories of establishment and within these categories. It is therefore difficult to set objectives by category of asset or by individual property at this stage.

Healthcare properties are definitely lagging behind commercial property in energy efficiency. They have different priorities, which naturally include compliance with the extremely complex rules that regulate their activity (and to some extent govern their social responsibility). This sector is gradually adapting to environmental concerns.

Gecina and its clients, who are among the leading operators on the market, have set themselves the goal of developing a detailed action plan by 2013. We are also conducting an assessment for the establishment of a green lease or a specific environmental amendment for this business sector.

Average consumption spread by type of healthcare institution



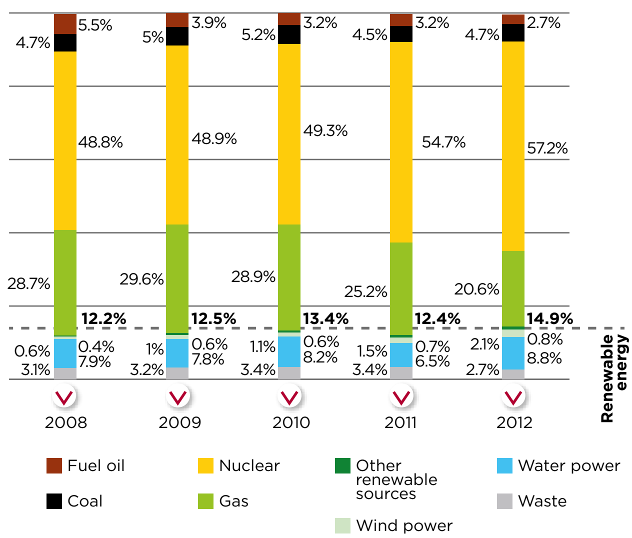
7.5.2.1.5. Energy mix

Gecina is continuing to pull out of carbon-intensive energies (coal, oil) while simultaneously stepping up the proportion of energy generated from renewable sources. For the moment, this almost exclusively relates to connections to urban heating networks (7% increase in residential property area connected between 2008 and 2012) which their energy mix is not reaching their announced goals (50% of renewable energy). The development of on-site renewable energies is making progress, in particular in residential properties, through the adoption of solar energy as the basis for domestic hot water for all new developments. A projected installation of this technology for the renovation of the Ville d'Avray residence is being examined, as is a roof-level solar panel project for a future office building in Montigny le Bretonneux (Garden West).

At the end of 2012, Gecina chose to support the Paris Est project (Universities and Graduate Schools), which has applied to participate in the Solar Decathlon Europe 2014 event to be held in France. The challenge is to design and build a fully-autonomous solar energy house.

The preponderance of electricity in our properties is largely due to decisions taken to reduce the overall proportion of areas heated by gas in residential properties. The result was a positive reduction in CO_2 emissions, given the French energy production mix.

Change in the primary energy production method for our properties



7.5.2.1.6. Measurement difficulties

Although it is relevant to monitor the energy consumption and GHG emission levels of Gecina's entire portfolio, their analyses must reflect the current limits of the practice.

Indeed, the Group's scope includes commercial, residential and healthcare assets with especially non-homogenous uses as indicated in the table,below.

In addition to this table, the following elements should be taken into account for the office and healthcare business lines:

- consumptions are broken down by supply sources (electricity, fuel oil, gas, heating network, etc.) and by item (usage, heating, air conditioning, etc.);
- the typology and the activity within buildings have a significant influence on consumption levels:
  - office property
    - premises may be occupied 24 hours a day, 7 days a week,
    - type of use: multitenant, head office, etc.,
    - intensity of activity: administrative, consultancy, call-center, trading desk, etc.,
    - services associated with building use (sports room, intercompany restaurant, etc.),
    - retail activity with more or less long opening hours (open or not on Sundays) and of different types (shop, show-room, etc.),
  - healthcare property
    - the intensity of the activity affects the levels of consumption: accommodation (retirement home); research center and laboratory; medical activity (rehabilitation, spa, operating theatres, etc.).

Characteristics and measurement of the influence of parameters on energy efficiency

	Scope		
	Offices	Healthcare	Residential
Reference surface area	GLA: gross letting area.	GLA: gross letting area.	GHSA gross habitable surface area.
Method of calculation	Real, calculation based on the analysis of invoices and adjusted to reflect climate impact	Real, calculation based on the analysis of invoices	Real for properties with collective heating EPC, standardized calculation for properties with individual heating
Breakdown of energy supply	Energy consumptions broken down by sources: electricity, gas, oil, heating network, cooling network, etc., distinguishing the proportions paid by Gecina and by the tenant.		
Influence of work carried out	Impact on consumptions and emissions simulated prior to starting work and measured in real time after delivery.		
Influence of vacancy rate	The N/N+1 changes in consumption and emission levels are analyzed with respect to the occupancy levels of buildings.		Not applicable since the EPA is calculated with comfort temperatures and regulatory occupancy rates
Climate impact (see chapter,7.3.4.3.)	Measured impact	For the moment, these impacts are not measured in detail.	
Influence of operation management	Measured impact		
Behavior of users	For the moment, this impact is not measured in detail.		
Influence of the activity			

7.5.2.2. WATER

In commercial property we focus on the installation of systems for monitoring and consumption, and high-efficiency equipment:

- installation of meters;
- connection of meters and sub-meters to a building management system (BMS) for close tracking of consumptions and identification of any leaks;
- installation of aeration units to limit throughput;
- installation of rainwater recovery systems on some reconstructed buildings;
- removal of air-cooled towers.

Wherever possible in its residential properties, with the tools required to better control water consumption and preserve sanitation quality:

- collective service contracts for pipes with at least one annual visit scheduled for each apartment;
- replacement of expansion tanks and stopcocks;
- individual domestic hot water consumption meters with remote meter reading;
- installation of water-saving measures (2-level WC flush, shower heads and tap aerators);
- automatic watering timers, installation of drop-by-drop watering systems and low water consumption plants for ornamental gardens.

Since calculations of charges for 2012 were not yet available at the date of this report, only data for 2011 are shown.

Installing monitoring systems in properties during 2013, with the same goals of real-time efficiency management for energy (see previous chapter) and water consumption will make data more reliable and cut the time required before they can be published.

The table below shows the significant progress made over the period, both for the head office (-35%) and for all property holdings monitored (-15%).

Property holdings cold water consumption

Corporate basis	2008	2009	2010	2011
Volume *(m^3)*	7,374	6,520	4,607	4,817
Surf. *area (sqm)*	9,772	9,772	9,772	9,772
m^3/sqm/p.a.	**0.75**	**0.67**	**0.47**	**0.49**
Δ since 2008		**-11.6%**	**-37.5%**	**-34.7%**

Business activities basis	2008	2009	2010	2011
Volume *(m^3)*	1,501,386	1,454,781	1,460,402	1,025,253
Surf. *area (sqm)*	1,204,861	1,210,104	1,315,913	971,130
m^3/sqm/p.a.	**1.25**	**1.20**	**1.11**	**1.06**
Δ since 2008		**-3.5%**	**-10.9%**	**-15.3%**

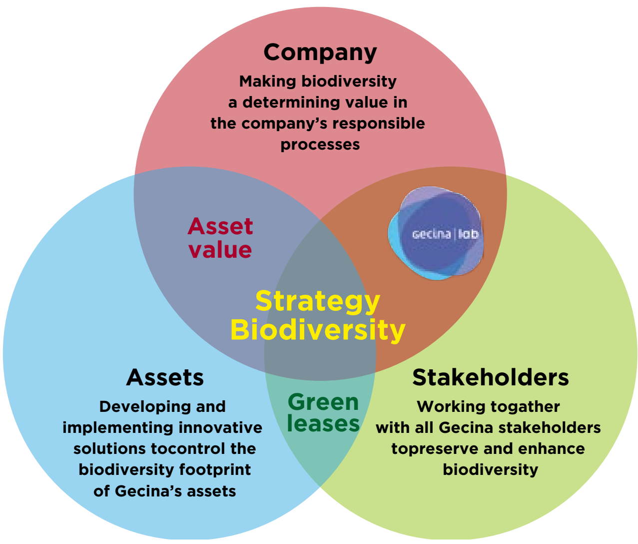
Corporate + business activities basis	2008	2009	2010	2011
Volume *(m^3)*	1,508,760	1,461,301	1,465,009	1,030,070
Surf. *area (sqm)*	1,214,634	1,219,876	1,325,686	980,902
m^3/sqm/p.a.	**1.24**	**1.20**	**1.11**	**1.05**
Δ since 2008		**-3.6%**	**-11.0%**	**-15.5%**
Group reference surf. Area	*3,328,858*	*3,129,587*	*3,272,189*	*2,816,993*
Property covered	*36%*	*39%*	*41%*	*35%*

7.5.2.3. BIODIVERSITY AND SOIL USE

7.5.2.3.1. Gecina's biodiversity strategy

Gecina is aware that biodiversity is a real and growing factor influencing design, construction, renovation and operation for its businesses, assets and image. The Group has made biodiversity a principal plank of its CSR policy, at the heart of the Responsible Building concept. Through this strategy Gecina intends to set the future standards for property and to become the leader and the benchmark example in this area.

A strategy defined into three focuses and 10 commitments



During 2012, Gecina worked to take account of biodiversity and raise awareness of these new factors.

It has incorporated biodiversity criteria in the Construction Management System (CMS) through the Performance Program and its Responsible Building instrument panel. Considering idea-sharing a source of progress, Gecina has participated since its creation in the HQE® Performance work group dedicated to biodiversity; the first stage is the development of a reference base incorporating details of the problem.

Finally, Gecina wishes to mobilize all its stakeholders around this subject, and in 2012, it organized two biodiversity conferences through its sustainable development club, Gecina Lab. The first conference was held in Gecina's headquarters to raise the awareness of all employees to the importance of biodiversity in their work. A second conference, bringing together players from the real estate and equipment sectors, was held at the Horizons building during World Green Building Week.

Gondwana, an expert supporting Gecina's biodiversity initiative

Created in 2005 by four associates, Gondwana Biodiversity Development is the only French strategy consultancy specializing in biodiversity. Its role is to assist companies and local authorities to incorporate protection of biodiversity in their activities and to support them in deciding and implementing their biodiversity policies and actions.

Gondwana has assisted Gecina in defining its biodiversity strategy.

Displaying Gecina's commitment to biodiversity: the SNB label

Fighting against biodiversity impoverishment, Gecina has designed its action as a follow-up to the 2010 United Nations International Biodiversity Year, and directly in line with France's new biodiversity strategy (*Stratégie Nationale pour la Biodiversité* – SNB) in 2011-2020. In 2011, Gecina formalized its commitment to biodiversity by signing up to SNB 2011-2020.

Presented as one of the projects committing adherents to the SNB, Gecina's biodiversity strategy, "Incorporate biodiversity into property management", with the development of the Beaugrenelle shopping center as a concrete example of innovation, was one of 22 projects awarded the SNB label in 2012, and the only project put forward by any property company.

7.5.2.3.2. Interdependence of Gecina and biodiversity

7.5.2.3.2.1. Display of real estate relationship to biodiversity

In 2011, Gecina has mapped its real estate in terms of biodiversity.

This first essential step produced an overall vision of Gecina's real estate holdings and their relationship to biodiversity:

- it located all Gecina's real estate in relation to areas of ecological interest;
- it identified properties on or within 15,km of the most interesting or the most sensitive areas of biodiversity.

First of all, the study examined Gecina's portfolio of 259 properties, 86% of which are located in the Paris Region. The results have shown that more than 50% of the portfolio is located close to zones that are important for biodiversity.

The second stage of the study focused on properties judged of prime importance because of their proximity to determinant and/or sensitive areas as defined by the principal regulations and protective statutes: Natura 2000, regional natural parks (PNR), habitat protection bylaws (APPB), Ramsar Convention sites, nature reserves, sites listed as Natural Zones of Ecological, Faunistic and Floristic Interest (ZNIEFF), etc.

Given the high number of properties in highly urbanized areas (Paris region, Paris and other major towns or metropolitan areas), the following criteria were also taken into account: land and aquatic ecological corridors, green spaces, gardens, green roofs and walls, and presence of emblematic species. We identified 47 buildings as being of high ecological importance.

7.5.2.3.2.2. Biodiversity audits of a representative panel of buildings in the Gecina property portfolio

This first study was completed by biodiversity audits carried out on a panel of buildings identified as representative of the Gecina portfolio, the aim being to complete a biodiversity profile for each building, identifying the risks, opportunities and importance of the building and making recommendations for actions.

The scope of the study included a sample of Gecina properties constituting "homogenous families" based on the following criteria:

- dominant ecological subjects (urban milieu, proximity to water-courses, forest, etc.);
- business activities (offices, residential, healthcare);
- building characteristics (new/old buildings, presence of green areas on buildings, green spaces, type of architecture, materials used on facade, landscaping, etc.).

Initially nine buildings were selected:

- **two residential buildings in Paris** (6th and 13th arrondissements): the Michel Debré (A) and Charbonnel (B) residences;
- **five office buildings**: one in Paris (17th arrondissement) and four in Boulogne-Billancourt (Île Seguin): 32 Guersant (C), Khapa (D), L'Angle (E), Anthos (F) and Horizons (G) buildings;
- a clinic in the Yvelines department (H), and a private hospital in Marseille (I).

Building features	Eco-friendly topics	Urban	Suburban	Farm	Coastal	Watercourse	Wetlands	Plains	Forests	Hills	Mountains
Smooth facades (metal, glass, concrete, etc.)		B,C,D,F,G, I	H	H	I	D			C,H	I	
Stone, wood facades		A,G				A					
Roof decks		B,C,D,F,I			I	D			C	I	
Gambrel and mansard roofs		A	H	H		A			H		
Green surfaces		D,F,G				D					
Green areas		B,C,I	H	H	I				C,H	I	
Edges, crannies		A,B,C,D,F,G,I	H	H	I	A,D			C,H	I	

These audits identify the levers to be exploited for the 2013 action plan.

Gecina's choice of actions includes obtaining the *Écojardin* Label for the green spaces in its residences, establishing bird protect league (LPO) approved bird protection shelters and installing beehives on commercial buildings.

7.5.2.3.2.3. Stakeholders' perceptions and expectations

To achieve an exhaustive assessment of its actions, Gecina carried out opinion surveys with internal and external stakeholders about the Group's management of biodiversity.

The table below summarizes the outcome of meetings using a strengths/weaknesses matrix.

Strengths	Weaknesses
Perception within the company	
Line staff receptive to the process	Lack of in-house and external communication
A real estate company that sets original standards and is able to impose the future biodiversity standards	Lacking awareness of the matter at middle *management level*
A customer-centered real estate company	
Biodiversity perceived as a sustainable source of profits	
External perception	
Well-developed CSR policy with a long-term vision	Exploration of the matter focusing only on a few buildings
Human and financial resources at the ready	Properties located predominantly in urban areas
A Foundation already committed to promoting biodiversity	No follow up or data regarding the efficacy of actions
	No systematic partnership-based process in construction projects

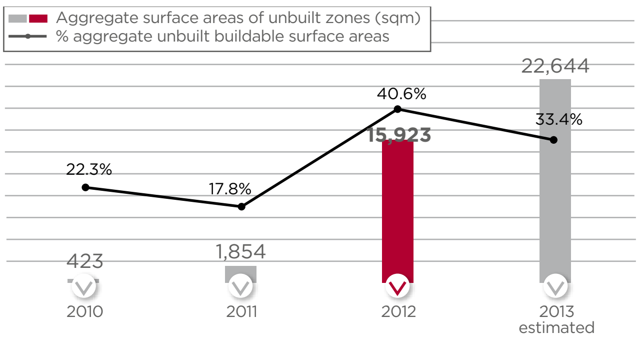
7.5.2.3.3. New properties, a driver for innovation in managing Gecina's biodiversity footprint

Located in city centers with barely any vegetation, part of Gecina's property holding is built close to ecologically interesting species and habitats and ecological continuities (green and blue belts). Some new programs have already incorporated this environmental dimension, for example the Velum in Lyon, the eco-neighborhood of Ville-d'Avray and the Beaugrenelle shopping center in Paris, presented in the 2011 sustainable development report, making these buildings "positive biodiversity" structures. (http://www.gecina.fr/fo/fileadmin/user_upload/Developpement%20durable/RapportDD2011/20120615_GECINA_RADD_2011-VF-MEL-1506.pdf, pages 3 and 4).

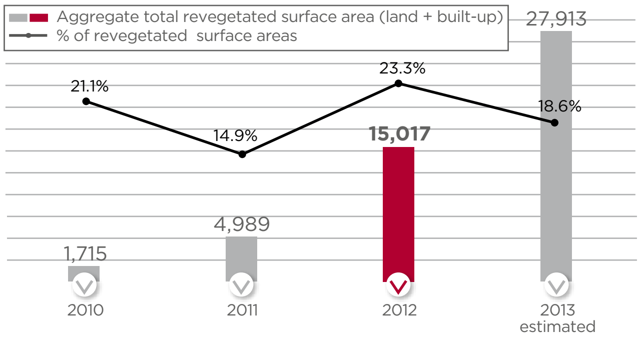
From the design stage, Gecina incorporates built structures in the landscape through green spaces that respect and encourage the biological equilibrium of the local ecosystem and preserve local natural resources by vegetating available surfaces (roofs, facades).

In 2012, this approach resulted in a decreased building coverage and an increase in vegetated surfaces. As can be seen from the graphs below, 40.6% of buildable surfaces have not been developed (graph 1) in order to encourage the vegetation of units, which reached 38.3% in 2012 (graph 2).

Aggregate unbuilt buildable surface areas – Property holdings



Revegetation of land plots – property holdings



Used in Berlin for over 20 years, the biotope area factor (BAF) expresses the vegetation of a unit by taking account of all eco-developable surfaces in or on the unit. Depending on surface types, a coefficient of ecological value per square meter is used to weight the various surfaces. Calculated before and after building operations, this factor provides an assessment of the biodiversity of a project. Convinced that this type of indicator is essential for measuring the environmental footprint of a building, Gecina has incorporated the BAF in the "Responsible Building" instrument panel of its Construction Management System.

7.5.2.3.4. Grey biodiversity

Building materials account for hundreds of million of tons of raw materials each year. Extracted all over the world, processed and transported, warehoused and reprocessed, these resources, whether renewable or not, are proof of the overall impacts of every building on biodiversity. This is known as "grey biodiversity" in comparison with "grey energy" necessary for the manufacture of materials.

Raw materials are either directly drawn from living sources (wood, vegetable,fibers, natural insulations), or are extracted from quarries or from underground sources that only yield finished products after multiple transformations. The conditions of exploitation of these materials have a negative impact on biodiversity through their power to pollute and destroy habitats.

The transformation and subsequent immobilization of materials in built structures may also have an impact on biodiversity since the physical and chemical properties of materials (crude, treated or not, composites, agglomerates, reconstitutions, smooth, rough, etc.) and the way they are used in finished constructions (external materials providing shelter for birds, anchorage for vegetation, habitats for microflora and fauna, etc.) will have wide-ranging impact on the ecology of species. In addition, certain finished materials emit pollution throughout all or part of their life cycle, which encourages the search for untreated raw materials as far as possible.

Waste materials will follow different treatments (disposal sites, recycling, etc.) with varying consequences for the environment (pollutions, impacts on species). By opting for recyclable, re-usable or biodegradable materials where possible, the aim is to limit these impacts and create eco-designed buildings.

Preserving grey biodiversity

The choice of materials has an important effect on a building's ecological footprint. There are two essential criteria to be taken into account:

- source of the material: prefer local resources to limit transport and develop local industry;
- nature of the material: synthetic materials are produced by complex industries that use a unit of energy and chemical products, with negative effects on the environment. So-called "biosourced" materials, or compounds using a quantity of biosourced material [21], do not require the same treatments and have in consequence a smaller environmental footprint. To encourage the use of biosourced materials, in 2012 the government created the "Biosourced Building" label to distinguish buildings using materials of this sort.

Allowing for grey biodiversity in projects means participants must be aware of this new problem. That is why Gecina organized with France GBC a conference on "Buildings, the vehicles for positive biodiversity" for SIMI 2012, bringing together the OREE association, *Les Jardins de Gally*, NatureParif and Eiffage.

Just as French labeling of building and decoration materials informs users about emission levels of volatile organic compounds, *NatureParif* proposes a biodiversity label that would indicate the origins of raw materials used, the means of production, composition, transformation and end life of the product.

Because biodiversity preservation also takes account of grey biodiversity, Gecina measures the environmental footprints of its properties, in particular the materials they are made from, through life cycle analyses (LCAs). For 2013, it is planned to continue and develop LCAs and to incorporate criteria for preservation of grey biodiversity into the specifications for different activities, coordinated with the action plans for responsible purchasing.

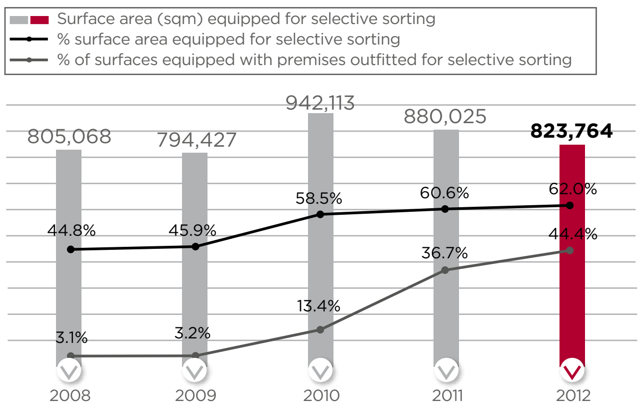
7.5.2.4. SELECTIVE WASTE COLLECTION

Gecina's aim is to establish selective waste sorting in all its properties when technical constraints allow.

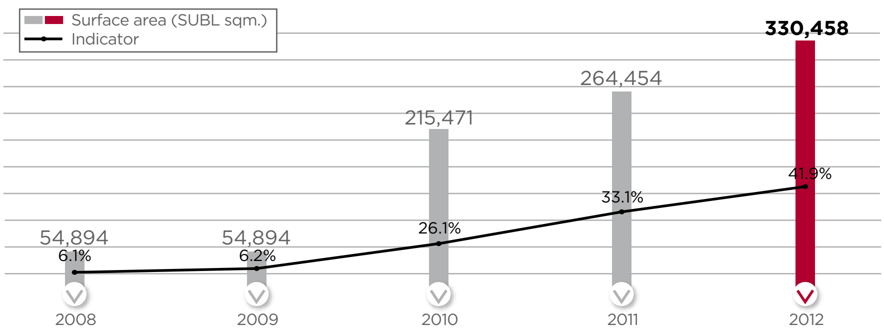
Since 2011 a new campaign has been introduced to banish garbage disposal chutes from residential premises, accompanied by a plan for renovating waste collection areas. A communications campaign will also begin in 2013 informing tenants of the need to sort, and encouraging "green" habits.

Waste sorting is also being extended in commercial properties since the vast majority of waste removal contracts have now been revised and include plans for different collections; waste storage areas have been renovated where necessary and used battery collection points have been installed.

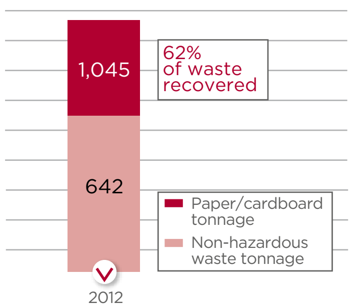
Selective sorting of waste – Property holdings



Details of selective collection for offices
Surface areas equipped for selective sorting of waste – Offices



Tons of waste by type



(21) *Biosourced material: derived from animal or vegetable biomass that can be used as a raw material for construction and decoration products, fixed furniture and building construction (Decree of December 19, 2012 concerning content and conditions of attribution of "biosourced building" label).*

Residential property sales in 2010 and 2011 (-34.7% by area) has strongly affected the indicator showing surface area equipped for selective collection, since 77% of properties were so equipped in 2010 against 60% in 2012.

During the same period, the equipped area of commercial property expanded, from 26% in 2010 to 41.9% in 2012 for a closely equivalent real estate surface area.

However, the measurement indicator used until now seems limited because selective collection is not sufficient to guarantee successful waste sorting. The installation of containers without suitable,premises does not provide total efficiency. For this reason a new performance tracker has been created based on the availability of adequate surface areas. The aim is to bring the two indicators into phase, respectively 62% in 2012 and 44.5% in subsequent years.

In commercial properties, contracts with waste removal services facilitate quantitative monitoring of reused waste, unlike residential properties which rely on on-board weighing systems by local authorities, currently not in wide use.

7.5.2.5. OTHER ENVIRONMENTAL IMPACTS AND LIFE CYCLE ANALYSIS

7.5.2.5.1. Non-renewable raw materials

Gecina is involved in "real time" developments in various certification systems and in 2011 presented five projects for the HQE® Performance test (the Newside and Velum office buildings, the Villafranca and Chambéry residential buildings and the Beaugrenelle shopping center).

Five indicators were calculated: total primary energy, climate change, inert waste production, non-hazardous waste production, and water consumption, resulting in a grey energy classification for the buildings.

This first experiment provided no major leads in terms of constructive systems or materials to be singled out. Nevertheless it did show the need for a methodology for analysis of shared life cycles.

In fact, the two commercial buildings modeled, which have very similar designs, showed great differences. The buildings accounted respectively for 41,kWhPE/sqm. of net floor area/year and 68,kWhpe/sqm. of net floor area/year. These results are based on the different calculation methods used by the design offices concerned.

The results also showed the importance of choice of life span of buildings since changing a building's life span from 100 to 50 years increases the total primary energy cost by 18%.

Gecina thus pays special attention not only to energy consumption for the building's operation but also to minimize in its design choices, construction products and materials, the grey energy required for their life cycle.

That is why, to follow up on this study, Gecina has decided to improve its knowledge of life cycle analysis (LCA) and to focus on optimizing the environmental performances of properties under construction with support from the CSTB ("Centre Scientifique et Technique du Bâtiment" – Building Research Institute), so that new indicators can be incorporated in the piloting of design and construction choices.

In 2013, three buildings will be subject to a life cycle analysis, Garden West (now under construction), a major renovation of 1,000,sqm. in the Paris Region, and the transformation of an office building into a student residence in the Rue Lecourbe.

Given the difficulty of carrying out a homogenous LCA on all its properties, Gecina has applied for the Île-de-France LCA experiment managed by the IFPEB, the ADEME Île-de-France, and EKOPOLIS, not only to share the problems raised, but also to define best practices with the entire building industry.

Echoing the famous saying, "The best waste is that which is not produced", the building material that has the smallest impact is the one that needs no extraction, transformation, storage or transport of new raw materials. Gecina anticipates the design of scalable buildings that can be adapted in use without demolishing what is already there. The Group is also orienting its efforts towards recycling and re-using materials so that waste becomes a resource, inspired by the cradle-to-cradle concept (C2C).

7.5.2.5.2. Soil pollution

This subject is treated in the chapter,on risks (see 1.6.3.1).

7.5.3. INNOVATIONS FOR A SUSTAINABLE RELATIONSHIP WITH OUR TENANTS

7.5.3.1. THE DEVELOPMENT OF GREEN LEASES

	2008	2009	2010	2011	2012
NUMBER OF SIGNED GREEN LEASES	**0**	**0**	**6**	**7**	**20**
Surface area of green leases *(SUBL, sqm)*	0	0	68,895	53,371	85,387
Surface area signed *(SUBL, sqm)*			245,393	126,707	108,594
% OF SURFACES SIGNED WITH A GREEN LEASE	**0%**	**0%**	**28%**	**42%**	**79%**

As of July,13, 2013, 53 buildings are required to complete existing commercial leases for an average surface area greater than 2,000,sqm, with an environmental amendment: 79 leases among 70 tenants must meet this obligation for a total of 527,705,sqm. Gecina's intention of going further than this obligation and to "green" all the leases in these buildings, totaling 212 leases for 604,743,sqm., requires a far-reaching commitment that was begun in the second half of 2012.

Aside from the consumption data already collected, analyzed and partly presented to individual tenants, a collective effort has been started by operational technical teams to list all technical equipment controlled by Gecina. This should end during 2013 with a computerized database that will facilitate management of data required by the authorities under decree No. 2011-258 JO 31/12/2011.

7.5.3.2. HEALTH AND SAFETY AND QUALITY OF LIFE

7.5.3.2.1. Evaluation of air quality

Gecina is continuing the initiatives of previous years (measurement of quality of air inside buildings, assessments of labels and materials), working to integrate the quality of indoor air as a basic element in the development of the "Responsible Building".

In early 2013, Gecina will sign a partnership with the LHVP (*Laboratoire d'Hygiène de la Ville de Paris*), as part of its efforts to improve the quality of air inside its properties.

Relevant to all Group activities

Because of its importance for public health and the difficulty of identifying all the factors affecting the quality of indoor air, Gecina has reviewed all its technical specifications so that it can make preferential use of materials having the labels and certifications with the best performances (class A+, European Ecolabel, GUT, Blue Angel, White Swan, etc.) and the most effective ventilation systems, and also ensure use of best practices (protection of materials against humidity during site work).

Following this revision, at the end of 2012, we sent new materials descriptions to our partners for the interior decoration and fitting out of both private and communal areas in residential and business properties.

To measure the results of the use of these new materials and specifications, the LHVP carried out indoor air measurements in two apartments in the Vouillé Residence, in the 15th arrondissement of Paris. A third apartment was chosen for measurements beginning in 2013.

These apartments were chosen for their surface areas (a studio, a two-room apartment and a three-room apartment) and for the type of work to be done (partial, complete or no renovation). Following the HQE® Performance protocol, all measurements were made without occupation and including active measurement of Total Volatile Organic Compounds (TVOC).

To avoid influencing results, all end-of-site cleanups were executed using European Ecolabel products.

The results of these measurements will give us initial feedback on the hygienic performance of our approach since they will provide before and after comparison of the modifications to technical specifications.

Other measurements will be programmed during 2013 for the Ville-d'Avray residence, which is in a wooded area, to test our initial assumptions about the performance of materials and provide a study of environmental influence on pollution of indoor air.

R&D at the service of indoor air quality

Sources of pollution are many and varied; to reduce their impact, passive actions such as the use of healthy materials can be adopted, and reinforced by active measures such as natural hybrid ventilation systems or indoor air purifying systems.

Gecina keeps itself up to date on new technologies, and interacts with industry to develop tomorrow's standards in its property portfolio.

Feedback from the first measures taken

To ensure the well-being of occupants and in anticipation of future regulations, in 2011, Gecina launched a research workshop for improving the quality of the air inside its buildings. The first stage was a study of the building materials used, their ecological performances, and the identification of the labels concerned.

This was supported by measurements of indoor air quality in two operations delivered in 2011, the student residence Campuséa at 75 rue du Château des Rentiers in Paris, and the complex renovation of the Mercure office building, conducted in compliance with NF standards and the HQE® commercial buildings approach for new properties.

The study was carried out in several phases in partnership with the Laboratoire d'Hygiène de la Ville de Paris, following the protocol established for the HQE® Performance project and anticipating probable values of future regulations. This included the measurement of various air pollutants over five days, with laboratory analysis and comparison of values obtained against the maximum emission values recommended by WHO.

The results of sampling showed a very acceptable,indoor air quality since in the Mercure building, all criteria were below the reference values, while nitrogen dioxide, benzene, formaldehyde and carbon monoxide values were also below reference values for the Château des Rentiers residence. In the latter case, values for particles with a diameter between 2.5 and 10 microns (PM10 and PM2.5) and for TVOC were slightly above the WHO guide values. This is explained by the choice of single-flow ventilation for a building close to an urban area.

The analysis of these first results highlights the interest in taking action to improve indoor air quality. It also confirms the relevance of certain constructive choices made and deployed by Gecina on its property holding encourages design teams to continue striving to reach the performance levels set by tomorrow's standards. A double-flow ventilation system will be implemented in the Pleyel student residence located in a dense urban environment, with considerable fine particle emissions between PM 10 and PM 2.5.

To improve its knowledge of indoor air quality within its portfolio, Gecina has also carried out tests in the Newside building in Garenne-Colombes and the Magistère building in the 9th arrondissement of Paris delivered in 2012, supporting the first results obtained from the Mercure project.

7.5.3.2.2. Thermal comfort

Aimed at controlling energy consumption, Articles R. 131-19, R. 131-20, R. 131-21, R. 131-22 and R.131-23 of the French construction code specify the upper temperature limits for heating buildings during periods of occupancy or vacancy. Set at 19°C for occupied residential, school, office and public premises, this value is an average for an entire accommodation unit or other premises, and does not exclude certain rooms from having higher or lower temperatures (for example a temperature of 18°C is advisable in bedrooms for refreshing sleep).

The concept of thermal comfort is closely related to personal perceptions; for example occupational medicine recommends a working environment between 22°C and 24°C with a humidity of 40 to 60%, which is far above the limits imposed by regulations (ACMS explanatory brochure on workstation ergonomics).

From a scientific viewpoint, we could consider that thermal comfort is only achieved when the perceived temperature, a function of ambient and wall temperatures, relative humidity and the movement of air, is located within the limits we call "the comfort zone".

For this reason, while working on the energy efficiency of a building, for example, by insulating the outside walls of accommodation, Gecina's actions improve the comfort of occupants by reducing the effects of cold walls and the sensation of drafts. Several air permeability tests have been carried out on new assets, and this is now a standard requirement for Gecina.

In addition, Gecina contacts users when temperatures on the premises are significantly different from the recommended regulation values, 19°C in winter and 26°C in summer.

Gecina maintains constructive dialogue with residential and commercial occupants and the operators of buildings using most energy in order to lower average indoor temperatures, a reduction of 1°C producing energy savings of around 7%.

Active cooling of commercial buildings is today felt to be essential for the comfort of occupants. To ensure that summer comfort levels meet tenants' requirements, Gecina chooses bioclimatic designs for its new buildings, with solar protection to limit external heat inputs, and increased night-time ventilation to minimize(or even cancel) the use of air-conditioning which has a disastrous energy balance.

7.5.3.2.3. Sound and light pollutions

7.5.3.2.3.1. Sound pollution – Acoustic comfort

"No specific noise, by its duration, repetition or intensity shall impair the peace of the neighborhood or the health of the people […]" Article,R. 1334-31 of the French code of Public Health.

To ensure that it offers quality properties, Gecina pays great attention to handling nuisances of all kinds that could result in disturbance of the occupants or the neighbors.

The following actions have already been implemented:

- sound insulation is a constant preoccupation in residential buildings, where double glazing is systematically installed during building renovations;
- Target 9 "acoustic comfort" in the HQE® construction reference document is at least improved to an effective level. Note the exceptional acoustic features of the building located 96/104, avenue Charles de Gaulle in Neuilly (major road) of 42 dB(A).
- emergency measures are carried out whenever equipment is replaced in commercial properties;
- special attention is paid to the management of noise pollution from sites through an environmental organization charter developed as part of the Construction Management System.

7.5.3.2.3.2. Light pollution

Often neglected, artificial lighting at night results not only in serious energy waste but also has negative effects on living creatures. The term "light pollution" describes the set of undesirable effects produced by artificial lighting. The challenge is to reconcile our need for additional light with limited disturbance to the biotope.

In developmental terms, artificial lighting is a serious disturbance for species with diurnal or nocturnal living patterns. Depending on species or even age of the individual, light may have an attractive or repellant effect.

It is possible to limit this impact by taking account of the following points:

- for external lighting it is sufficient to limit the light intensity and orient the light source so that it is directed downwards. Gecina observes this rule when landscaping external spaces around its buildings;
- for interior lighting, and in particular offices, it is imperative to turn off the lighting at night. Gecina uses management tools such as centralized building management systems which are very useful in this respect. Motion sensors for office spaces are becoming a standard that contributes to this target.

To reduce this effect and the related over-consumption of energy, the decree of January,25, 2013 "concerning the nocturnal lighting of

(22) Source ACMS.

non-residential buildings to limit light pollution and energy consumption" was published on Wednesday, January,30.

This decree concerns both interior lighting directed to the outside of non-residential buildings and the illumination of the facades of such buildings.

As of July,1, 2013, interior lighting in premises for professional use must be switched off one hour after staff vacate the premises, and the external lighting (building facades, shop windows) must be switched off at the latest by 1 a.m. Exemptions may be allowed on certain days of the year (evenings prior to national holidays, Christmas period).

7.5.3.2.4. Other impacts on health: asbestos, lead, antennas, quality of water, etc.

These subjects are treated in the chapter,on risks (see chapter,1.6.3.1).

7.5.3.2.5. Accessibility

Gecina's operational teams have the methodology and tools to:

- assess each building's accessibility to people with disabilities while identifying and estimating the cost of the services needed to improve the situation;
- define an action plan based on the audit recommendations which includes clear goals to improve the number of accessible buildings in order to meet Gecina's sustainable development commitment.

At the same time, Gecina uses a client-specific approach in conjunction with this procedure so that it can provide an optimum solution to the requirements and needs of its current and future clients with disabilities.

Four forms of accessibility hardships have been identified:

- wheelchair accessibility;
- motion impaired accessibility (people using pushchairs, pregnant women, people with semi-ambulatory disabilities, etc.);
- accessibility for sight disabilities;
- accessibility for hearing disabilities.

The rating is summarized according to four performance levels:

- accessible area;
- convertible area; the area can become accessible after upgrade works are completed;
- area requiring technical study;
- non accessible area.

Commercial Real Estate

Gecina endeavors to adapt its existing buildings to make them accessible for people with disabilities within the limits, especially technical constraints, of each building.

Improvement solutions are accordingly examined based on the specific characteristics of each building in order to improve access to people with disabilities, even if this improvement pertains to just one of the listed disabilities.

We continued our audit of office properties continued in 2012. Although over 40% of surface areas are accessible to wheelchair users, people with reduced mobility or by visually impaired people, we need to carry out technical studies for closer analysis of accessibility for people with hearing disabilities.

Residential real estate

After a clear improvement in its knowledge of properties in its portfolio during 2011, sales residential properties have led to a net decrease in total area of properties covered (68% against 64% in 2012), in spite of a continuing audit campaign on assets yet to be audited. This is shown in the results, since none of the performance level indicators dropped between 2011 and 2012.

At the same time as improving the accessibility of communal areas, Gecina is also committed to adapting private areas for people with disabilities.

During the remodeling of the private areas of residential buildings, the services are designed to facilitate the adaptation of housing units to different disabilities and to the aging of its occupants.

Gecina relies on a specific list of products, suppliers and service providers capable of meeting the adaptation requirements for housing units, as well as taking account of special client needs.

7.5.3.2.6. Transport and connections

In France, transportation is the primary contributor to GHG emissions and the second in Europe.

Our priority is to manage and develop our real estate assets in the middle of an efficient and sustainable transport network well integrated into the urban fabric.

Against this backdrop, Gecina has set itself the goal that, by 2012, at least 90% of its property holding will be located at less than 400 m from public transport (bus, subway, RER, tramway, train, etc.). With portfolio arbitrage, Gecina has kept its level above the original objective of 90%.

Asset Connectivity

	2008	2009	2010	2011	**2012**
Surface area (sqm) ≤ 400,m	1,444,850	1,411,852	1,380,452	1,277,610	1,217,880
Covered surface area *(sqm)*	1,629,152	1,575,699	1,503,186	1,381,313	1,326,357
% of surface area accessible to public transportation less than 400 m away	**88.7%**	**89.6%**	**91.8%**	**92.5%**	**91.8%**
Groupe reference surface area	1,796,920	1,730,369	1,611,339	1,451,906	1,329,324
Covered property holdings	91%	91%	93%	95%	100%

Covered surface area: total surface area of diagnosed buildings.
Reference surface area: total surface area of buildings in operation at 12/31.

7.5.3.3. CUSTOMER RELATIONS AND THE QUALITY APPROACH

A customer-oriented quality and innovation approach

The customer quality approach is a genuine corporate value clearly illustrated by Gecina's baseline: "Gecina, far more than square meters".

Gecina has made customer relations central to its commercial and property management strategy with the determination to establish a relationship of trust built on customer satisfaction and attentive to their needs and expectations.

Gecina conducts forward studies to gain more insight into demand-side market trends in addition to regular satisfaction surveys. The results of these surveys are later discussed by internal steering committees and translated into specific action plans.

Aside from these contacts with its commercial customers, Gecina plans to recast its approach to quality in 2013 in order to create a common base of indicators, creating a customer satisfaction barometer incorporating the major performance indicators.

This will be a key measurement tool for a customer-centered organization with a methodology and perspective shared by all group entities.

Objectives:

1) evaluate customer satisfaction to ensure continued improvement in quality of service;
2) develop qualitative information about potential future market requirements with the aim of continuous innovation and permanent adaptation our offering.

The barometer principle: repeated surveys from a representative sample of "tenants in place" carried out concurrently in all market segments.

7.5.3.3.1. A proactive approach for our residential customers

Gecina conducts regular satisfaction surveys of all its tenants in traditional properties as well as those in student residences.

These surveys are an invaluable source of information and help Gecina to learn more about the residential experience of its customers, assess their perception of services provided and its performances on the private as well as communal areas, as well as the quality of customer relations.

The survey conducted when the tenants move in can also lead to requests from our clients for Gecina to make contact. This is aimed at personalizing the business relationship and establishing dialogue with our stakeholders.

Gecina is proud of its high satisfaction and recommendation rate since 2009 with an average exceeding 94%.

Gecina uses the data from these results as inspiration for the development of customer relations tools:

The tenant handbook

Each new customer receives the tenant handbook when they sign the lease. The book is a very useful guide for new tenants as it contains information on life in the residence, in the apartment and practical advice and useful tips for everyday life.

The works notice

Whenever extensive works are planned in the residence, each tenant receives a letter informing them of the nature and schedule of the planned works as well as a full description of the works to be carried out with before/and after pictures for greater clarification.

The lifestyles newsletter

Gecina publishes a regular newsletter for all its residential tenants. The editorial line focuses on group news, life in the residences and environmental or architectural innovations.

The Facebook fan page for students

Campuséa, Gecina's student residence brand has found an innovative way of communicating with its student tenants by building a social network presence. For example, Campuséa has created a Facebook "fan" page to rally the student community around the brand. Today, this fan page has more than 2,000 fans. It creates a really close relationship between the students and Campuséa.

Residential customers satisfaction rate

	2008	2009	2010	2011	2012
Overall satisfaction rate					
New customers	94%	94%	94%	95%	93%
Leaving customers	93%	95%	93%	94%	91%
Recommendation rate					
New customers	70%	97%	97%	96%	95%
Leaving customers	92%	92%	93%	93%	90%

Student customers recommendation rate

	2008	2009	2010	2011	2012
Recommendation rate					
Leaving customers	–	95%	96%	98%	94%

for constant property holding.

7.5.3.3.2. Responsible sales management

For several years now Gecina has regularly arbitraged part of its residential assets, selling it unit by unit. Because of the impact on tenants of the sale of their apartments, the company has always taken steps to accompany the process carefully.

Gecina's unit-by-unit building sale process complies strictly with the legal and administrative requirements, which protect the tenants according to criteria of age, resources and health. These provisions are reinforced by the company's own practices for the protection of its tenants.

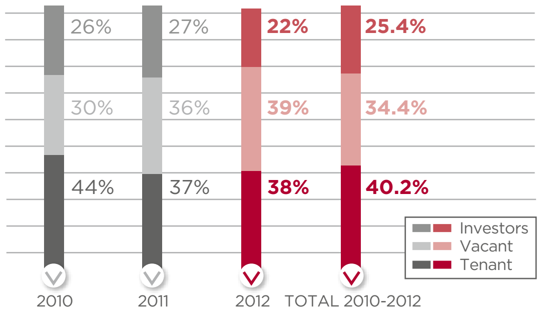
The principal legal requirements and Gecina's own provisions are as follows:

- Gecina is proud of establishing a far-reaching and constructive dialogue with the principal stakeholders – the tenants' associations and the local authorities concerned – essentially prior to the sale, but also throughout the marketing phase.
- Gecina's management and sales teams are mobilized throughout the sales period to examine solutions to fit each individual case. Gecina benefits from the widely recognized expertise of Locare, a wholly-owned subsidiary, which has worked for the major institutional investors in this market since 1984, disposing on their behalf of over 15,000 accommodation units.
- Legal protection for tenants aged over 70 on the expiry of their lease and not subject to wealth tax includes the right to renew their lease under the same rental conditions, provided they meet certain conditions of health or disability.
- In addition, Gecina lease renewal to tenants whose reference yearly taxable income is below the ceiling for obtaining an intermediate rental loan or PLI (*Prêt Locatif Intermédiaire*). This measure goes further than the legal provisions that limit the lessor's obligations to the proposal of alternative accommodation for such tenants.
- For people who cannot or do not wish to acquire their accommodation, Gecina offers an alternative accommodation solution in its rental property estate to every tenant who requests it under preferential terms. Gecina is the leading private property owner in Paris, with some 8,000 apartments.

For sales volumes by units for the past three years (annual average of €183 million – 450 units), the distribution of apartment buyers is as follows:

- 40% of our sales were to renting occupants, who thus became owners of their homes with price reductions of up to nearly 20%, calculated taking account of the age and maturity of their leases. Many were first time purchasers who thus became owners of an apartment at below market price in a controlled environment;
- 35% of units were sold vacant, approximately the average rental turnover (between 14% and 15% depending on the year) of the rental portfolio over the program marketing period (3 to 4 years). Evictions for sale were relatively few, an average of 10 a year for an annual sales volume of 450 apartments for the past three years;
- 25% of units are sold as rental investments, that is to say they are sold occupied and the initial conditions of the lease signed with Gecina remain binding on the new owner.

Breakdown of unit-by-unit sales by type of buyers



7.5.3.3.3. A sustainable development reflection group: Gecina Lab

Gecina Lab was created end 2010 to provide the basis for dialogue-oriented partnerships between Gecina and its commercial property clients. A think-tank for CSR-related subjects, the aim of Gecina Lab is to establish a close relationship with tenants by promoting knowledge, exchange and sharing of good practices, comparing expert and user viewpoints, and transposing ideas into concrete actions for long-term action in the very heart of properties to improve building performances for the tenant/user.

Continuing from the first meetings organized in 2011 (with results published online at www.gecina.fr and approved by the tenants present [23]), in 2012 Gecina Lab changed the dates of its meetings in the Group's properties to coincide with national events. The aim is to bring new subjects to the attention of Gecina's tenants and jump-start individual or collective initiatives. Two sessions were held during Sustainable Development Week (first week in April) and another event was organized during World Green Building Week (second week in September).

One of the subjects raised, reflecting works carried out by Gecina, was the question of responsible consumption, at a conference held by Elisabeth Laville, founding manager of UTOPIES, with around a hundred employees of employees from tenant companies of the Défense Ouest building.

The decision to open the club to other stakeholders such as local authorities led to two meetings on biodiversity at the Horizons building. Invited to speak on the link between this subject and their activities, the Paris town council and the developer Paris Seine explained their expectations and achievements in a joint session with the *Ligue de Protection des Oiseaux* (bird protection society), at which the progress made by current and future properties of Gecina was demonstrated.

In the same spirit of collective action, the Gecina Lab breakfasts, bringing together several Gecina tenants, have continued successfully, leading to profitable,dialogues resulting in useful exchanges of best practice.

(23) Source: customer satisfaction enquiry after the plenary conference of November 4, 2011.

7.6. MANAGING LONG-TERM EMPLOYEE COMMITMENT

The Group places particular importance on employee involvement.

In June 2012, corporate officers reviewed past achievements and explained Group orientations for the months ahead during a day-long convention attended by all head office staff.

Setting out the priorities of the group's social commitments, speakers explained the importance of the roles played by each employee regardless of their level of responsibility.

"OUR ASSETS ARE HUMAN TOO"

This slogan, introduced during the convention, is a way of underlining the attention Gecina pays to its employees, the Group's real wealth which will be brought to fruition through Group commitments. Collective projects are opportunities for sharing practices, for dialogue and friendship among employees in different departments. Throughout the year, it organized workshops covering the IT equipment provided for building managers and superintendents (the webdesk), the change in mobile phone equipment, IT installations in superintendents' premises, etc.

Sustainable Development Week brought conferences and themed workshops, and the subject of disabilities led to an awareness campaign about past and future activities in this area, for staff and tenants alike.

Sports activities also brought together many employees who enjoyed in-house competitions (*pétanque*, squash) or external events (*Foulées de l'Immobilier*, *Baticup*, *La Parisienne, Paris Versailles*, etc.).

And in December,for the third year running, we had a team of volunteers to welcome children of employees and their parents to the head office, after a show organized for them at the Olympia music-hall, for a tea-party and games.

7.6.1. KEY FIGURES AND CHANGES IN WORKFORCE

7.6.1.1. KEY FIGURES [24]

In recent years, the Group's workforce has evolved with our strategic orientation, from 595 in 2010 down to 509 in 2012 in line with the company's decrease in residential assets.

The trend of open-ended employment contracts between 2011 and 2012 was stable,overall for the categories of managers, supervisors and administrative employees. This was because Gecina had reinforced the jobs required for good performance.

In 2012, the sharp rise of 80% in fixed-term and open-ended employment contracts of Administrative Employees from 21 to 38 was due to the employment policy developed since 2011 to recruit work-study students.

As regards Building Employees and Supervisors, sale of residential buildings results almost systematically in the transfer of personnel on site to the purchasers (co-ownerships or institutionals) with maintenance of employment, which explains the drop of 35.2% from 190 to 123 people between 2010 and 2012.

Workforce ☑☑

	2012			2011			2010		
Category	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	98	101	199	104	102	206	103	99	202
Supervisors	28	121	149	30	128	158	31	142	173
Administrative staff	13	25	38	11	10	21	15	15	30
Building staff and superintendents	51	72	123	66	97	163	76	114	190
TOTAL	**190**	**319**	**509**	**211**	**337**	**548**	**225**	**370**	**595**

☑☑ *2012 data audited by the statutory auditors that provide reasonable assurance*.

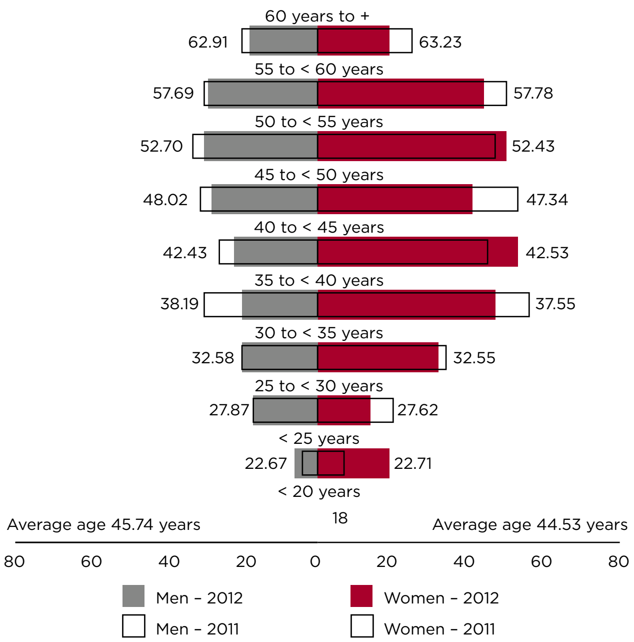
In addition, for 2012, the turnover in fixed-term contracts among building staff remained high (296 entries/295 departures) because of systematic hires to replace absences.

(24) FTCs include traditional fixed-term contracts, apprenticeship and work-study contracts present in the Group.

Change in workforce

Category	Gender	Headcount at 12/31/2011	Open-ended contract (CDI)				Fixed-term contract (CDD)		Headcount at 12/31/2012
			Entries	Departures	Promo +	Promo –	Entries	Departures	
Managers	M	104	1	9	1		1		98
	W	102	5	10	2		3	1	101
Supervisors	M	30		1		1			28
	W	128		5		2	8	8	121
Administrative staff	M	11		1			16	13	13
	W	10		1			32	16	25
Building staff and superintendents	M	66	2	20			202	199	51
	W	97	1	24			94	96	72
TOTAL		**548**	**9**	**71**	**3**	**3**	**356**	**333**	**509**

Breakdown of Group ages



7.6.1.2. RECRUITING

Aside from specific positions that require a certain level of expertise, the Group's recruiting activity is handled in-house. For the replacement of building supervisors, the HR Director draws on a pool of candidates previously selected for their experience and availability; 296 replacements were given contracts in 2012.

All other positions to be filled (open-ended and fixed-term contracts, work/study, interns, trainees) among head office personnel are published on the Group's website, on general or specific recruitment sites, or if necessary are the subject of targeted headhunting. This orientation resulted in an increase of 57.4% in the number of CVs received and processed internally in one year.

Of 4,139 applications received, 539 were pre-selected for a telephone interview, 293 applicants were received for an interview and 93 were hired [25].

11 open-ended positions were filled from external sources [26] showing a drop of 65% compared to 32 external hires in 2011. Similar fixed-term hires among the administrative staff dropped 20%, in spite of the quadrupling of work-study contracts, from 8 in 2011 to 32 in 2012. In 2012, they accounted for 53.3% of fixed-term hires.

Thanks to an employment favoring students (see below), 24 students were taken on as trainees during the year.

Student work/study policy

Established in 2011, the Group's "Student" policy aims to encourage intake of people in work/study (with apprenticeship or professionalization contracts).

At the end of the first year [27], encouraged by the results, almost all the Group's operational divisions wanted to take students for 2012-2013.

Every recruitment request for a non-permanent position that does not require confirmed professional experience is examined by the HRD to see if it is suitable,for a work-study student. Recruitment is identical to an open-ended recruitment into existing teams, and aims to select people likely to stay on at the end of their training.

Gecina recruited 26 students in autumn 2012 for the 2012/2013 academic year, a 100% increase over the 13 hires for 2011-2012.

These students are aged from 18 to 44 and come from varied backgrounds. Most of them were in initial training programs, but for some, it is a career change. They are students from universities, specialized schools or *grandes écoles*, preparing for diplomas and degrees and postgraduate diplomas.

This win-win approach has the advantage of offering quality professional experience oriented towards the company's business activities, while Gecina has the possibility of recruiting high-level employees with fresh vision and skills.

In pursuit of its **diversity policy**, Gecina ensures that its recruiting practices are in line with its equal opportunity principles.

The courses followed cover a variety of disciplines:

- legal: private and public property law;

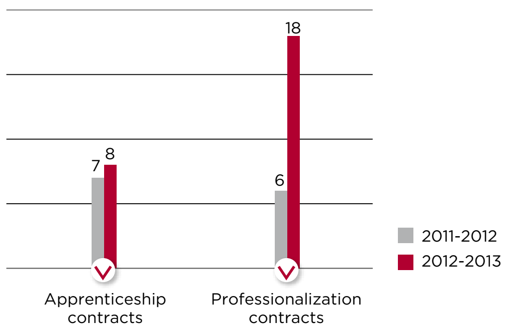
(25) Hires concern open-ended, fixed-term and intern employment contracts, although interns are not included in staffing levels.
(26) The number of jobs planned may differ from the number of hires, in particular when the position is taken during the following year.
(27) Figures for the work-study recruitment policy are calculated on the academic year, split between two calendar years (e.g. 2011/2012 & 2012/2013).

- property: asset portfolio development, program management, asset management, commercialization, sustainable development, etc.;
- technical: property management, construction project management, etc.;
- financial: finance, audit, asset management, financial risk management, etc.;
- other transverse disciplines: Human Resources, IT, Communications, etc.

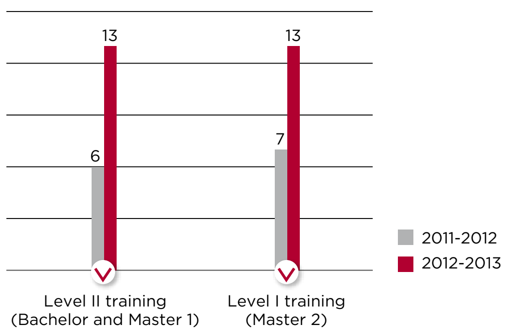
The posts offered to work-study employees are related to the studies pursued, and correspond to the activities carried on by the company: Investment, Asset Management, Finance, Project Management, Marketing, Rental Management, Technical Management, Management Control, Insurance, etc.

Number of work-study places

By academic year



By course of study



Induction of work-study employees

Each work-study hire is supported throughout their time at Gecina by a mentor. Mentors receive an mandatory day's training to learn their role and task, and regular support from the HRD. During the first weeks following their engagement, all new hires are invited to the Group integration seminar during which they will learn how the company is organized and meet their principal contacts. They also visit a Gecina building or site. All through their contract, there are follow-up meetings with the HRD to ensure the work-study is proceeding properly.

Given the success of this program, work-study hires will be continued through 2013/2014.

In addition, parallel to this policy, Group managers and directors regularly or occasionally visit schools and universities to run courses or present their activity. During 2012 there were visits to *the Institut d'Études Politiques de Paris*, the *École des Ponts et Chaussées*, the *École d'Architecture de Paris/Marne-la-Vallée*, and the ESSCA business school. Subjects concerned included investment, asset management, sustainable development, architecture and finance.

7.6.1.3. INTERNAL MOBILITY

In 2012, eight positions were filled [28] through internal mobility or a change agreed between the employee and their manager. Of the 17 hires made (internally and externally), the proportion of positions filled from within the Group (47%) was considerably larger than in 2011 when internal mobility supplied 38% of total hires.

7.6.1.4. PROMOTIONS

During the year 31 people were promoted internally in recognition of their increased skills, as against 38 promotions in 2011.

In accordance with the Group's agreement on Strategic Workforce Planning, employees expanding their field of responsibility can request adaptive training for their new positions. Furthermore, those promoted to management status benefit from a minimum 3-month support period from their line manager and the career management department.

7.6.1.5. AVERAGE LEVEL OF COMPENSATION AND INCREASES

Calculation of the average salary is based on the number of employees on open-ended contracts excluding company officers, present from January,1 to December,31, 2012; the salary taken into account is the fixed annual basic salary excluding variable remunerations but including the 13th month and long-service payments, the total is divided over 12 months as follows:

- administrative staff (100% for part time);
- building staff (proportional to their on-duty time).

Gross median monthly salary for the Group

Median monthly salary *(€)* financial year 2012	
Manager	4,816
Non-manager	3,100
Building staff	2,169

Group Savings Plan with employer's contribution and capital increase reserved for employees

A Group Savings Plan (PEG) is designed to receive savings from employees *via* four mutual funds with diversified profiles (money-market, balanced, European equities and bond solidarity funds) and one mutual fund invested in the company's shares. The PEG benefits from an employer's contribution up to €2,100 gross per employee depending on the amounts invested.

(28) Internal mobility applies to all positions filled in-housey following the opening of a position or an orchestrated change, compared to the total number recruited internally and externally. A position is considered filled as soon as recruiting ends, even if the position is not taken up until the next year.

The gross profit-sharing paid in 2012 for 2011 amounted to €3,495,000 representing 11% of the 2011 payroll while the employer's contribution paid in 2012 by Gecina for the PEG or PERCO (Collective retirement savings plan) amounted to €931,000 (€755,000 for administrative staff and €176,000 for building staff).

Employee shareholding

At December,31, 2012 Group employees held 477,357 Gecina shares directly and 143,821 Gecina shares indirectly *via* the Gecina shareholding mutual fund ("FCPE Gecina actionnariat"), representing a total of 0.99% of share capital.

Performance shares

The company has set up two performance share allocation plans reserved for officers or employees of the company and of companies associated with it as defined in Article,L. 225-180 of the French Commercial Code

The first plan has a duration of four years (two-year vesting period and two-year lock-up period).

The second plan is longer (three-year vesting period and two-year lock-up period) and is intended to reward employees who have made the greatest contribution to the company. The performance condition is a comparison between movements of Gecina's stock market price and the SIIC France index over the reference period.

Detailed information on these performance shares is presented in the "Distribution, share capital and shares" section.

The Group's remunerations policy is based on a balance between the Group's ability to increase revenue and profitability and the proportion distributed to employees through its salary policy. The general level of salary increase is established with the unions during the obligatory annual negotiations. An envelope specifically intended for individual increases and bonuses is set aside to reward employees on merit. These individual increases and bonuses are allocated each year on the basis of results and performance with regard to the goals set with the employee. Their amount lies within the bracket established for each person's level of responsibility.

Bonus and compensation

In €	Administrative staff	Building staff	Group
Amount of bonuses paid	2,771,960	67,714	2,839,674
Gross total payroll	24,867,623	4,455,993	29,323,616
Percentage of total payroll	11.1%	1.5%	9.7%

7.6.1.6. DEPARTURES

Standing at 7.6% for 2012, the turnover of open-ended contracts is down in relation to previous years. A large proportion was represented by the turnover in residence personnel. Increasing steadily from 9.7% in 2011 to 15.3% in 2012 this shows the effect of departures linked to transfer of personnel concerned by sales of residential properties, accounting for 43.6% of all resignations of employees under open-ended contracts in the Group.

Administrative turnover was down, from 10.8% in 2011 to 4.4% in 2012. The proportion of dismissals was 19.7% of all departures, while resignations dropped from 9.1% in 2011 to 7% in 2012. Among the reasons given, the most frequent was the search for new professional opportunities.

Reasons of departure

Reasons	Gender	Resignation	L. 1224-1 transfer	Number of terminations for economic reasons	Number of terminations for other reasons	Departure during open-ended contract trial period	Fixed-term contract resignations	End of fixed-term contracts	Departure during fixed-term contract period	Voluntary retirement or early retirement	Mandatory retirement or early retirement	Death
	M	2			4					3		
Managers	W	1			7			1		2		
	M				1							
Supervisors	W	1			2			7	1	2		
Administrative staff	M							13		1		
	W	1						15	1			
Building staff and	M		14		2	1		199		3		
superintendents	W		17		4			96		3		
Subtotal		**5**	**31**	**0**	**20**	**1**	**0**	**331**	**2**	**14**	**0**	**0**
TOTAL												**404**

7.6.1.7. ABSENTEEISM

Methodology: The days counted in leave due to "illness, maternity and work-related/commuting accidents" are expressed in calendar days; those concerning the other categories are expressed in business days for administrative staff and working days for building staff.

Contrary to previous years, this indicator takes no account of absences among trainees (not included in staff levels) nor for training days (entered in pay).

Absenteeism in 2012

In days	Administrative staff	Building staff	Total
Absence due to illness	2,893	1,794	4,687
Maternity and paternity leave	1,152	11	1,163
Leave due to work-related and commuting accidents	109	828	937
Family leave	349	78	427
Parental leave	161	0	161
Unpaid leave	35	69	104
Other leave	56	5	61
TOTAL	**4,756**	**2,785**	**7,541**

The total number of days' absence counted in 2012 is significantly down by 27.3% compared to 2011.

Absences due to illness were 4,687 days, or 62.2% of the total, as against 6,877.5 days (70.7% of absences) in 2011.

The proportion of additional paid leave taken by employees for family affairs was 5.6% of total absences, or 427.5 days.

7.6.2. DEVELOPING THE SKILLS OF EMPLOYEES

7.6.2.1. TRAINING POLICY

Training policy is a fundamental plank in Gecina's HR policy. Established in relation to the Group's strategic orientations, each year, employees are offered adaptation training for their positions or skills development courses.

Training programs are developed either on the basis of company policy for specific subjects (management, fight against discriminations, office IT, etc.), or on the basis of operating orientations with subjects linked to operating activities. In this case the training is usually collective. Training courses are also organized individually in response to employee requests agreed by their managers.

Every year requests for individual training are collected on a form circulated by e-mail to all group employees before being published on the group intranet.

Such requests can also be made during the annual performance interview, on the page of the form reserved for "career development ambitions".

As part of the Group's HR policy for 2012, two collective training programs were provided:

- **"Management and Managerial Attitudes".** Started in 2011, this six-day seminar course for managers was followed by 179 staff, or 86.9% of Group managers in 2012;
- **"Social Law and Staff Representatives".** For the HR team, managers and staff representatives, this course has been followed by 97 trainees learning the legal and labor-related information required by their posts.

In addition, in accordance with its societal engagement and the commitments made by the Group when it signed the Diversity Charter, the Executive Committee offered all employees a training course intended to avoid all forms of discrimination in professional practices and to promote all actions encouraging diversity.

This course, **"Act for diversity and avoid discriminations"** was followed by 287 people, or 56.38% of the staff. It will be continued in 2013 for employees absent during the initial sessions, especially the building staff who may have been prevented from participating in the training given at head office due to organizational difficulties.

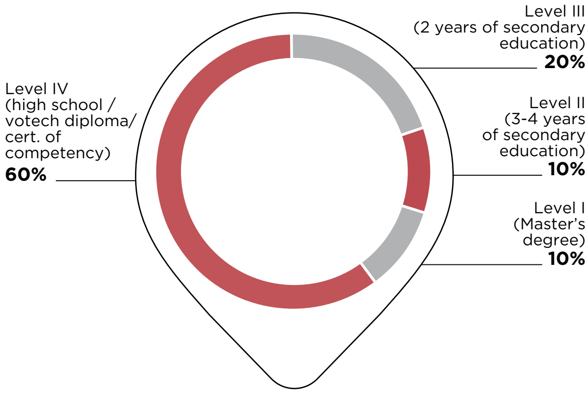
Finally, to help ensure the employability of its employees, during the year the Executive Committee established the **"Employee Skills Development Project" (PPDC).**

This program is primarily for volunteer employees with at most two years of higher education and is intended to help them access higher training for certificates, qualifications or diplomas related to company activities.

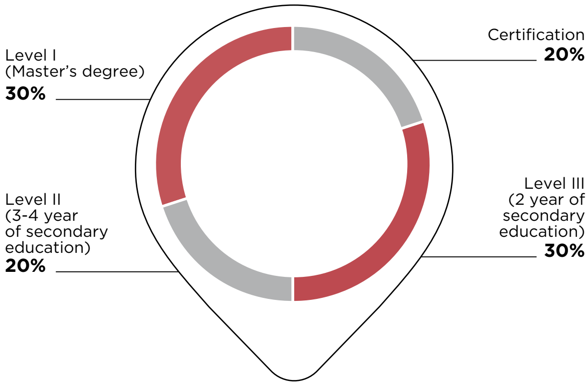
This project was presented to all employees and aroused considerable interest.

During the year, 10 training courses were implemented for employees with an average of nine years' seniority, consisting of eight Supervisors and two Managers (three men and seven women).

Initial level of training



Level of training sought by PPDC



The average duration of the PPDC programs was 390 hours, about 56 days sometimes to be spread over several years; three employees out of 10 were offered in-house courses in other departments where they could apply the theoretical training received during the courses.

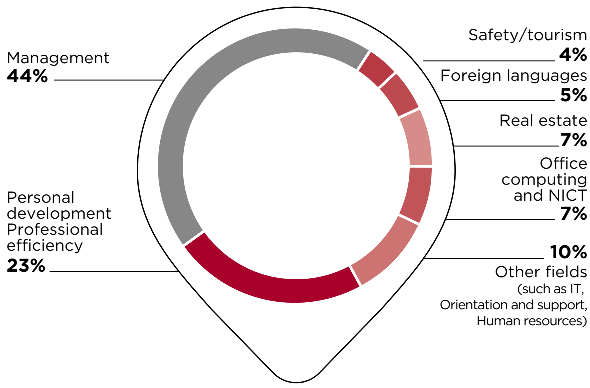
7.6.2.2. TRAINING COSTS, PAYROLL AND ACCESS TO TRAINING BY CATEGORY

In 2010, Gecina signed an agreement on forward management of future jobs and skills (GPEC) to ensure dialogue with social partners on skills training and management, setting the broad outlines and regularly examining the results.

In 2012, the Group invested 5.14% of the payroll in professional training. The proportion of these expenditures to be set against its legal obligation of 1.6% [29] represents 4.48% of the payroll. Thanks to this commitment, 85.2% of employees present received an average of more than 27.8 hours of training, or nearly four days training per person trained over the year.

Of the 12,074 hours spent on training, 15.1% focused on specific training related to the position held or the acquisition of new skills, while 84.9% concerned cross-cutting subjects such as management, interpersonal skills, office IT, languages, safety, etc.

Breakdown of training hours by principal fields of study



Number of employees trained by SPC and by gender

	Workforce			Access to training by SPC and gender					
SPC	Men	Women	Total	Men	% of M with training compared to their representation in the workforce	Women	% of Women with training compared to their representation in the workforce	Total Men + Women	Total % Men + Women trained
Building staff and superintendents	51	72	123	35	68.6%	54	75.0%	89	72.4%
Employees	13	25	38	4	30.8%	16	64.0%	20	52.6%
Supervisors	28	121	149	19	67.9%	106	87.6%	125	83.9%
Managers	98	101	199	100	102.0%	100	99.0%	200	100.5%
TOTAL	**190**	**319**	**509**	**158**	**83.2%**	**276**	**86.5%**	**434**	**85.3%**

(29) Legal obligation for companies with over 20 employees.

The 434 employees trained during the year represent 85.3% of Group employees, or 72.4% of residential personnel and 89.3% of administrative personnel.

Monitoring by socio-professional categories shows that requests for individual training are generally received from administrative staff. Insofar as they already benefit from collective training programs, more of them are trained, in particular managers.

As collective training mostly takes place at head office, programs where employee participation is optional have little success among building staff. This has been the case with "Act for diversity and avoid discriminations". However, more attended the mandatory programs about security and office IT.

Additionally, employees benefit from the personal entitlement to training (DIF), which gives them a yearly credit in hours to be used as they please for personal training projects. This year, 26 training requests were made and accepted, covering foreign languages, office IT, technical trades, and personal development. To date, 70% of employees have a DIF account credited 100%, or 126 hours.

Training is regularly monitored with staff representatives during training or GPEC committees, to check on access to training throughout the company and apply corrective measures where necessary.

To keep employees informed of their training rights, four information sessions were organized in May, 2012 for the management and all Group employees.

7.6.2.3. ANNUAL PERFORMANCE REVIEWS

The annual or six-monthly performance review is a management tool focused on individual and collective performance within the company. Employees and their managers assess the past year, check weither goals have been reached or not, the skills that have been learned and those requiring development (to identify training needs) and make projects for the year ahead. The HRD makes a detailed analysis of the APR forms, and depending on to the needs expressed (training, action or support plans) a follow-up is organized with the employee or his manager. The analysis of performance review forms completed in 2012 for 2011 resulted in 37 follow-up interviews dealing with objectives achieved or pursued during 2013.

As of January,31, 2013, 80% of performance review forms expected for the administrative personnel had been sent to the HRD. The annual performance reviews with building personnel for 2012 ran until February 28, 2013.

7.6.3. ENCOURAGING DIVERSITY

7.6.3.1. DIVERSITY POLICY

Gecina's Diversity Policy is embodied in the Diversity Charter signed by the Group in 2011 and displayed throughout the company.

This charter establishes six commitments for which the Group must account by its actions:

1. Raise awareness and train managers and employees involved in recruitment, training and career management in the importance of non-discrimination and diversity.
2. Observe and promote application of non-discrimination in all its forms and in all stages of human resource management, in particular recruitment, training and career management.
3. Seek to reflect the diversity of French society and its cultural and ethnic representation among our staff at different levels of classification.
4. Communicate our commitment to non-discrimination diversity to all our employees and inform them about the practical results this has produced.
5. Make the development and implementation of the Diversity policy a subject for dialogue with staff representatives.
6. Include a descriptive chapter,in the annual report about our commitment to non-discrimination, the actions implemented and the practical results.

In compliance with this charter, since 2011, Gecina has developed its Diversity policy through Human Resources procedures: recruitment, training and career management. The subjects concerned – gender equality at work, the employment of older employees, the management of jobs and skills, are all measured through a series of indicators. These indicators are presented to the monitoring committees organized with the staff representatives.

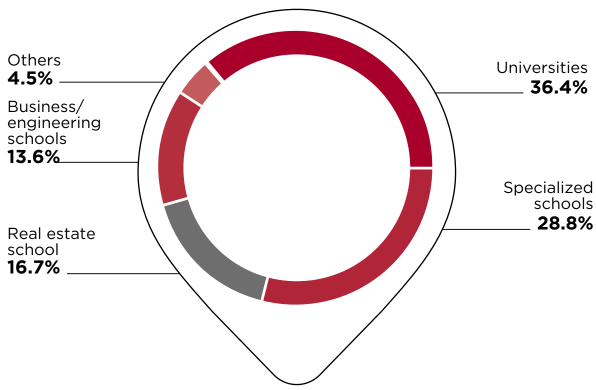
An initial assessment of these actions was made for the June 2012 convention, followed in August by the training course "Act for diversity and avoid discriminations", offered to all employees.

Recruitment

In 2012, out of 66 recruitments (open-ended/fixed-term/work-study), the diversification of recruiting sources led to the hire of 7.5% of people over 50 and 7.5% of people from countries outside the EU.

The candidates came from business schools (ESPC-EAP, ESSEC, ESSCA), Universities (Paris Dauphine, Nanterre, Versailles, Créteil) or specialized schools (ESTP, Sciences U, ESI).

Origins of applicants recruited in 2012



Training

During committees organized with the staff representatives, all actions were presented by socio-professional category, age and gender.

This analysis showed that during the year access to training was 100% for management, 77.5% for employees and supervisors, and 72.4% for building personnel. The training level for older employees matches their representation in the company. Distribution of training by gender shows that 86.5% of women in the company took training, as against 83.1% of the men.

Career development

The indicators included in the GPEC Agreement and established by SPC measure the support for requests for training and mobility from employees during their annual interview, the number of employees having had no training for three years, the percentage of personal entitlement to training (DIF) accepted, the number of employees not promoted after 10 years in the same job, and the follow-up provided for employees who return to their jobs after an absence of 6 months or more.

These data are shared with employee representatives twice a year, thus improving analysis and the anticipation of corrective actions.

Our neighborhoods have talent

In April 2012, Gecina signed a partnership with the association "*Nos Quartiers ont des Talents*" [Our neighborhoods have talent] in a further move to encourage management awareness to diversity. The association, which has some 550 partner companies, assists young graduates from poorer districts with a university degree or higher in their search for employment. This approach relies on a sponsoring approach, where senior managers personally support a young person in search of employment. As of December,31, 2012, the company's 14 sponsors had provided support for 32 young graduates, six of whom have already got jobs.

GENDER EQUALITY

Number of women recruited

		Administrative Staff	Building staff
Number of women recruited in 2012	Open-ended contract (French acronym CDI)	5	1
	Fixed-term contract (French acronym CDD)	43	94

The proportion of women employed by the company rose during the year from 61.5% to 62.7%. This is explained by over-representation of women in the applications received.

This rise in applications further increased the proportion of women in management, rising from 49.5 in 2011 to 50.8% in 2012.

Women accounted for 64% of total employees trained, corresponding to their percentage in the workforce.

Of the 31 people promoted during the year, women accounted for 58.1%, and two of the three employees promoted to management status.

In 2012, the Group continued its active gender equality policy according to the principles set out in the agreement on "professional equality" signed on December,15, 2011.

As regards salaries in 2012 for the administrative levels, in addition to the envelope of general and individual pay increases, a specific envelope of 0.5% of the gross fixed payroll of December 2011 was allocated to professional gender equality. This envelope follows last year's and demonstrates Gecina's determination to continue and perpetuate its policy of reducing salary differences between men and women.

Out of the 2012 envelope for the reduction of such differences, 66 people, 49 of them women, had benefited at end January 2012 with an average distribution of €114 per employee concerned. The entire envelope was allocated. These salary increases are in addition to the usual salary adjustment measures.

7.6.3.3. EMPLOYABILITY OF OLDER EMPLOYEES

The measures set out in the agreement for the employment of older employees signed in 2009 for three years are intended to ensure the employment and the career development of older employees with open-ended employment contracts.

Three years, an assessment has shown that many goals were achieved.

As regards job security, employees aged 55 and over accounted for 21% of open-ended contracts in 2012. Compared with an objective of 20% set for three years, the total percentage of older employees in employment is 23%.

They benefit from training in the same way as other company employees since they account for 20% of the total employees trained in 2012.

Regarding promotions, during the year, these concerned 23% of employees aged 55 or over, which represented 13% of administrative personnel and 10% of building personnel of total promotions.

Organization of part-time work was the most successful measure since 25% of older employees requested and obtained a reduction in their working hours against an objective of 15%.

Senior employees are personally informed each year by mail of all the arrangements that could concern them. Measures attracting little interest will be modified in the next corporate agreement to correspond as best as possible to their expectations. This agreement will be signed latest by June 30, 2013.

7.6.3.4. EMPLOYING DISABLED PERSONS

Following two departures, as of December,31, 2012 Gecina had six employees with recognized disabilities compared with eight people in 2011. This level is insufficient given the legal obligation to have 6% of disabled employees in the workforce.

Nevertheless, particular attention is paid to work organization and access to work stations for disabled employees.

During Disability Awareness Week, awareness raising activities were carried out (leaflet distribution, video screenings and posters). This campaign raised the awareness of employee to the company's actions in favor of the disabled.

To create a coherent framework for its actions and build a disability policy as an element of corporate social responsibility, in June 2012 the HRD began talks with an association for the insertion of disabled persons (AGEFIPH) and a number of consultancies. In January 2013, a consultancy diagnosis will be carried out to provide the basis for the Group's Disability Policy.

7.6.4. GUARANTEEING THE BEST WORKING CONDITIONS

7.6.4.1 ORGANIZATION OF WORKING HOURS

Organization of working hours

	% of work time	Number of employees at 12/31/2012	Number of employees at 12/31/2011	Number of employees at 12/31/2010
Executive managers		15	15	18
Annual basis (hours)	100%	10	10	15
Annual basis (days)	From 50% to < 80%		2	2
	From 80% to < 99%	9	7	7
	100%	171	176	175
Resident superintendent	Not subject	100	137	158
Salaried employee with variable,working hours*	< 50%	4	3	4
	From 50% to < 80%	5	7	7
	From 80% to < 99%	22	22	23
	100%	173	169	186
TOTAL		**509**	**548**	**595**

** Including building staff.*

Work-time by category of employee is based on the agreement relative to the organization and number of working hours. Aside from executive managers not subject to regulations governing work time, employees with managerial status are required to work a fixed number of days on an annual basis by virtue of their responsibilities and autonomy. Other supervisory employees are subject to a variable work schedule.

Flexible working hours

The company offers its employees the option of working within a broad daily timetable,in order to allow a satisfactory balance of private/professional life while maintaining the level of collective performance.

Attribution of days in lieu

Non-managerial employees are either subject to a collective variable schedule or are required to work a fixed number of hours on an annual basis if their duties include frequent travel away from the corporate head office.

Based on an average of 35 hours per week, the agreement sets a weekly variable work time of 37 hours and 30 minutes, which is an annual rate of 1,567 hours and an annual day-based formula of 207 days, offset by allotment of days off in lieu (15 or 17 days depending on the work time formula adopted).

Hours put in by employees over the regulation thresholds are considered overtime. The yearly limit is 1,360 hours.

Part-time working arrangements

Employees are entitled to adopt part time working based on various schemes. When employees apply for part time working hours under the agreement for the employment of older employees, management compensates a portion of the resulting loss in salary including pension contributions. All employees covered may opt to maintain social security contributions based on the full salary.

In total there are 40 employees who have adopted part-time work.

There are 354 full-time employees excluding senior executives and building staff.

The arrangements introduced by management to promote employee fulfillment at work include the following:

- five paid days per year granted to all employees to care for a sick family member;
- one paid day for moving house;
- paternity leave, for which management maintains the employee's salary while also paying for the salary portion not reimbursed by Social Security.

In 2012, apart from the 427.5 days taken by employees for family reasons, 44 paternity leave days were taken.

Furthermore, the company contributes to the costs of childcare for children under six years old for the relevant parents. In 2012, this covered 59 people and amounted to a total of €43,150.

7.6.4.2. STAFF COHESION AND DIALOGUE

In order to ensure legal compliance and high quality staff dialogue, in March 2012 the HR department organized elections for the staff representatives These elections, for which over 72% of employees cast their vote, concerned the terms of office of staff representatives, Works Council members and Health, Safety and Working Conditions Committee (CHSCT) members.

Following the elections, staff representatives, managers and HR employees received training in the fundamentals of labor law and the function of staff representatives.

During the year, regular and special meetings with the Works Council, staff representatives and CHSCT members, and meetings to review the various corporate agreements provided 57 occasions to discuss collective or individual employee issues relating to working conditions at the company.

In addition, following negotiations with the staff representatives, a framework agreement about the employee elections as well as riders to the supplementary pension agreement and the agreement for the employment of older employees were signed in 2012.

List of agreements signed in 2012

Agreement	Signed on
Mandatory annual negotiation Minutes of disagreement	01/05/2012
Memorandum of Understanding regarding the elections of the Works' Council and Staff delegates of the Gecina group	01/23/2012
Rider to the collective agreement on supplementary pension entered into on November 24, 2011	07/23/2012
Rider to the collective agreement on the employment of older employees entered into on October 5, 2009	11/09/2012

Gecina complies with the French labor code and the stipulations of the ILO fundamental conventions on:

- respect of freedom of association and the right to collective negotiation;
- elimination of discrimination in employment and occupation;
- elimination of forced or mandatory labor;
- effective abolition of child labor.

In addition to the initiatives described in chapter 7.6, Gecina is not involved in other human rights initiatives."

7.6.4.3. STAFF SAFETY

Staff safety is covered under a joint program with the CHSCT. The program is based on the registered places of work, which are either at head office or in owned properties. Under this program, a prevention plan for stressful working conditions was presented to the CHSCT.

Safety measures taken for staff also apply to sub-contractors who have to work in our premises.

At head office, in order to mitigate stressful working conditions for Gecina employees and sub-contractors, the following arrangements have been put in place:

- systematic provision of ergonomic office chairs for all employees with certificates of medical problems.
- basic living premises provided for sub-contractors including a relaxation room, a dining room with domestic appliances and showers;
- temporary door blocks placed on all basement doors so as to facilitate moving containers and bicycles in all anterooms;
- refitting the sports room including an appropriate floor covering and mirrors;
- monitoring the air quality introduced in offices and the installation of two additional fan coils.

For building staff, several arrangements have been made to improve their working conditions and in response to some of their requests:

- following a satisfaction survey, a range of eco-friendly cleaning products designed for property staff have been introduced;
- the Social Development director has visited residences with the company doctor or an ergonomics expert to study workstations and, where applicable, make recommendations for changes to the workstation. These visits covered 44% of all properties as of January,1, 2012 and will be pursued during 2013 based on given priorities;
- the specific arrangements requested to mitigate risks of accidents include the provision of tractors to some work stations to take out skips. The company currently owns a total of 11 tractors and has ordered four more. Other facilities include the building of ramps to facilitate the moving of skips, and step ladders for replacing light bulbs and lamps in the offices;
- this year, 455 training hours were spent on safety covering the following topics: Emergency Aid at Work and Electrical Accreditations.

"Gestures and Posture" training courses are planned starting at the beginning of 2013.

Safety and working conditions (30)

	2012			2011			2010		
	Lost time	No lost time	Total	Lost time	No lost time	Total	Lost time	No lost time	Total
Number of work-related accidents	10	7	17	6	10	16	10	6	16
Number of commuting accidents	6	4	10	2	6	8	8	11	19
TOTAL	**16**	**11**	**27**	**8**	**16**	**24**	**18**	**17**	**35**
Number of days of absence from work as a result of the work-related accident	566		566	166		166	433		433
Number of days of absence from work as a result of the commuting accident	371		371	64		64	272		272
TOTAL	**937**	**0**	**937**	**230**	**0**	**230**	**705**	**0**	**705**

(30) For 2012, Gecina is not reporting accident severity and frequency rates, since the real-estate industry does not yet have an authoritative definition on the issue.

Gecina systematically analyzes workplace accidents recorded during the year in order to implement the appropriate corrective or preventive measures.

There were 27 workplace and commuting accidents in 2012, which is represents a 12.5% increase compared to the 24 accidents in 2011. The analysis shows that 59.3% of accidents were followed by absence from work.

Of the 10 occupational accidents that resulted in 566 days of absence, 331 days, or 58.5% of the total, are attributable,to two accidents.

Similarly, of the six commuting accidents that resulted in 371 days of absence, 242 days, or 65.2% of the total, are attributable,to just one accident.

An analysis of the circumstances leading to these accidents did not reveal any particular dangers in the working conditions. Workplace accidents mainly occur when building staff handle objects, which highlight the need to equip them with specific equipment and to step up the "Gestures and Postures" training.

Of the 27 accidents recorded, 14 related to administrative staff. Just four of these travel accidents resulted in absence from work amounting to 109 days, or 11.6% of the total number of days of absence, while the workplace accidents for these employees did not lead to absence of work.

Corrective action consisted of providing personal protective equipment or more suitable,tools. With regard to the "Gestures and Postures" training, while this is initially planned for preventive purposes, the people who suffered accidents due to handling objects will undergo the training course again.

During the year, there were no serious or fatal accidents.

7.6.5. EVERYONE INVOLVED IN CSR OPERATIONS

In 2012, Gecina committed to obtaining HQE® (High Environmental Quality) certification for the head office where administrative staff is based.

To obtain HQE certification, which is valid for five years, the 14 criteria below have been identified:

- **controlling impacts on the external environment:**
  - Environmental construction:
    - buildings blend seamlessly with their immediate surroundings,
    - integrated choice of construction processes and products,
    - building sites causing low pollution,
  - Environmental management:
    - energy management,
    - water management,
    - operational waste management,
    - service and maintenance management;
- **creating an acceptable,indoor environment:**
  - Comfort:
    - hygrothermal comfort,
    - acoustic comfort,
    - visual comfort,
    - olfactory comfort,
  - Health
    - health quality of areas,
    - health quality of air,
    - health quality of water.

This CSR project is conducted by the General Services Departments who are also involved in responsible purchasing.

One of the first objectives launched in 2008 and revived in 2010 was to reduce carbon dioxide emissions and their impact on the environment.

In 2012, the actions and results noted include:

- reduction in CO_2 emissions by the car fleet following the introduction of three hybrid vehicles. **This project will be continued in 2013 by introducing electric vehicles with zero CO_2 emissions;**
- train rather than air travel was preferred for travel throughout the country and in the future it is planned to quantify CO_2 emissions for all staff travel;
- using bicycles for travel within Paris;
- selection of green label paper for office supplies;
- reduction of energy and water consumption;
- development of a green catering policy for the company restaurant;
- using of European eco-label products to clean the head office;
- development of operational waste sorting and recycling.

7.7. RESPONSIBLE PURCHASING AT THE HEART OF GECINA'S CSR CAMPAIGN

7.7.1. IN 2012, GECINA ROLLED OUT ITS RESPONSIBLE PURCHASING POLICY

The Group does not have a central purchasing department. Purchasing is performed by various operational and functional departments (technical departments, architecture and construction department, human resources, general services departments, etc.).

In 2011, Gecina set up a responsible purchasing working group comprising various purchasing staff and managed by the development, innovation and sustainable performance department.

The following initial strategies have been identified:

- prepare a supplier questionnaire to find out and assess their commitment;
- insert "sustainable development" clauses for suppliers into calls for tender and General Terms of Contract (purchase orders);
- encourage suppliers to find creative solutions;
- launch a debate on Green IT.

Furthermore, to avoid neglecting small companies who may not have the resources to "upgrade to standards" or simply access information, Gecina in its "social" role would like to accompany its service providers, help them train, adopt good practices, and join the ongoing technological revolution. This support will help to ensure the sustainability of the suppliers' businesses.

To implement these initiatives, Gecina is developing an ambitious strategy to meet the objectives given above.

Gecina's responsible purchasing policy breaks down into four commitments in line with the stages of the purchasing process. The commitments are divided into different key actions.

BUYING PROCESS	Knowing how to identify the (right) need	Formulating (more eco-friendly) specifications	Securing (long-term and fair) relationships with suppliers	Streamlining our (eco-friendly) after-sales service
4 COMMITMENTS	#1. **Training stakeholders** in the **CSR issues** in the construction and operation of buildings	#2. Basing our buying practices on the **best standards** of product, services and building quality and traceability	#3. Building **partnership relationships** with our suppliers in the field of CSR	#4. Raising awareness and involving **users** to ensure optimal impact for our responsible buying process
KEY ACTIONS	• **Training/raising awareness of in-house teams** about the issues related to SD, Responsible Buying, green buildings (Asset & Investment), etc. • **Raising awareness of suppliers** about the environment-friendly management of worksites: creating an educational tool (Environmental Charter) summarizing the requirements of the General Terms of Contract (CCAG) • **Defining the criteria** of good environmental management of worksites and including them into the General Management System (SMG)	• Creating **a sustainable investment scoring matrix** • **Revising all the standards to include environmental** (such as label endorsements) and **social criteria** for the: purchasing of assets, recommendations in the selection of material, purchasing various equipment (technical, electrical, electronic), purchasing of services, etc. • **Improving social traceability** of the main indicators (core business and support functions) • Studying the risks related to the **radiation of low consumption bulbs**	• **Evaluating** current suppliers (core business and support functions) based on CSR criteria (environmental and social policy) • **Incorporating** the CSR evaluation criteria into **supplier referencing** • **Updating** the CSR requirements in the specifications (CDC) • **Partnering** with suppliers in a responsible Health and Safety policy (accidents, clandestine employment, etc.) • **Signing the CCAG** (after presentation of the educational material summarizing the requirements of the CCAG) with all the suppliers	• **Becoming involved in recycling** of materials at end of life (core business and support functions) • **Becoming involved in waste sorting** during the service phase • **Incorporating sorting equipment** in the specifications during renovations • Training **superintendents** in **eco-labels**, particularly for maintenance products.

7.7.2. A STRUCTURED CAMPAIGN TO INVOLVE THE ENTIRE CHAIN

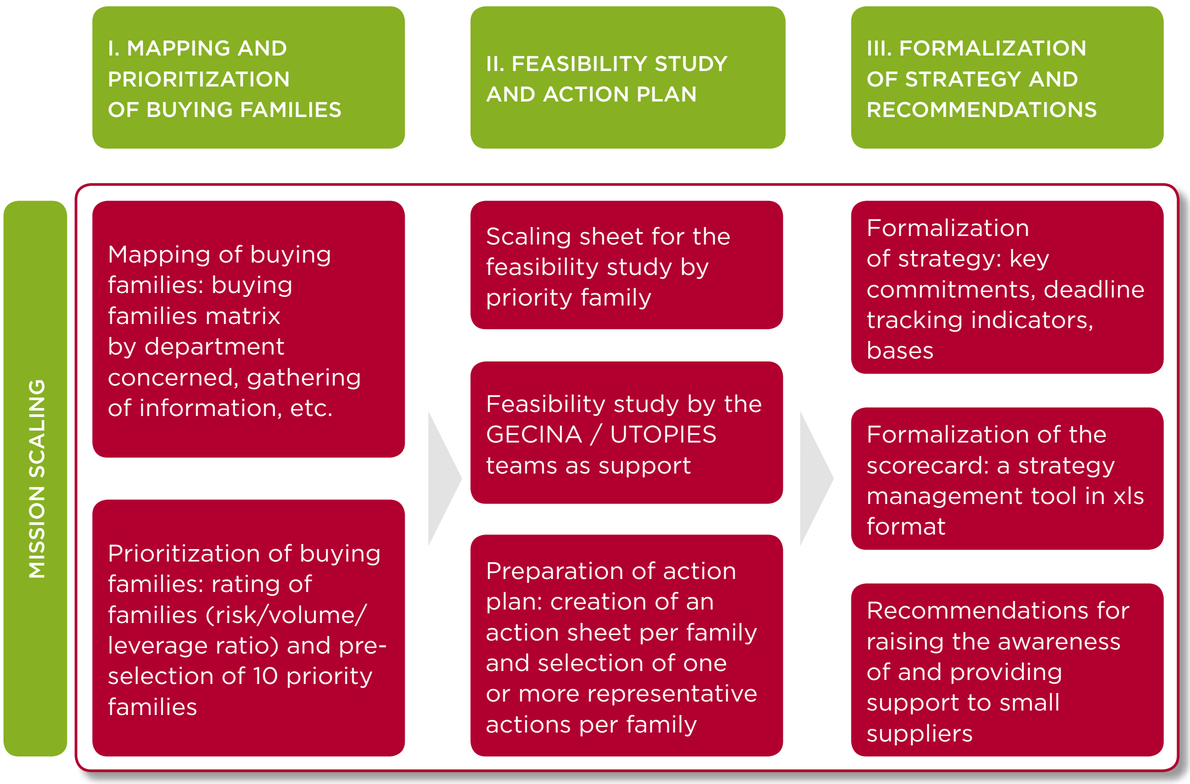
7.7.2.1. ORGANIZATION OF WORKING GROUPS

The development of the responsible purchasing strategy and implementation of the related action plan is based on setting up working groups representing the identified purchasing families.

Utopies, a company selected late 2011 following a tender from four companies specializing in responsible purchasing to provide advice and assistance for Gecina, coordinated the working groups, resulting in the following:

- structuring and deploying a credible responsible purchasing policy;
- assessing the maturity of related practices;
- identifying and prioritizing purchasing strategies in relation to the CSR campaign;
- evaluating the CSR performance of suppliers, strengthening their maturity, assisting small suppliers;
- defining key performance indicators and an action plan.

Note that the French Environment and Energy Management Agency (ADEME) has identified Gecina's purchasing practices are excellent in view of the special attention the company pays to purchasing from the large number of small companies that exist in the construction industry. ADEME funded 50% of the company's study program.



7.7.2.2. PRIORITIZING GECINA'S KEY PURCHASING FAMILIES

The first step consisted of mapping and prioritizing the purchasing families (see template of analysis table below).

The mapping performed covers 92% of Gecina's purchasing expenditure and identified 11 priority families based on purchase volumes (under IFRS), the level of risk (environmental, social and sanitation), the capacity to take action in the category, related technical or regulatory constraints, and the existence of small suppliers and their strategic interest, while ensuring that all Gecina's principal departments were adequately represented.

Given the impact on the company's reputation, a 12th family was defined that covers support services including communications, marketing, legal and HR.

As such, 12 purchasing families were established that are broken down into five work sub-groups as follows:

- GT 1 capital expenditure: Purchase of new or existing buildings: Delivery of turnkey buildings;
- GT 2 Works/Construction:
  - finishing,
  - technical equipment,
  - shell;
- GT 3 operations/maintenance:
  - maintenance with a maintenance contract,
  - fittings and finishing,
  - ongoing maintenance: small repairs with a departmental request,
  - cover and façade: frames/covers/leakage,
  - fitting and finishing the private sections;
- GT 4 Services and small tools:
  - lights, electrical equipment (bulbs, neon lights and batteries),
  - electronic and electrical equipment (PCs, printers telephones, screens, other accessories, etc.);
- GT 5 Support services: communications, marketing, legal and human resources.

Familly	Evaluation (Score from 1 to 3)
Strategic importance of buying family	
Financial volume	
Less than 5%, 5 to 20%; more than 20% of the volume of purchases	
Contribution to gecina's objectives	
Enhancement of image	
Product-related risks	
Low – medium – high	
Environmental risk	
Health risk	
Social risk	
Gecina's ability to act on the risk	
Low – medium – high	
Rapport de force vs fournisseurs	
Technical or regulatory requirements (Y/N)	
Project development projections	
Presence of small suppliers	
Strategic nature of suppliers	
(Specific know-how, industry in difficulty, etc.)	
Possible actions examples	
Prioritization index	

7.7.2.3. ESTABLISHING THE ACTION PLAN

The feasibility analysis and work done by all five working groups to establish priority actions has resulted in a realistic and appropriate action plan for all departments. A representative from all five working groups spoke during the July 2012 action plan presentation meeting, which bolstered everyone's sense of ownership for the responsible purchasing project.

Following the presentation meeting, the company's responsible purchasing strategy was formally structured into four themes and a summary of management action plan results was created to keep track of actions and movements in performance measures. For example, the sheet above presents the monitoring table for the "Establish a scorecard for sustainable investment" action.

FAMILY: **INVESTMENT** | Sub-families: **All**

ACTION 1 – **Prepare a sustainable investment scoring matrix**

Leader:	Objective :			
Investment WG	Presenting the scoring matrix in 100% of the cases submitted to the investment committee	2012 – H2	2013 – H1	2013 – H2

DESCRIPTION OF ACTIONS – STEPS

- A scoring matrix is prepared for the assets put forward for acquisition/development on own account (regardless of the type of asset) with respect to their environmental profile
- The scoring is used as an investment criterion in the cases submitted to the investment committee
- The scoring adjusted for asset management is used in assessing the greening of buildings and the cost in the multi-annual business plan

MEANS REQUIRED

Expertise and time

In-house SD expert to prepare the draft

Tools

Check list

NEXT STEPS

- Monitoring the use of the matrix in investment transactions and the average score of investments

7.7.2.4. ACTIONS COMPLETED

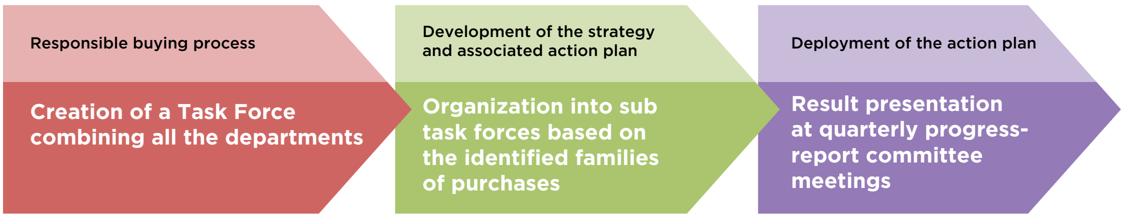
Beginning September 2012, the responsible purchasing action plan is being rolled out and several action have already been completed by the various working groups.

- **Referencing CSR suppliers** The CSR Questionnaire for all suppliers is currently being prepared. The purpose of this questionnaire is to understand and assess the suppliers' CSR practices and to fine-tune their record in the Gecina database.
- **Improve contracting** The responsible purchasing charter is currently being prepared with advice from Utopies to summarize Gecina's requirements in terms of responsible purchasing and expectations vis-à-vis suppliers. A committee has been set up to proof-read the charter before it is issued during first quarter 2013.
- **Scoring sustainable investment** A responsible purchasing score table,has been developed to assess the results of projects launched late 2012 covering new capital spending and in particular the student residences program.
- **Material recycling** A procedure to recover used fluorescent lamps on 10 test residences has been developed prior to roll-out in all residential properties in 2013.
- A "Greenelle" box has been hired to recover and process used IT equipment from head office and from staff.
- A plug collector has been introduced in partnership with the charity "Les bouchons de l'espoir" to fund wheelchairs used for disabled sports.
- **Eco-label supervisors trainings** Some products used by supervisors for the upkeep of communal areas in residences have been replaced by environmentally-certified products or 91%-95% natural ingredient products. Training for property supervisors to use these new products will be arranged in 2013.
- **Management of health risks** A study on radiation from low consumption light bulbs has been performed. Information from light bulb suppliers and various scientific studies have shown that these light bulbs do not have any health risks because they give off the same radiation as traditional light bulbs.
- **CSR specifications** Gecina's entire IT stock of PCs and printers is comply with the Energy Star 5.0 requirements while many other parts have the German Blue Angel certification.

For many years, the IT equipment purchasing policy has been to buy products that are both technically proficient and environmentally sound.

7.7.2.5. A QUARTERLY COMMITTEE MEETING TO MONITOR PROGRESS IN IMPLEMENTING THE ACTION PLAN

Work to establish the responsible purchasing policy was extended with the continuation of working groups and the introduction of a quarterly progress committee meeting to present their results in implementing the action plan.



In 2013, Utopies will support Gecina in this responsible purchasing action plan as an expert consultant. Utopies' new assignment breaks down into several tasks to ensure the success of the campaign:

- the firm will participate in the quarterly progress meetings;
- utopies will assist in creating a responsible purchasing charter and a CSR questionnaire in line with the preferred suppliers listing;
- utopies will run two programs to support small suppliers;
- utopies is preparing a complete master file of indicators to monitor implementation of the action plan and responsible purchasing reporting.

7.7.3. INDICATORS TO MONITOR IMPLEMENTATION OF THE ACTION PLAN

Action plan progress measurement indicators

Commitment	Actions	Indicator	Evaluated business line	2013 objective	2012 results	Comments
1. Training stakeholders in the CSR issues in the construction and operation of buildings	Training the asset and investment teams trained in green buildings	% of asset and investment teams trained in green buildings	All business lines	100%	0%	Several meetings to scale the content of training were organized at end 2012 with the technical teams and human resources. The training program is established, the provider has been chosen and the last set is to plan the various training sessions for early 2013.
2. Basing our buying practices on the best standards of product, services and building quality and traceability	Creating a sustainable investment *scoring* matrix	% projects presented with the sustainable *investment* scoring matrix	All business lines	100%	14%*	A sustainable investment *scoring* matrix was created to assess the performance of projects. This matrix is already used for the most part in the student residences program.
	Revising all the standards to include environmental (such as label endorsements) and social criteria for the: purchasing of assets, recommendations in the selection of material, purchasing various equipment (technical, electrical, electronic), purchasing of services, etc.	% of IT equipment with eco-friendly label certification or incorporating environmental criteria	Gecina's IT environment	100%	100%	The entire Gecina IT environment (PCs, printers, scanners, etc.) carries the Energy Star 5.0 label and numerous items also have received the Blue Angel label.
		% of families of products incorporating environmental criteria	Operation and Maintenance of Commercial Real Estate	50%	36%	As part of the indoor air quality workshop launched in 2011, numerous families of products were studied in order to favor products with eco-labels (Blue Angel, White Swan, A+ label, etc.) or those not exceeding the VOC (volatile organic compounds) emission baseline values provided by WHO.
			Operation and Maintenance of Residential Real Estate	50%	39%	
3. Building partnership relationships with our suppliers in the field of CSR	Updating the CSR requirements in RFP specifications	% specifications revisited in light of responsible buying	All business lines	50%	6%	Numerous specifications were amended to recommend products that are more respectful of the environment a result of the work conducted in the workshop on indoor quality in relation to family of products. Currently Gecina seeks to enhance the various existing documents and to incorporate CSR criteria. At end 2012, documents to be amended were inventoried and missing standard documents were identified; a label watch was also carried out. In 2013, various working groups are scheduled to update the existing documents and the create the missing standard documents.
4. Raising awareness and involving users to ensure optimal impact for our responsible buying process	Training superintendents in eco-labels, particularly for maintenance products.	% of maintenance products with eco-friendly label certification or incorporating environmental criteria	Residential real estate	100%	11%	Concerns the cleaning of communal areas by superintendents. At end 2012, some maintenance products were replaced with eco-labels or incorporating environmental criteria. To support this initiative, superintendent training session regarding these new products will be organized in 2013.
	Becoming involved in recycling of materials at end of life (core business and support functions)	% buildings outfitted with a collection point for used fluorescent tubes	Residential real estate	100%	17%	At end 2012, collection points for used fluorescent tubes from communal areas were installed within 10 test residences. The tubes are collected monthly from each building by the supplier who ensures they are processed through a specialized channel. In 2013, all the residences will be outfitted with this type of collection point.

* *Matrix prepared in November 2012.*

7.8. EXTENDING THE SOCIAL RESPONSIBILITY OF GECINA

7.8.1 GECINA SUPPORTS THE PALLADIO FOUNDATION

Gecina is a founding member of the Palladio Foundation.

The Palladio Foundation started out as an original initiative by real estate companies under the auspices of the *Fondation de France*. It, was founded in 2008 with a view to meeting the challenge to create the city of the future and living areas therein. Its mission is to bring together and call on all parties involved in this project (*i.e.* elected officials, real estate professionals, professionals from other sectors that focus on urban issues, researchers, members of federations or associations and the media) to take part in a debate. It supports and welcomes those who are building on the future, whether students, researchers or young professionals.

In 2012, with the support of Gecina, the Palladio Foundation was able to develop in particular:

- Observatoire Palladio, a web tool to attract talent to the real estate industry and the creation of the city and to open it up to different professions;
- the Palladio Institute for Advanced Learning on Real Estate and the City (*Institut Palladio des Hautes Études sur l'Immobilier et la Cité*) published its first proceedings in November 2012, this is a unique information database to be used as a support tool for decisions made in the public and private sector;
- the Palladio Research Center organized its first international symposium on real estate research and the construction of a city – the results were used to initiate a review of this research in France and internationally, to bring together teams and existing research structures and to mobilize companies for research.

The Palladio Foundation awarded eight grants of €10,000 to its doctoral students. It sponsored the Junior Prize for real estate at SIMI, the AREIM prize and the real estate industry career fair.

www.fondationpalladio.fr

7.8.2 OUR COMMITMENT TO THE GECINA FOUNDATION

PURPOSE AND MISSION

The Gecina Corporate Foundation supports general-interest projects focusing on environmental protection and support for disabled people.

SOCIETAL PROJECTS ON BEHALF OF THE REGIONS

Following on from the Gecina CSR policy, the Foundation is committed to long-term, innovative and repeatable,projects. It is backed by the involvement of Gecina staff and partners to design, talk about and share its achievements in the regions where it operates.

MOBILIZING STAFF

Since it was set up in 2008, the Foundation has carried out 37 projects involving 95 employees who took part in three ways:

- sponsoring projects over 6 to 24 months;
- provision of expertise and project management with institutional partners;
- short-term joint actions with charities as part of a program to donate skills.

An employer contribution program on top of employee voluntary contributions encourages the involvement of employees in public interest projects or support for charities. Under this program, the company donates one paid day for one day spent by employees in their own time on charity work, subject to a maximum of two days per year.

A PLACE FOR SHARING AND DISCOVERY

Some one hundred projects were reviewed by the Foundation, and some 20 of them were presented to staff during in-house events, information meetings and in intranet publications. The Foundation also runs a community page on the Gecina social network.

In 2012, 59 employees contributed to charity work in society by spending 138 days.

The 14 projects supported in 2012 consist of six for disabled persons, five for the environment and three for the other programs below:

- 17 employees worked on eight project sponsoring projects with the charities Clayes *Handisport*, *Dons Solidaires*, *Scouts et Guides de France*, *Centre Montparnasse*, *Espaces*, LPO, *Fondation Voir et Entendre* and the *Centre des Monuments nationaux*;
- four joint operations for charitable,purposes and environmental protection took place during second half 2012 with the charity *Domaine du Rayol*, the charity *J'accède* and the *Office national des forêts* (ONF);
- a program to safeguard biodiversity in wet forest areas in the Montmorency state forest; this included studies and work to restore a nature reserve managed and operated throughout 2012-2014 with the ONF;
- the footpath in the Ville-d'Avray state forest designed and built with the ONF was inaugurated on September 26, 2012.

2012 FOCUS

"Senior Citizens Center", solidarity in action

Two employees sponsor the development of a support center distributing products to elderly people. The charity *Dons Solidaires* coordinates the networks of product donors, logistics and the networks of charitable,distributors so as to meet the problems of social and economic isolation of dependent elderly people.

"Vision Design", kitchens for blind and partially sighted people

Three employees involved in CSR and work for disabled people support an experimental research project for blind and partially sighted people with the *Institut de la Vision* and the *École nationale supérieure de la création et de l'innovation*.

This novel partnership brings together a team of young designers from the ENSCI and *Institut de la Vision*'s professionals working for blind and partially sighted people. Prototype kitchen products and accessories have been specially designed to provide effective ways for poorly sighted people to retain their independence and live safely.

LONG-TERM ACTION

Backed by the expertise of its partners, the Foundation follows a long-term vision and contributes to Gecina group's social responsibility campaign.

Alongside professionals working to safeguard natural heritage and help distressed people, the Foundation strives to remain in close contact with its stakeholders while pursuing its programs.

CORPORATE GOVERNANCE UNDERPINNING THE STRATEGY

Chaired by Bernard Michel, the Foundation is administered by eight members as follows:

- five of them represent the founders and have operational jobs within Gecina group;
- three of them represent independent qualified personalities and help to provide expertise in the areas supported by the Foundation.

Members of the board of directors

- Bernard Michel, Chairman and CEO of Gecina;
- Philippe Valade, Company Secretary of Gecina;
- Viviane Carbognani Liotta, Supplier Account Director;
- Loïc Hervé, Director of Residential and Healthcare Real Estate;
- Jacques Craveia, Director of Operations with the corporate real estate division.

Qualified personalities:

- Anne Voileau, director of the radio station *Vivre FM* and editor in chief of the magazine *Être Handicap Information*;
- Dominique Legrain, former inspector-general for the environment;
- Ryadh Sallem, elite athlete, director of the charity *Cap Sport Art Amitié Aventure* (CAPSAAA).

In 2012, the directors met five times to oversee, assess and finance the societal value adding projects during meetings of the board of directors, the assessment committee and working groups.

Budget

As of December,31, 2012 and since the creation of the Foundation,

- the Foundation's total funds (*i.e.* donations received) amount to €1,373,000;
- the total budgets allocated to the projects supported amount to €1,124,000.

Gecina makes a corporate contribution equal to the time spent by staff on the Foundation's actions and projects. The 2012 corporate contribution was €30,000.

7.8.3 HELP FOR SOCIAL REHABILITATION THROUGH HOUSING

Gecina has entered into partnerships with three associations (SNL Paris, Habitat and Humanism and AFTAM) acting in the area of social rehabilitation through housing. The Group rents to them apartments at preferential prices. Although social housing is not the vocation of the real estate company, these projects allow the Group to contribute to social diversity.

The rental market in the Paris area is virtually inaccessible to very low income families while access to the traditional social housing is hampered by the shortage of such housing. Based on the model practiced in the United Kingdom, Gecina rents out 5 apartments in various residences to social aid and assistance associations for housing.

Candidates are proposed by associations which transmit requests from the City of Paris or the prefecture.

Rents are capped. The lease proposed by associations is temporary.

The public comprises people in great social distress, mostly couples or single women with one or two children. 30% are isolated people. Many of them have to deal with health, family or professional rehabilitation issues. All have been through precarious living conditions.

With SNL (Solidarités Nouvelles pour le Logement), for example, the lease entered into for one year is renewable until a long-term solution is found. The average occupancy period for a unit is three years. When the family feels ready to deal unassisted with the rights and duties of any tenant, then the rehousing project is implemented. All possible leads are studied in the best interest of the tenants, their constraints and their aspirations.

The 5 apartments are currently receiving their second "generation" of tenants, proof that access to housing contributes to the social rehabilitation of the most underprivileged.

7.9. CORRESPONDENCE TABLE (IN LINE WITH FRANCE GBC, EPRA, GRI CRESS AND GRENELLE 2)

		Gecina			Correspondence			
	GRI 3.1 CRESS content index	Completeness	Comply or explain [1]	Scope [2]	ISO 26000	Art.225	EPRA	Chapter in Reference Document
1. STRATEGY AND ANALYSIS								
1.1	Statement from the most senior decision-maker of the organization	●		Group				1
1.2	Description of key impacts, risks, and opportunities	●						1.6
2. COMPANY PROFILE								
2.1	Name of the organization	●		Group	7.6			9.3.1
2.2	Primary products and/or services and corresponding brands	●						1.5
2.3	Operational structure of the organization, including main divisions, operating entities, subsidiaries and joint ventures	●						1.4
2.4	Location of organization's headquarters	●						9.3.1
2.5	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to Sustainable Development issues covered in the report	●						9.3.1
2.6	Nature of ownership and legal form	●						6.2
2.7	Markets served including geographic breakdown, sectors served and types of customers or beneficiaries	●						1.5
2.8	Size of the organization	●						1.1
2.9	Significant changes during the reporting period regarding size, structure or ownership	●						1.4.2
2.10	Awards received in the reporting period	●						7.4.4
3. REPORT PARAMETERS								
Report profile								
3.1	Reporting period (e.g., fiscal year, calendar year) for information provided	●		Group				7.4.1
3.2	Date of most recent previous report published (if any)	●						June 2012
3.3	Reporting cycle (annual, biennial, etc.)	●						7.4.1
3.4	Contact person for any questions regarding the report or its content (last page of report)	●			7.6			9.1.2
Scope and boundary of the report								
3.5	Process for defining report content	◐		Group	7.6			7.2.6
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	●				Importance of sub-contracting and taking into account of CSR in the relationships with suppliers and sub-contractors		7.4.1.1
3.7	State any specific limitations on the scope or boundary of the report	●						7.4.1.1
3.8	Basis for reporting on joint ventures, subsidiaries and other situations that can significantly affect comparability from period to period	○	N/A					–
3.9	Data measurement techniques and bases of calculation, including assumptions and techniques underlying estimates applied to the compilation of indicators and other information in the report	●						7.4.1
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and reasons for such re-statement (e.g., merger/acquisitions, change of reporting period, nature of business, measurement methods)	◐						7.4.1
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	●						7.4
3.12	Table identifying the location of the standard disclosures in the report	●						7.9
Third-party validation								
3.13	Policy and current practice with regard to seeking external validation of the report	●		Group	7.6			7.4.1.6
4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT								
Governance								
4.1	Governance structure of the organization, including committees under the highest governance body (board of directors or similar body) responsible for specific tasks	●		Group				5.1.1
4.2	Indicate whether the Chair of the Board of Directors is also an executive officer (and if so, indicate the Chair's duties and reasons for such arrangement)	●						5.1.3
4.3	For organizations that have a unitary board structure, state the number of members that are independent and/or non-executive members	●						5.1.1
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the board of directors	◐						7.3.3/9.3.2

GRI 3.1 CRESS content index		Gecina: Completeness	Gecina: Comply or explain (1)	Gecina: Scope (2)	Correspondence: ISO 26000	Correspondence: Art.225	Correspondence: EPRA	Correspondence: Chapter in Reference Document
4.5	Link between compensation for members of the board of directors, senior managers and executives (including severance packages) and organization's performance (including social and environmental performance)	●						5.1.2
4.6	Processes in place for the board of directors to ensure conflicts of interest are avoided	●						5.1.6
4.7	Process for determining the qualifications and expertise required of the members of the board of directors to decide on the strategic lines of action of the organization in economic, environmental and social matters	●						5.1.5
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental, and social performance and status of their implementation	◐						5.2
4.9	Procedures of the board of directors for overseeing the organization's identification and management of economic, environmental, and social performance including relevant risks and opportunities and compliance with international standards	◐						5.2.3
4.10	Processes for evaluating the board of directors' own performance, particularly with respect to economic, environmental and social performance	◐						5.2.3
External commitments								
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	●		Group	6.8.9	Partnership or sponsorship actions		7.8
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	◐						7.6.2.3
4.13	Membership in associations (such as industry associations) or national/international advocacy organizations	◐						7.6.2.3
4.14	Engagement with stakeholders	◐				Terms of engagement with persons or organizations interested in the company's activity		7.2.1
4.15	List of stakeholder groups engaged by the organization: Example of stakeholder groups: communities, civil society, customers, shareholders, suppliers and employees, other workers and their unions	●			5.3.3			7.5.3.3
4.16	Basis for identification and selection of stakeholders with whom to engage	○						7.2.1
4.17	Approaches to such engagement including frequency of engagement by type and by stakeholder group	◐						7.2.1
4.18	Key topics and concerns that *have* been raised through stakeholder engagement, and how the organization has responded to them	◐						7.2.1
5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS								
5.1. Performance indicators economic								
Economic performance								
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation and benefits, donations and other community investments, retained earnings and payments to capital providers	◐		Group		Territorial, economic and social impact of the company's business on regional or local populations; Partnership or sponsorship actions		7.2.5
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	◐				Amount of provisions and cover for risk in environmental matters; Adaptation to the consequences of climate change		7.2.3.1
EC3	Scope of defined benefit retirement plan obligations (basic)	◐						7.5.1.5
EC4	Significant subsidies and financial assistance received from government	○	N/D					–
Market presence								
ADD EC5	Range of ratios of standard entry level wage compared to local minimum wage at the main locations of operation	○	N/A	Group				–
EC6	Policy, practices and proportion of spending on locally-based suppliers at the main locations of operation	◐				Territorial, economic and social impact of the company's activity on regional or local population; Accounting for social and environmental issues in the buying policy		7.7
EC7	Procedures for local hiring and proportion of senior management hired locally at the main locations of operation	○	N/A					–
Indirect economic impacts								
EC8	Development and impact of infrastructure investments and services provided primarily *for* public benefit through commercial, in-kind or pro bon engagement	○	N/A	Group		Territorial, economic and social impact of company's business in terms of employment and regional development		–
ADD EC9	Understanding and describing the economic impacts	●			6.8.5			7.2.5

GRI 3.1 CRESS content index		Gecina: Completeness	Gecina: Comply or explain [1]	Gecina: Scope [2]	Correspondence: ISO 26000	Correspondence: Art.225	Correspondence: EPRA	Chapter in Reference Document
5.2. Performance indicators environmental						Company organization to take into account environmental issues, and environmental assessment and certification process if appropriate		7.2
Materials								
EN1	Materials used by weight or volume	○	N/D			Raw materials used and actions taken to improve the efficiency of their use		–
EN2	Percentage of materials used that are recycled input materials	○	N/D		6.5.1, 6.5.2			–
Energy								
EN3	Direct energy consumption by primary energy sources	●		O / R	6.5.4	Consumption of energy and actions taken to improve energy efficiency and the use of renewable energy sources	Total energy consumption from fuels *(kWh)*	7.5.2.1
EN4	Indirect energy consumption by primary energy sources	●		O / R			Total consumption of energy from electricity *(kWh)*; Total consumption of energy from urban heating and cooling networks *(kWh)*	
CRE1	Building energy intensity	●		O / R			Building energy intensity by sqm (kWh)	
ADD EN5	Energy saved due to efficiency improvements	◐		O / R				
ADD EN6	Initiatives to provide renewable-energy based products and services; reductions in energy requirements as a result of these initiatives	◐			6.4.5			7.5.1.3
ADD EN7	Initiatives to reduce indirect energy consumption and reductions achieved	◐						
Water								
EN8	Total water withdrawal by source	◐			6.5.4	Water consumption and sources based on local requirements	Total water withdrawal by source *(m^3)*	7.5.2.2
CRE2	Water use intensity	◐					Water use intensity (*m^3*/sqm/p.a.)	
ADD EN9	Water sources significantly affected by withdrawal of water	○	N/D			Water consumption and procurement based on local requirements		
ADD EN10	Percentage and total volume of water recycled and reused	○	N/D			Raw materials used and actions taken to improve the efficiency of their use		
Biodiversity								
EN11	Location and size of land owned, leased or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	◐				actions taken to preserve biodiversity		7.5.2.3
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	●			6.5.6			
CRE5	Land degradation	○	N/D					
ADD EN13	Habitats protected or restored	●						
ADD EN14	Strategies, current actions and future plans for managing impacts on biodiversity	●			6.5.6			
ADD EN5	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	○	N/D					
Emissions, effluents and waste								
EN16	Total direct and indirect greenhouse gas emissions, by weight *(Teq CO_2)*	●		O / R	6.5.5	Greenhouse gas emissions	Total direct GHG emissions *(Teq CO_2)*; Total indirect GHG emissions *(Teq CO_2)*	7.5.2
EN17	Other relevant indirect greenhouse gas emissions by weight *(Teq CO_2)*	○	N/D	O / R				–

GRI 3.1 CRESS content index		Completeness (Gecina)	Comply or explain [1] (Gecina)	Scope [2] (Gecina)	ISO 26000 (Correspondence)	Art.225 (Correspondence)	EPRA (Correspondence)	Chapter in Reference Document
CRE3	Greenhouse gas emission intensity from buildings	●		O / R			Greenhouse gas emission from energy consumed by buildings *(kgeqCO_2/sq^m/p.q.)*	7.5.2
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity	●		O / R				7.5.2
ADD EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	◐		B / R		Adaptation to the consequences of climate change		7.5.1
EN19	Emissions of ozone-depleting substances by weight	○	N/D	Group		Greenhouse gas emissions		–
EN20	NOx, SOx and other significant air emissions by type and weight	○	N/D					–
EN21	Total water discharge by quality and destination	○	N/D			Water consumption and sources based on local requirements		–
EN22	Total weight of waste by type and disposal method	◐	N/D		6.5.4	Measures to prevent, reduce and repair discharge in air, water and soil seriously impacting the environment	Tons of waste by disposal method	7.2
EN23	Total number and volume of significant spills	○	N/A		6.5.3			–
ADD EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basle Convention Annex I, II, III and VIII; percentage of transported waste shipped internationally	○	N/A					–
ADD EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	○	N/D			Taking into account of noise and any other form of pollution specific to an activity; actions taken to preserve biodiversity		–
Products and services								
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	●		Group				7.5.3.2.3
EN27	Percentage of products sold and their packaging materials that are recycled or reused, by category	◐	N/A			Waste prevention, recycling and elimination measures		7.2
Compliance								
EN28	Amount of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	○	N/A	Group	6.5.1, 6.5.2	Amount of provisions and cover for environmental risk		
Transport								
ADD EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	○	N/D	Group				–
Overall								
ADD EN30	Total environmental protection expenditures by type	◐	N/D	Group		means dedicated to the prevention of environmental risks and pollution		7.2.3
5.3. PERFORMANCE INDICATORS social								
Employment								
LA1	Total workforce by employment type, employment contract and geographic region	●		Group	6.4.4	Total workforce and breakdown by gender, age and geographic region		7.6.1.1
LA2	Workforce turnover by number of employees and rate by age group, gender and geographic region	◐				Hires and terminations		7.6.1.6
ADD LA3	Benefits provided to full-time employees that are not provided to temporary, fixed-end contract or part-time employees, by major operations	●				Compensation and change in compensation; Organization of work time		7.6.1.5
Labor/management relations								
LA4	Percentage of employees covered by collective bargaining agreements 188 P	●		Group	6.4.3, 6.4.5	Social engagement organization; Respect of freedom of association and the right to collective bargaining		7.6.4
LA5	Minimum notice period regarding significant organization changes, including whether it is specified in the collective bargaining agreements	●				Collective bargaining agreements; Respect of freedom of association and the right to collective bargaining		7.6.4

	GRI 3.1 CRESS content index	Gecina: Completeness	Gecina: Comply or explain [1]	Gecina: Scope [2]	Correspondence: ISO 26000	Correspondence: Art.225	Correspondence: EPRA	Correspondence: Chapter in Reference Document
Occupational health and safety								
ADD LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational and safety programs	●		Group		Occupational health and safety conditions		7.6.4.2
LA7	Rate of workplace accidents, occupational illnesses, absenteeism, number of workdays lost and total number of work-related fatalities, by geographic region	●			6.4.6	Absenteeism; Frequency and severity of workplace accidents; Occupational illnesses		7.6.4.3
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	●				Occupational health and safety conditions		
LA8	Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	○	N/D					
ADD LA9	Health and safety topics addressed in formal agreements with trade unions	●				Agreements signed with union organizations in matters of health and workplace safety		7.6.4.2
Training and education								
LA10	Average hours of training per year per employee and by employee category	◐		Group	6.4.7	Total number of training hours		7.6.2
ADD LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●				Implemented training policies; Employee training and information actions in matters related to environmental protection		7.6.5
ADD LA12	Percentage of employees receiving regular performance and career development review	●						7.6.2.3
Diversity and equal opportunity								
LA13	Composition of governance bodies and breakdown of employees by gender, age group, minority group and other indicators of diversity	◐		Group		Policies and actions taken to promote the employment and insertion of people with disabilities; Policies and actions taken to promote the fight against discrimination; Elimination of employment and professional discrimination		5.1.1 / 7.6.1 / 7.6.3
LA14	Ratio of basic salary of women compared to men by employee category	◐			6.3.10	Policies and actions taken to promote gender equality; Elimination of employment and professional discrimination		7.6.1.5
5.4. Performance indicators human rights								
Investment and procurement practices								
HR1	Percentage and total number of significant investment agreements that include clauses incorporating human rights concerns or that have undergone human rights screening	○	N/D	Group	6.3, 6.6.6			–
HR2	Percentage of significant suppliers and sub-contractors that have undergone human rights screenings; actions taken	◐	N/D			Taking into account of social and environmental issues in the procurement policies		7.7
ADD HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations; percentage of employees trained	◐						7.6.3.1
Non-discrimination								
HR4	Total number of discrimination incidents and actions taken	●		Group	6.3.10	Elimination of employment and professional discrimination		7.6.3
Freedom of association and right to collective bargaining								
HR5	Activities identified in which the right to exercise freedom of association and collective bargaining may be violated; actions taken to support these rights	◐		Group		Respect of freedom of association and right to collective bargaining; Taking into account of social and environmental issues into the procurement policy		7.6.4
Child labor								
HR6	Operations identified as having significant risk for incidents of child labor; actions taken to contribute to the effective abolition of this type of labor	◐		Group	6.3.10	Elimination of forced or compulsory labor; Effective abolition of child labor; Taking into account of social and environmental issue into the procurement policy		7.7.3
Abolition of forced or compulsory work								
HR7	Operations identified as having significant risk for incidents of forced and compulsory labor; actions taken to contribute to the effective abolition of this type of labor	◐		Group	6.3.10	Elimination of forced and compulsory labor; Taking into account of social and environmental issues in the procurement policies		7.7.3

	GRI 3.1 CRESS content index	Gecina: Completeness	Gecina: Comply or explain [1]	Gecina: Scope [2]	Correspondence: ISO 26000	Correspondence: Art.225	Correspondence: EPRA	Correspondence: Chapter in Reference Document
Security practices								
ADD HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	○	N/D	Group				–
Indigenous rights								
ADD HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	●	N/A	Group				–
5.5. Performance indicators civil society								
Communities								
S01	Nature, scope and efficacy of any program or practice for the assessment or management of the impact of operations, at any stage of development, on communities	◐		Group				1.6.3 / 7.5.1
Corruption								
S02	Percentage and total number of strategic areas of activities analyzed for risks related to corruption	○	N/D	Group	6.6.3	Actions taken to prevent any form of corruption		
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	◐						7.3.1
S04	Actions taken in response to incidents of corruption	○	N/D					
Public policy								
S05	Public policy positions and participation in public policy development and lobbying	○	N/D	Group				–
ADD S06	Total financial and in-kind contributions to political parties, politicians and related institutions, by country	○	N/D					–
Anti-competitive behavior								
ADD S07	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices; outcomes	○	N/A	Group	6.6.3	Actions taken to prevent any form of corruption		
Compliance								
S08	Amount of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	○	N/D	Group	6.6.3	Actions taken to prevent any form of corruption		
5.6. Performance indicator product responsibility								
Consumer health and safety								
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	◐		Group	6.7.4	Actions taken to promote consumer health and safety		7.5.2.5.1
ADD PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome	◐						1.6.3
Product and service labeling								
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	○	N/A	Group				–
CRE8	Type and number of sustainability certification, rating and labeling programs for new construction, management, occupation and building redevelopment	●						7.5.1.2 / 7.5.1.3
ADD PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome	●						7.2.3.2
ADD PR5	Practices related to customer satisfaction, including results of survey measuring customer satisfaction	●						7.5.3.3
Marketing communications								
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	○	N/D	Group				–
ADD PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcome	○	N/D					–
Customer privacy								
ADD PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●		Group				7.2.3.2
Compliance								
PR9	Amount of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●		Group				7.2.3.2

GRI (Global reporting initiative) : GRI 3.1 principles and indicators and sector supplement – CRESS (Construction and real estate sector supplement).
Global compact: reference to ten principles.
ISO 26000: international standard, guidelines on organization's social responsibility.

(1) N/A = not applicable ; N/D = not available.

(2) Group = all the business lines of the Gecina Group ; O = office business line ; R = residential and student residences business line.

LIST OF PROPERTY HOLDINGS

8.1. OFFICES

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sqm)	Office surface area (sqm)	Retail surface area (sqm)	Activities surface area (sqm)	Total surface area (sqm)	% of interests
Buildings in operation									
75 Paris 1st arrondissement									
55, boulevard de Sébastopol	1880	1880	8	577	563	200	–	1,340	100.00%
10/12, place Vendôme	1750	1750	–	–	7,821	1,002	–	8,823	100.00%
1, boulevard de la Madeleine	1890	1996	6	548	1,144	684	–	2,376	100.00%
Paris 2nd arrondissement									
35, avenue de l'Opéra – 6, rue Danielle-Casanova	1878	1878	10	545	1,739	–	–	2,284	100.00%
26/28, rue Danielle-Casanova	1800	1800	3	252	822	308	–	1,382	100.00%
10, rue du Quatre-Septembre – 79, rue de Richelieu – 1, rue Ménars	1870	1870	1	105	1,835	720	–	2,660	100.00%
Central Office – 120/122, rue Réaumur – 7/9, rue Saint-Joseph	1880	2008	–	–	4,998	–	–	4,998	100.00%
16, rue des Capucines	1970	2005	–	–	10,570	–	–	10,570	100.00%
Le Building – 37, rue du Louvre – 25, rue d'Aboukir	1935	2009	–	–	7,064	535	–	7,599	100.00%
64, rue Tiquetonne – 48, rue Montmartre	1850	1850	52	4,484	5,719	–	–	10,203	100.00%
12, rue de Volney	1850	1850	–	–	2,048	–	–	2,048	100.00%
14, rue de Volney	1850	1850	–	–	–	–	–	–	100.00%
31/35, boulevard des Capucines	1992	1992	–	–	4,136	1,617	–	5,753	100.00%
5, boulevard Montmartre	1850/1900	1996	17	1,342	3,648	2,487	–	7,477	100.00%
29/31, rue Saint-Augustin	1996	1996	6	445	4,531	274	–	5,250	100.00%
4, rue de la Bourse	1750	1993	10	823	3,570	382	–	4,775	100.00%
3, place de l'Opéra	1870	1870	–	–	3,872	719	–	4,591	100.00%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sqm)	Office surface area (sqm)	Retail surface area (sqm)	Activities surface area (sqm)	Total surface area (sqm)	% of interests
Paris 8th arrondissement									
26, rue de Berri	1971	1971	–	–	1,836	1,004	–	2,840	100.00%
151, boulevard Haussmann	1880	1880	16	1,271	2,085	–	–	3,356	100.00%
153, boulevard Haussmann	1880	1880	17	666	4,021	–	–	4,687	100.00%
155, boulevard Haussmann	1880	1880	11	449	3,676	–	–	4,125	100.00%
22, rue du Général-Foy	1894	1894	4	300	2,312	–	–	2,612	100.00%
43, avenue de Friedland – rue Arsène-Houssaye	1867	1867	–	–	1,672	–	–	1,672	100.00%
38, avenue George-V – 53, rue François-1er	1961	1961	–	–	496	856	–	1,352	100.00%
41, avenue Montaigne – 2, rue de Marignan	1924	1924	2	106	1,375	583	–	2,064	100.00%
162, rue du Faubourg – Saint-Honoré	1953	1953	–	–	1,808	133	–	1,941	100.00%
169, boulevard Haussmann	1880	1880	8	661	730	339	–	1,730	100.00%
Magistère – 64, rue de Lisbonne – rue Murillo	1987	2012	–	–	7,825	–	–	7,825	100.00%
Parkings Haussmann	1880	1880	–	–	–	–	–	–	100.00%
44, avenue des Champs-Élysées	1925	1925	–	–	2,781	2,242	–	5,023	100.00%
66, avenue Marceau	1997	2007	–	–	4,856	–	–	4,856	100.00%
Parkings – 45, rue Galilée	–	–	–	–	–	–	–	–	100.00%
30, place de la Madeleine	1900	1900	2	279	790	1,101	–	2,170	100.00%
Parkings – Parc Haussmann-Berry	1990	1990	–	–	–	–	–	–	100.00%
9/15, avenue Matignon	1890	1997	35	2,585	5,333	4,144	–	12,062	100.00%
24, rue Royale	1996	1996	–	–	1,609	1,287	–	2,896	100.00%
18/20, place de la Madeleine	1930	1930	–	–	2,609	595	–	3,204	100.00%
101, avenue des Champs-Élysées	1995	2006	–	–	6,363	2,212	–	8,575	100.00%
Parking George-V	1977	1977	–	–	–	–	–	–	100.00%
8, avenue Delcassé	1988	1988	–	–	8,096	1,687	–	9,783	100.00%
55, rue d'Amsterdam	1996	1996	–	–	10,824	539	–	11,363	100.00%
17, rue du Docteur-Lancereaux	1972	2002	–	–	5,428	–	–	5,428	100.00%
20, rue de la Ville-l'Évêque	1967	1967	–	–	5,450	–	–	5,450	100.00%
27, rue de la Ville-l'Évêque	1962	1962	–	–	3,169	–	–	3,169	100.00%
5, rue Royale	1850	1850	1	128	1,968	181	–	2,277	100.00%
Paris 9th arrondissement									
21, rue Auber – 24, rue des Mathurins	1866	1866	6	300	799	428	–	1,527	100.00%
Mercy-Argenteau – 16, boulevard Montmartre	1820	2012	36	1,457	2,314	936	–	4,707	100.00%
1/3, rue de Caumartin	1780	1780	4	266	1,558	1,050	–	2,874	100.00%
32, boulevard Haussmann	1850	2002	–	–	2,513	537	–	3,050	100.00%
Paris 12th arrondissement									
Parkings – 58/62, quai de la Rapée	1990	1990	–	–	–	–	–	–	100.00%
Tour Gamma – 193, rue de Bercy	1972	1972	–	–	15,290	548	–	15,838	100.00%
Paris 14th arrondissement									
11, boulevard Brune	1973	1973	–	–	2,544	237	–	2,781	100.00%
37/39, rue Dareau	1988	1988	–	–	4,857	–	–	4,857	100.00%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Activities surface area *(sqm)*	Total surface area *(sqm)*	% of interests
Paris 15th arrondissement									
Mercure – 31, quai de Grenelle	1973	2011	–	–	8,250	–	–	8,250	100.00%
Parkings – 31, quai de Grenelle	1973	2011	–	–	–	–	–	–	100.00%
34, rue de la Fédération	1973	1973	–	–	6,579	–	–	6,579	100.00%
Shopping centre Beaugrenelle – Îlot Charles-Michel – 16, rue Linois	1975	2009	–	–	–	4,015	–	4,015	75.00%
Paris 16th arrondissement									
58/60, avenue Kléber	1992	1992	–	–	4,201	588	–	4,789	100.00%
100, avenue Paul-Doumer	1920	1920	–	–	–	294	–	294	100.00%
Paris 17th arrondissement									
63, avenue de Villiers	1880	1880	8	406	2,912	–	–	3,318	100.00%
Le Banville – 153, rue de Courcelles	1991	1991	–	–	18,716	1,138	–	19,853	100.00%
32/34, rue Guersant	1970	1992	–	–	13,175	–	–	13,175	100.00%
Paris 20th arrondissement									
Le Valmy – 4/16, avenue Léon-Gaumont	2006	2006	–	–	29,444	–	–	29,444	100.00%
Total buildings in operation in Paris			**263**	**17,995**	**264,344**	**35,602**	**–**	**317,941**	
78 78140 Vélizy-Villacoublay									
Crystalys – 6, avenue Morane-Saulnier – 3, rue Paul-Dautier	2007	2007	–	–	25,806	–	–	25,806	100.00%
78180 Montigny-le-Bretonneux									
6, avenue Ampère	1981	1981	–	–	3,204	–	–	3,204	100.00%
91 91120 Montrouge									
Park Azur – 97, avenue Pierre-Brossolette	2012	2012	–	–	24,000	–	–	24,000	100.00%
91220 Brétigny-sur-Orge									
ZI Les Bordes	1975	1975	–	–	17,139	–	–	17,139	100.00%
92 92052 Courbevoie									
Le Lavoisier – 4, place des Vosges	1989	1989	–	–	8,473	–	–	8,473	100.00%
92100 Boulogne-Billancourt									
Khapa – 65, quai Georges-Gorse	2008	2008	–	–	19,212	427	–	19,639	100.00%
L'Angle – 4, cours de l'Île Seguin	2008	2008	–	–	11,082	345	–	11,427	100.00%
Anthos – 63/67, rue Marcel Bontemps – 26/30, cours Émile-Zola	2010	2010	–	–	9,257	230	–	9,487	100.00%
Le Cristallin – 122, avenue du Général-Leclerc	1968	2006	–	–	18,071	6,004	–	24,075	100.00%
Tour Horizons – Rue du Vieux-Pont-de-Sèvres	2011	2011			35,431	1,025		36,456	100.00%
92150 Suresnes									
1, quai Marcel-Dassault	2003	2003	–	–	12,692	–	–	12,692	100.00%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Activities surface area *(sqm)*	Total surface area *(sqm)*	% of interests
92200 Neuilly-sur-Seine									
159/161, avenue Achille-Péretti – 17, rue des Huissiers	1914	1914	–	–	3,830	–	–	3,830	100.00%
157, avenue Charles-de-Gaulle	1959	1959	–	–	5,779	265	–	6,044	100.00%
159, avenue Charles-de-Gaulle	1970	1970	–	–	3,864	–	–	3,864	100.00%
96/104, avenue Charles-de-Gaulle	1964	2012	–	–	10,665	–	–	10,665	100.00%
12/16, boulevard du Général-Leclerc	1973	1973	8	541	15,867	–	–	16,408	100.00%
6 bis/8, rue des Graviers	1959	1959	–	–	4,544	–	–	4,544	100.00%
163/165, avenue Achille-Péretti	1970	1970	–	–	2,580	–	–	2,580	100.00%
92230 Gennevilliers									
Pointe Métro 2 – ZAC Barbusse-Péri	2012	2012	–	–	15,000	–	–	15,000	100.00%
92250 Garenne-Colombes									
Newside – 41, avenue de Verdun	2012	2012	–	–	17,860	–	–	17,860	100.00%
92300 Levallois-Perret									
16, rue Paul-Vaillant-Couturier	1982	1982	–	–	2,078	–	–	2,078	100.00%
2/4, quai Michelet	1996	1996	–	–	32,960	–	–	32,960	100.00%
55, rue Deguingand	1974	2007	–	–	4,655	–	–	4,655	100.00%
92400 Courbevoie									
Pyramidion – ZAC Danton 16, 16 bis 18 à 28, avenue de l'Arche – 34, avenue Léonard-de-Vinci	2007	2007	–	–	9,363	–	–	9,363	100.00%
92500 Rueil-Malmaison									
Vinci 1 – Cours Ferdinand-de-Lesseps	1992	1992	–	–	24,312	1,351	–	25,663	100.00%
Vinci 2 – Place de l'Europe	1993	1993	–	–	8,870	916	–	9,786	100.00%
92700 Colombes									
Portes de la Défense – 15/55, boulevard Charles-de-Gaulle – 307, rue d'Estienne-d'Orves	2001	2001	–	–	42,788	–	–	42,788	100.00%
Défense Ouest – 420/426, rue d'Estienne-d'Orves	2006	2006	–	–	57,151	–	–	57,151	100.00%
94 94110 Arcueil									
13, rue Nelson-Mendela – Bât. A	2006	2006	–	–	14,812	714	–	15,526	100.00%
13, rue Nelson-Mendela – Bât. B	2006	2006	–	–	15,090	–	–	15,090	100.00%
13, rue Nelson-Mendela – Bât. C	2006	2006	–	–	14,119	–	–	14,119	100.00%
94250 Gentilly									
1, parvis Mazagran	2004	2004	–	–	13,765	578	–	14,343	100.00%
94300 Vincennes									
5/7, avenue de Paris	1988	1988	–	–	3,579	–	–	3,579	100.00%
9, avenue de Paris	1971	2003	–	–	1,967	–	–	1,967	100.00%
Total buildings in operation in the Paris Region			**8**	**541**	**509,865**	**11,854**	**–**	**522,260**	
Total buildings in operation in Paris and its Region			**271**	**18,536**	**774,210**	**47,456**	**–**	**840,201**	

	Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Activities surface area *(sqm)*	Total surface area *(sqm)*	% of interests
69	Lyon 3rd arrondissement									
	74/78 et 82, rue de la Villette (Part-Dieu)	2004	2004	–	–	13,087	–	–	13,087	100.00%
	Lyon 7th arrondissement									
	174, avenue Jean-Jaurès	1950	1994	–	–	3,783	–	–	3,783	100.00%
	Total buildings in operation in other regions			–	–	16,870	–	–	16,870	
Other countries	28050 Madrid (Spain)									
	118, avenida Burgos – 2, avenida Manoteros	2004	2004	–	–		12,096	–	12,096	100.00%
	Total buildings in operation in other countries			**–**	**–**	**–**	**12,096**	**–**	**12,096**	
	TOTAL BUILDINGS IN OPERATION			**271**	**18,536**	**791,080**	**59,552**	**–**	**869,167**	
	Land reserves									
75	Paris 15th arrondissement									
	Mercure 2 – 51 à 53, quai de Grenelle	1975	1975	–	–	3,286	–	–	3,286	75.00%
78	78140 Vélizy-Villacoublay									
	Square – 8/10, avenue Morane-Saulnier	1979	1980	–	–	7,368	–	–	7,368	100.00%
	78180 Montigny-le-Bretonneux									
	1, avenue Niepce	1984	1984	–	–	4,050	–	–	4,050	100.00%
	5/9, avenue Ampère	1986	1986	–	–	5,534	–	–	5,534	100.00%
	4, avenue Newton	1978	1978	–	–	4,398	–	–	4,398	100.00%
69	Lyon 3rd arrondissement									
	La Buire – 72/86, avenue Félix-Faure – 106, boulevard Vivier-Merle – ZAC Buire	1880	1880	–	–	–	–	5,179	5,179	59.70%
	Lyon 7th arrondissement									
	174/188, avenue Jean-Jaurès – 42, rue Pré-Gaudry	1950	1994	–	–	4,133	–	7,945	12,078	100.00%
	75, rue de Gerland	1850	1997	–	–	8,163	–	13,671	21,834	100.00%
	81/85, rue de Gerland	1850	1997	–	–	1,635	–	–	1,635	100.00%
Other countries	28050 Madrid (Spain)									
	16, calle del Puerto Somport	under development	under development	–	–	6,606	–	–	6,606	100.00%
	10, calle del Puerto Somport	under development	under development	–	–	9,310	–	–	9,310	100.00%
	TOTAL LAND RESERVES			**–**	**–**	**54,483**	**–**	**26,795**	**81,278**	

	Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sqm)	Office surface area (sqm)	Retail surface area (sqm)	Activities surface area (sqm)	Total surface area (sqm)	% of interests
	Assets under development									
75	Paris 15th arrondissement									
	Shopping centre Beaugrenelle – 16, rue Linois	1979	1979	–	–	–	39,664	–	39,664	75.00%
	Parkings – Centre Commercial Beaugrenelle – 16, rue Linois	1979	1979	–	–	–	–	–	–	75.00%
93	93400 Saint-Ouen									
	Dock de Saint-Ouen – 23, rue des Bateliers – 48, rue Albert-Dhalenne	under development	under development	–	–	16,155	–	–	16,155	100.00%
69	Lyon 3rd arrondissement									
	Le Velum – 106, boulevard Vivier-Merle	under development	under development	–	–	15,186	–	–	15,186	100.00%
	TOTAL ASSETS UNDER DEVELOPMENT			**–**	**–**	**31,341**	**39,664**	**–**	**71,005**	
	GRAND TOTAL OFFICES			**271**	**18,536**	**876,903**	**99,216**	**26,795**	**1,021,450**	

SUMMARY OF THE OFFICE PROPERTY PORTFOLIO

	Office surface area (sqm)	Commercial surface area (sqm)
Paris	**278,176**	**58,361**
Commercial portion of primarily residential assets	13,832	22,759
Commercial portion of primarily commercial assets	264,344	35,602
Paris Region	**510,810**	**17,498**
Commercial portion of primarily residential assets	945	5,644
Commercial portion of primarily commercial assets	509,865	11,854
Other Regions	**16,870**	**933**
Commercial portion of primarily residential assets	0	933
Commercial portion of primarily commercial assets	16,870	0
Other countries	**0**	**12,096**
Commercial portion of primarily residential assets	0	0
Commercial portion of primarily commercial assets	0	12,096
Commercial portfolio in operation at December 31, 2012	**805,857**	**88,888**
Miscellaneous sale programs	**2,194**	**1,928**
Commercial portion of primarily residential assets	2,194	1,928
Commercial portion of primarily commercial assets	0	0
Programs under construction and land reserves	**85,824**	**42,220**
Commercial portion of primarily residential assets	0	2,556
Commercial portion of primarily commercial assets	85,824	39,664
TOTAL COMMERCIAL PROPERTY AS AT DECEMBER 31, 2012	**893,875**	**133,035**
Commercial portion of primarily residential assets	16,971	33,820
Commercial portion of primarily commercial assets	876,903	99,216

8.2. RESIDENTIAL

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Total surface area *(sqm)*	% of interests
Buildings in operation								
75 Paris 1st arrondissement								
184, rue de Rivoli – 2, rue de l'Échelle	1880	1880	12	1,252	259	661	2,172	100.00%
Paris 2nd arrondissement								
6 bis, rue Bachaumont	1905	1905	11	967	463	600	2,030	100.00%
Paris 3rd arrondissement								
7/7 bis, rue Saint-Gilles	1987	1987	42	2,713	–	116	2,829	100.00%
Paris 6th arrondissement								
1, place Michel-Debré	1876	1876	14	955	–	231	1,186	100.00%
Paris 8th arrondissement								
21, rue Clément-Marot	1880	1880	10	1,452	649	–	2,101	100.00%
Paris 9th arrondissement								
13/17, cité de Trévise	1998	1998	44	2,766	–	–	2,766	100.00%
Paris 11th arrondissement								
8, rue du Chemin-Vert	1969	1969	42	2,200	–	713	2,913	100.00%
Paris 12th arrondissement								
18/20 bis, rue Sibuet	1992	1992	63	4,423	73	–	4,496	100.00%
9/11, avenue Ledru-Rollin	1997	1997	62	3,055	–	177	3,232	100.00%
25, avenue de Saint-Mandé	1964	1964	82	3,625	–	141	3,766	100.00%
25/27, rue de Fécamp – 45, rue de Fécamp	1988	1988	33	2,511	–	181	2,692	100.00%
220, rue du Faubourg Saint-Antoine	1969	1969	125	6,485	–	1,019	7,504	100.00%
24/26, rue Sibuet	1970	1970	158	9,708	85	–	9,793	100.00%
Paris 13th arrondissement								
20, rue du Champ-de-l'Alouette	1965	1965	53	3,886	570	369	4,825	100.00%
53, rue de la Glacière	1970	1970	53	646	–	99	745	100.00%
49/53, rue Auguste-Lançon – 26, rue de Rungis – 55/57, rue Brillat-Savarin	1971	1971	40	3,413	–	–	3,413	100.00%
2/12, rue Charbonnel – 53, rue de l'Amiral-Mouchez – 65/67, rue Brillat-Savarin	1966	1966	181	12,007	–	491	12,498	100.00%
22/24, rue Wurtz	1988	1988	67	4,405	–	248	4,653	100.00%
75, rue du Château des Rentiers	2011	2011	183	4,168	–	–	4,168	100.00%
Paris 14th arrondissement								
26, rue du Commandant-René-Mouchotte	1966	1966	316	19,706	–	–	19,706	100.00%
3, villa Brune	1970	1970	108	4,689	–	–	4,689	100.00%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Total surface area *(sqm)*	% of interests
Paris 15th arrondissement								
18/20, rue Tiphaine	1972	1972	80	4,877	1,897	177	6,951	100.00%
37/39, rue des Morillons	1966	1966	37	2,212	212	312	2,736	100.00%
12, rue Chambéry	1968	1968	30	890	–	–	890	100.00%
6, rue de Vouillé	1969	1969	588	28,216	730	1,147	30,093	100.00%
199, rue Saint-Charles	1967	1967	58	3,234	–	–	3,234	100.00%
159/169, rue Blomet – 334/342, rue de Vaugirard	1971	1971	320	21,517	–	7,475	28,992	100.00%
76/82, rue Lecourbe – rue François-Bonvin (Bonvin-Lecourbe)	1971	1971	247	13,875	5,061	480	19,416	100.00%
10, rue du Docteur-Roux – 189/191, rue de Vaugirard	1967	1967	222	13,035	2,755	–	15,790	100.00%
74, rue Lecourbe	1971	1971	93	8,042	186	4,213	12,441	100.00%
22/24, rue Edgar-Faure	1996	1996	85	6,774	–	301	7,075	100.00%
89, rue de Lourmel	1988	1988	23	1,487	–	245	1,732	100.00%
39, rue de Vouillé	1999	1999	84	6,292	–	135	6,427	100.00%
168/170, rue de Javel	1962	1962	85	5,817	135	–	5,952	100.00%
148, rue de Lourmel – 74/86, rue des Cévennes – 49, rue Lacordaire	1965	1965	316	21,980	190	612	22,782	100.00%
85/89, boulevard Pasteur	1965	1965	260	16,434	–	–	16,434	100.00%
27, rue Balard	1995	1995	64	5,798	–	–	5,798	100.00%
Paris 16th arrondissement								
6/14, rue de Rémusat – square Henri-Paté	1962	1962	185	16,038	–	1,022	17,060	100.00%
46 bis, rue Saint-Didier	1969	1969	42	2,056	–	670	2,726	100.00%
Paris 17th arrondissement								
10, rue Nicolas-Chuquet	1995	1995	54	3,159	–	460	3,619	100.00%
Parkings – 169, boulevard Péreire	1882	1882	–	–	–	–	–	100.00%
Paris 20th arrondissement								
59/61, rue de Bagnolet	1979	1979	57	3,227	–	101	3,328	100.00%
44/57, rue de Bagnolet	1992	1992	30	1,926	–	308	2,234	100.00%
162, rue de Bagnolet	1992	1992	32	2,305	79	55	2,439	100.00%
42/52 et 58/60, rue de la Py – 15/21, rue des Montibœufs	1967	1967	142	8,004	488	–	8,492	100.00%
19/21, rue d'Annam	1981	1981	56	2,866	–	–	2,866	100.00%
Total buildings in operation in Paris			**4,889**	**295,093**	**13,832**	**22,759**	**331,684**	
77 77420 Champs-sur-Marne								
6, boulevard Copernic	2010	2010	135	2,659	–	–	2,659	100.00%
78 78000 Versailles								
Petite place – 7/9, rue Sainte-Anne – 6, rue Madame – 20, rue du Peintre-Le-Brun	1968	1968	193	14,229	553	1,715	16,497	100.00%
78150 Le Chesnay								
16/20, rue Pottier	1980	1980	147	8,147	–	443	8,590	100.00%

	Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sqm)	Office surface area (sqm)	Retail surface area (sqm)	Total surface area (sqm)	% of interests
92	92100 Boulogne-Billancourt								
	Rue Marcel-Bontemps, Îlot B3 lot B3abc ZAC Séguin Rives-de-Seine	2011	2011	68	4,452	–	–	4,452	100.00%
	94/98, rue de Bellevue	1974	1974	63	4,474	–	–	4,474	100.00%
	59 bis/59 ter, rue des Peupliers – 35 bis, rue Marcel-Dassault	1993	1993	37	2,945	–	79	3,024	100.00%
	108, rue de Bellevue – 99, rue de Sèvres	1968	1968	319	24,603	–	–	24,603	100.00%
	92350 Le Plessis-Robinson								
	25, rue Paul-Rivet	1997	1997	132	11,265	250	–	11,515	100.00%
	92400 Courbevoie								
	4/6/8, rue Victor-Hugo – 8/12, rue de l'Abreuvoir – 11, rue de l'Industrie	1966	1966	202	13,977	142	1,825	15,944	100.00%
	8/12, rue Pierre-Lhomme	1996	1996	96	5,344	–	–	5,344	100.00%
	43, rue Jules-Ferry – 25, rue Cayla	1996	1996	58	3,574	–	–	3,574	100.00%
	3, place Charras	1985	1985	67	4,807	–	–	4,807	100.00%
	92410 Ville-d'Avray								
	14/18, rue de la Ronce	1963	1963	159	15,902	–	–	15,902	100.00%
	1 à 33, avenue des Cèdres – 3/5, allée Forestière – 1, rue du Belvédère de la Ronce	1966	1966	550	40,243	–	1,095	41,338	100.00%
93	93200 Saint-Denis								
	29-33, rue Proudhon/ avenue Georges-Sand	2010	2010	115	8,130	–	487	8,617	100.00%
	93350 Le Bourget								
	5, rue Rigaud	2008	2008	238	4,648	–	–	4,648	100.00%
94	94410 Saint-Maurice								
	1/5, allée des Bateaux-Lavoirs – 4, promenade du Canal	1994	1994	87	6,382	–	–	6,382	100.00%
	Total buildings in operation in the Paris region			**2,666**	**175,781**	**945**	**5,644**	**182,370**	
	Total buildings in operation in Paris and its region			**7,555**	**470,874**	**14,777**	**28,403**	**514,054**	
01	01280 Prévessin-Moëns								
	"La Bretonnière" – Route de Mategnin – Le Cottage mail du Neutrino	2010	2010	133	10,460	–	–	10,460	100.00%
13	13778 Fos-sur-Mer								
	Les Jardins	1966	1966	36	2,967	–	–	2,967	100.00%
33	33000 Bordeaux								
	26/32, rue des Belles-Îles	1994	1994	99	2,034	–	–	2,034	100.00%
	33400 Talence								
	11, avenue du Maréchal-de-Tassigny	2000	2000	150	3,621	–	933	4,554	100.00%
	36, rue Marc-Sangnier	1994	1994	132	2,740	–	–	2,740	100.00%
	33600 Pessac								
	80, avenue du Docteur-Schweitzer	1995	1995	92	1,728	–	–	1,728	100.00%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Total surface area *(sqm)*	% of interests
59 59000 Lille								
Tour V Euralille – avenue Willy-Brandt	2009	2009	191	4,738	–	–	4,738	100.00%
69 Lyon 7th arrondissement								
7, rue Simon-Fryd	2010	2010	152	3,258	–	–	3,258	100.00%
Total buildings in operation in other regions			**985**	**31,546**	**–**	**933**	**32,479**	
TOTAL BUILDINGS IN OPERATION			**8,540**	**502,420**	**14,777**	**29,336**	**546,533**	
Properties for sale (unit-by-unit sales)								
75 Paris 7th arrondissement								
262, boulevard Saint-Germain	1880	1880	6	560	611	146	1,317	100.00%
266, boulevard Saint-Germain	1880	1880	11	960	–	141	1,101	100.00%
Paris 8th arrondissement								
80, rue du Rocher	1903	1903	16	1,938	–	179	2,117	100.00%
51, rue de Rome	1865	1865	12	1,149	138	363	1,650	100.00%
165, boulevard Haussmann	1866	1866	12	1,142	420	196	1,758	100.00%
3, rue Treilhard	1866	1866	11	780	296	316	1,392	100.00%
Paris 12th arrondissement								
173 bis, rue de Charenton (Saint-Éloi II)	1965	1965	–	–	–	90	90	100.00%
Paris 13th arrondissement								
84, boulevard Massena (Tour Bologne)	1972	1972	1	60	189	120	369	100.00%
Paris 14th arrondissement								
83/85, rue de l'Ouest	1978	1978	6	402	–	–	402	100.00%
8/20, rue du Commandant-René-Mouchotte	1967	1967	1	42	–	–	42	100.00%
Paris 15th arrondissement								
22, rue de Cherbourg – 25, rue de Chambéry	1965	1965	1	40	–	–	40	100.00%
191, rue Saint-Charles – 17, rue Varet	1960	1960	210	12,356	–	–	12,356	100.00%
3, rue Jobbé-Duval	1900	1900	4	183	–	–	183	100.00%
Paris 16th arrondissement								
8/9, avenue Saint-Honoré-d'Eylau	1880	1880	1	158	–	–	158	100.00%
Paris 17th arrondissement								
169/183, boulevard Péreire – 7/21, rue Faraday – 49, rue Laugier	1882	1882	35	3,652	–	–	3,652	100.00%
38/40, rue de Lévis	1966	1966	2	166	–	–	166	100.00%
54, rue de Prony	1885	1885	1	267	–	–	267	100.00%
28, avenue Carnot	1882	1882	24	2,315	–	–	2,315	100.00%
30, avenue Carnot	1882	1882	15	1,274	–	–	1,274	100.00%
32, avenue Carnot	1882	1882	9	1,016	–	189	1,205	100.00%
169/183, boulevard Péreire – 7/21, rue Faraday – 49, rue Laugier	1882	1882	30	2,807	122	–	2,929	100.00%
Paris 18th arrondissement								
40, rue des Abbesses	1907	1907	33	1,951	–	188	2,139	100.00%

	Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Total surface area *(sqm)*	% of interests
	Paris 19th arrondissement								
	104/106, rue Petit – 16, allée de Fontainebleau	1977	1977	1	66	–	–	66	100.00%
	Total buildings on unit-by-unit sale in Paris			**442**	**33,283**	**1,776**	**1,928**	**36,988**	
78	78000 Versailles								
	7, rue de l'Amiral-Serre	1974	1974	75	5,577	–	–	5,577	100.00%
	78100 Saint-Germain-en-Laye								
	17, rue Félicien-David	1966	1966	5	466	–	–	466	100.00%
	78600 Maisons-Laffitte								
	21/31, rue des Côtes	1982	1982	16	1,305	–	–	1,305	100.00%
	56, avenue de Saint-Germain	1981	1981	19	1,555	–	–	1,555	100.00%
91	91380 Chilly-Mazarin								
	5, rue des Dalhias	1972	1972	1	94	–	–	94	100.00%
92	92000 Courbevoie								
	3/6, square Henri-Regnault	1974	1974	224	12,694	–	–	12,694	100.00%
	92160 Antony								
	254/278, rue Adolphe-Pajeaud	1972	1972	2	107	–	–	107	100.00%
	92190 Meudon								
	7, rue du Parc – 85, rue de la République	1966	1966	51	4,952	–	–	4,952	100.00%
	92200 Neuilly-sur-Seine								
	163/165, avenue Charles-de-Gaulle	1967	1967	1	65	–	–	65	100.00%
	47/49, rue Perronet	1976	1976	46	3,503	–	–	3,503	100.00%
	77, rue Perronet	1963	1963	1	68	–	–	68	100.00%
	92210 Saint-Cloud								
	165/185, boulevard de la République	1966	1966	1	79	–	–	79	100.00%
	9/11, rue Pasteur	1964	1964	4	349	–	–	349	100.00%
	92290 Chatenay-Malabry								
	148, rue d'Aulnay	1973	1973	37	2,106	–	–	2,106	100.00%
	97, avenue Roger-Salengro	1972	1972	2	106	–	–	106	100.00%
	92300 Levallois-Perret								
	136/140, rue Aristide-Briand	1992	1992	73	4,699	–	–	4,699	100.00%
	92380 Garches								
	17/21, rue Jean-Mermoz	1974	1974	1	81	–	–	81	100.00%
	92400 Courbevoie								
	6, rue des Vieilles-Vignes	1962	1962	55	2,775	–	–	2,775	100.00%
	92600 Asnières								
	46, rue de la Sablière	1994	1994	87	6,130	–	–	6,130	100.00%
94	94000 Créteil								
	1/15, passage Saillenfait	1971	1971	3	197	–	–	197	100.00%
	94100 Saint-Maur-des-Fossés								
	4, quai du Parc – 69, rue Gabriel-Péri	1966	1966	1	98	–	–	98	100.00%
	Total buildings on unit-by-unit sale in the Paris region			**705**	**47,005**	**–**	**–**	**47,005**	

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area *(sqm)*	Office surface area *(sqm)*	Retail surface area *(sqm)*	Total surface area *(sqm)*	% of interests
13 Marseille 8^{th} arrondissement								
116, avenue Cantini – Quartier Le-Rouet	2010	2010	80	5,493	418	–	5,910	100.00%
Total buildings on unit-by-unit sale in the other regions			80	5,493	418	–	5,910	
TOTAL BUILDINGS ON UNIT-BY-UNIT SALE			**1,227**	**85,781**	**2,194**	**1,928**	**89,903**	
Buildings under development								
75 Paris 13^{th} arrondissement								
Rue Auguste-Lançon	under development	under development	60	1,465			1,465	100.00%
Paris 15^{th} arrondissement								
3-9, rue de Villafranca	under development	under development		543		156	698	100.00%
92 92100 Boulogne-Billancourt								
La Traverse	under development	under development	96	1,800			1,800	100.00%
92410 Ville-d'Avray								
Éco-quartier – 20, rue de la Ronce	under development	under development	202	10,560		2,400	12,960	100.00%
93 93200 Saint-Denis								
Saint-Denis-Pleyel	under development	under development	183	4,609			4,609	100.00%
TOTAL BUILDINGS UNDER DEVELOPMENT			**541**	**18,977**	**–**	**2,556**	**21,532**	
GRAND TOTAL RESIDENTIAL			**10,308**	**607,178**	**16,971**	**33,820**	**657,969**	

SUMMARY OF RESIDENTIAL PROPERTY PORTFOLIO

	Nb of housing units	Residential surface areas *(sqm)*
Paris	**5,152**	**313,088**
Residential portion of predominantly residential assets	4,889	295,093
Residential portion of primarily commercial assets	263	17,995
Paris Region	**2,674**	**176,322**
Residential portion of predominantly residential assets	2,666	175,781
Residential portion of primarily commercial assets	8	541
Other regions	**985**	**31,546**
Residential portion of predominantly residential assets	985	31,546
Residential portion of primarily commercial assets	0	0
Residential portfolio in operation as at December 31, 2012	8,811	520,956
Miscellaneous sales programs as at December 31, 2011	**1,227**	**85,781**
Residential portion of predominantly residential assets	1,227	85,781
Residential portion of primarily commercial assets	0	0
Programs under construction and land reserves	**541**	**18,977**
Residential portion of predominantly residential assets	541	18,977
Residential portion of primarily commercial assets	0	0
TOTAL RESIDENTIAL PROPERTY HOLDING AS AT DECEMBER 31, 2012	**10,579**	**625,714**
Residential portion of predominantly residential assets	10,308	607,178
Residential portion of primarily commercial assets	271	18,536

8.3. LOGISTICS

	Address	Construction year	Year of the last reconstruction	Surface area *(sqm)*	Activities surface area *(sqm)*	Total surface area *(sqm)*	% of interests
69	69540 Irigny						
	Le Broteau	1980	1980	–	10,400	10,400	100.00%
Other countries	Varsovie (Poland)						
	Księcia Ziemowita Street No.59 – Warsaw	2000	2000	24,653	–	24,653	100.00%
	TOTAL BUILDINGS IN OPERATION			**24,653**	**10,400**	**35,053**	
	GRAND TOTAL LOGISTICS			**24,653**	**10,400**	**35,053**	

8.4. HOTELS

	Address	Construction year	Year of last reconstruction	Number of rooms	Hotel surface area (sqm)	Total surface area (sqm)	% of interests
06	06650 Opio						
	Village Club Med Opio – Domaine de la Tour – Chemin de la Tourreviste	1989	1989	502	29,489	29,489	100.00%
73	73150 Val-d'Isère						
	Village Club Med Le Legettaz	1990	1990	376	17,460	17,460	100.00%
	73210 Peisey-Vallandry						
	Village Club Med Plan-Peisey	2005	2005	280	25,367	25,367	100.00%
	73214 Aime-La Plagne						
	Village Club Med La Plagne	1990	1990	436	17,991	17,991	100.00%
	TOTAL HOTELS IN OPERATION			**1,594**	**90,307**	**90,307**	
	GRAND TOTAL HOTELS			**1,594**	**90,307**	**90,307**	

8.5. HEALTHCARE

	Address	Construction year	Year of last reconstruction	Healthcare surface area *(sqm)*	Type of facility	Number of beds	Total surface area *(sqm)*	% of interests
	Buildings in operation							
01	01000 Bourg-en-Bresse							
	Clinique Convert – 62, route de Jasseron	1974	2003	17,550	MSO	164	17,550	100.00%
06	06400 Cannes							
	6 rue Monti – Impasse Bellevue	1989	1989	4,530	Nursing home	115	4,530	100.00%
07	07500 Guilherand-Granges							
	Clinique Pasteur Valence – 294, boulevard du Général-de-Gaulle	1968	1998	17,276	MSO	199	17,276	100.00%
09	09270 Mazères							
	Faubourg du Cardinal-d'Este	1987	1987	3,306	Nursing home	80	3,306	100.00%
11	11000 Carcassonne							
	84, route de Montréal	1953	2006	12,000	MSO	148	12,000	100.00%
13	Marseille 8th arrondissement							
	Clinique Monticelli – 88, rue du Commandant-Rolland	1950	1996	4,069	MSO	42	4,069	100.00%
	Clinique Rosemont – 61/67, avenue des Goumiers	1964	2000	6,702	SCR	117	6,702	100.00%
	Marseille 9th arrondissement							
	CHP Clairval – 317, boulevard du Redon	1990	1990	31,035	MSO	289	31,035	100.00%
	Marseille 12th arrondissement							
	Provence Santé (Beauregard) – 12, impasse du Lido	1950	1991	20,698	MSO	326	20,698	100.00%
	13651 Salon-de-Provence							
	Clinique Vignoli – 114, avenue Paul Bourret	1900	2003	4,850	MSO	54	4,850	100.00%
	13781 Aubagne							
	Clinique La Bourbonne	1968	1972	9,249	SCR	120	9,249	100.00%
14	14050 Caen							
	CHP Saint-Martin Caen – 18, rue des Roquemonts	1993	1993	36,631	MSO	167	36,631	100.00%
17	17000 Rochefort							
	2 bis, rue du 14 Juillet	1989	1989	2,989	Nursing home	71	2,989	100.00%
22	22000 Erquy							
	37, rue Saint-Michel	1920	1992	2,821	Nursing home	58	2,821	100.00%
	22310 Plancoët							
	Clinique Bran de Fer – rue Velleda	1971	1971	5,970	SCR	105	5,970	100.00%
27	27000 Le Vaudreuil							
	1, rue Bernard-Chédeville	1989	1989	4,139	Nursing home	98	4,139	100.00%

	Address	Construction year	Year of last reconstruction	Healthcare surface area *(sqm)*	Type of facility	Number of beds	Total surface area *(sqm)*	% of interests
31	31270 Frouzins							
	25, chemin de Mailheaux	2003	2003	3,775	Nursing home	80	3,775	100.00%
	31470 Saint-Lys							
	835, route de Toulouse	1970	1970	3,075	Nursing home	95	3,075	100.00%
	31570 Blagnac							
	20, rue Pablo-Picasso	1990	1990	3,667	Nursing home	80	3,667	100.00%
	31770 Colomiers							
	4, chemin des Cournaudis	1972	1972	3,159	Nursing home	95	3,159	100.00%
32	32410 Castéra-Verduzan							
	"Lieu-dit au Conte"	2009	2009	4,150	Nursing home	84	4,150	100.00%
33	33000 Bordeaux							
	Clinique Tourny – 54, rue Huguerie	1850	1980	6,277	MSO	55	6,277	100.00%
	27, rue Ségalier	1850	1850	4,436	Nursing home	59	4,436	100.00%
	1, rue Jean-Dandicolle	1993	1993	3,744	Nursing home	107	3,744	100.00%
	33608 Pessac							
	Clinique Saint-Martin Pessac – Allée des Tulipes	1976	1995	16,527	MSO	185	16,527	100.00%
34	34094 Montpellier							
	Clinique Rech – 10, rue Hyppolyte-Rech	1850	2003	13,930	PSY	182	13,930	100.00%
35	35171 Bruz							
	Clinique du Moulin – Carcé	1850	1995	5,147	PSY	72	5,147	100.00%
44	44046 Nantes							
	Clinique Sourdille – 3, place Anatole-France	1928	2000	7,057	MSO	50	7,057	100.00%
45	45500 Gien							
	2 ter, avenue Jean-Villejean	2010	2010	11,556	MSO	142	11,556	100.00%
47	47000 Agen							
	2, avenue du Général-de-Gaulle	1990	1990	3,618	Nursing home	76	3,618	100.00%
53	53810 Changé							
	Clinique Notre-Dame-de-Pritz – Route de Niafles	1965	1996	1,978	PSY	50	1,978	100.00%
59	59000 Lille							
	15, avenue Saint-Maur	1862	1862	7,555	Nursing home	142	7,555	100.00%
	59552 Lambres-lez-Douai							
	Clinique Saint-Amé – Rue Georges-Clémenceau	1998	2001	15,713	MSO	145	15,713	100.00%
	59553 Esquerchin							
	Clinique de l'Escrebieux – 984, rue de Quiery	1997	1997	3,405	PSY	75	3,405	100.00%
60	60000 Compiègne							
	9, rue de Bouvines	1991	1991	2,363	Nursing home	60	2,363	100.00%
	60350 Pierrefonds							
	Clinique Eugénie – 1, sente des Demoiselles	1998	1998	2,161	PSY	42	2,161	100.00%
62	62320 Rouvroy							
	Clinique du Bois-Bernard – Route de Neuvireuil	1974	1998	22,170	MSO	186	22,170	100.00%

	Address	Construction year	Year of last reconstruction	Healthcare surface area (sqm)	Type of facility	Number of beds	Total surface area (sqm)	% of interests
63	63670 La Roche-Blanche							
	Clinique de l'Auzon	1970	1970	5,172	PSY	100	5,172	100.00%
	63830 Durtol							
	Clinique Grand-Pré – lieu-dit "Les Chaves"	1976	1999	7,500	PSY	144	7,500	100.00%
64	64000 Pau							
	5, avenue des Lilas	1600	1600	3,436	Nursing home	65	3,436	100.00%
69	Lyon 5th arrondissement							
	40, rue des Granges	1988	1988	2,743	Nursing home	91	2,743	100.00%
	Lyon 8th arrondissement							
	8, rue Antoine-Péricaud	1995	1995	4,316	Nursing home	108	4,316	100.00%
	69134 Écully							
	Clinique Mon Repos – 11, chemin de la Vernique	1820	1991	5,028	PSY	98	5,028	100.00%
	69280 Marcy-l'Étoile							
	248, rue des Sources	1993	1993	2,948	Nursing home	90	2,948	100.00%
71	71000 Autun							
	14, rue Lauchien-le-boucher	1877	1877	5,118	Nursing home	80	5,118	100.00%
	71100 Chalon-sur-Saône							
	Clinique Sainte-Marie – 4, allée Saint-Jean-des-Vignes	1988	1988	9,539	MSO	197	9,539	100.00%
73	73000 Aix-les-Bains							
	26, rue Victor-Hugo	1988	1988	2,466	Nursing home	54	2,466	100.00%
74	74100 Annemasse							
	17-19, avenue Mendès-France	2012	2012	23,662	MSO	250	23,662	100.00%
75	Paris 20th arrondissement							
	20, rue des cendriers	1990	1990	4,954	Nursing home	124	4,954	100.00%
76	76000 Le Havre							
	505, rue Irène-Joliot-Curie	2010	2010	33,388	MSO	356	33,388	100.00%
77	77000 Saint-Thibault-des-Vignes							
	5, rue Marc Chagall	1990	1990	2,892	Nursing home	90	2,892	100.00%
	77640 Jouarre							
	Clinique du Château de Perreuse	1873	1873	5,139	PSY	96	5,139	100.00%
78	78000 Poissy							
	11, rue Saint-Barthélémy	1990	1990	3,072	Nursing home	85	3,072	100.00%
	78125 Vieille-Église-en-Yvelines							
	Clinique d'Yvelines – Route de Rambouillet	1939	1997	6,042	PSY	120	6,042	100.00%
	78130 Chapet							
	Clinique Bazincourt – Route de Verneuil	1910	1984	5,092	SCR	60	5,092	100.00%
	78300 Poissy							
	52, rue de Villiers	1989	1989	5,122	Nursing home	124	5,122	100.00%
	78400 Chatou							
	8, square Debussy	1990	1990	4,936	Nursing home	115	4,936	100.00%

	Address	Construction year	Year of last reconstruction	Healthcare surface area *(sqm)*	Type of facility	Number of beds	Total surface area *(sqm)*	% of interests
79	79000 Melle							
	5, allée de Chaillé	1850	1850	5,668	Nursing home	112	5,668	100.00%
81	81000 Castres							
	14, chemin des Amoureux	1989	1989	2,295	Nursing home	69	2,295	100.00%
85	85000 La Roche-sur-Yon							
	96, boulevard des Belges et 32, rue Abbé-Billaud	2009	2009	3,750	Nursing home	75	3,750	100.00%
	96, boulevard des Belges et 32, rue Abbé-Billaud	2009	2009	1,961	Nursing home	35	1,961	100.00%
91	91480 Quincy-sous-Sénart							
	CHP Claude-Galien – 20, route de Boussy	1996	1996	20,481	MSO	235	20,481	100.00%
92	92130 Issy-les-Moulineaux							
	Labo Diderot – 30/32, rue Diderot	1985	1985	211	LABO	–	211	100.00%
	92150 Suresnes							
	1/3, rue de Saint-Cloud	1989	1989	9,665	Nursing home	116	9,665	100.00%
	36, rue Carnot	2001	2001	4,613	Nursing home	100	4,613	100.00%
	92230 Gennevilliers							
	22, rue Jeanne-d'Arc	1960	1960	2,658	Nursing home	76	2,658	100.00%
	92290 Chatenay-Malabry							
	6/8, avenue du Bois	1989	1989	5,086	Nursing home	80	5,086	100.00%
	92500 Rueil-Malmaison							
	31, bd Solférino	1992	1992	4,608	Nursing home	103	4,608	100.00%
	92700 Colombes							
	27/29, rue Youri-Gagarine	1996	1996	2,124	Nursing home	70	2,124	100.00%
93	93110 Rosny-sous-Bois							
	16, rue Marcelin-Berthelot	1986	1986	4,297	Nursing home	114	4,297	100.00%
	93250 Villemomble							
	36, rue de la Montagne-Savart	2008	2008	5,206	Nursing home	116	5,206	100.00%
	93604 Aulnay-sous-Bois							
	Clinique Aulnay – 11, avenue de la République	1934	1998	11,567	MSO	191	11,567	100.00%
95	95000 Ézanville							
	6, Grande-Rue	1991	1991	2,874	Nursing home	90	2,874	100.00%
	95000 Eaubonne							
	2, rue Henri-Barbusse	1997	1997	3,941	Nursing home	103	3,941	100.00%
	95200 Sarcelles							
	Avenue de la Division-Leclerc	1989	1989	6,697	Nursing home	156	6,697	100.00%
	TOTAL ASSETS IN OPERATION			**569,544**		**8,503**	**569,544**	
	GRAND TOTAL HEALTHCARE			**569,544**	**–**	**8,503**	**569,544**	

SUMMARY OF THE HEALTHCARE PROPERTY PORTFOLIO

	Number of beds	Total surface area *(sqm)*
Paris Region	2,364	121,276
Other regions	6,139	448,268
Other countries	0	0
Healthcare portfolio in operation as at December 31, 2012	8,503	569,544
Programs under construction and land reserves	0	0
TOTAL HEALTHCARE PROPERTY HOLDINGS AS AT DECEMBER 31, 2012	**8,503**	**569,544**

ADDITIONAL INFORMATION

9.1. INFORMATION AND DOCUMENTATION

Map of Gecina's website (www.gecina.fr)

Profile
- Presentation
- Strategy
- Values
- Governance
- Brand & Communication
- The Gecina Foundation

Finance
- Financial data
- Publications
- Gecina's stock
- Shareholders
- Non-financial data
- Agenda
- Contact

Properties
- Outstanding portfolio
- Our take on property
- Offices
- Residential
- Student Residences
- Healthcare
- Hotels

Sustainable Development
- Strategy
- Our take on property
- Stakeholders
- Non-financial data
- Publications

Media Center
- News
- Publications
- Media Contact

Careers
- HR Mindset
- Our business
- Grow together
- Join us
- Contact

Offices
- Overview
- Architectural mark
- Current Projects
- Properties
- News
- Contact

Hotels
- Overview
- Trusted by our partners
- Properties
- Contact

Residential
- Presentation
- Traditional residences
- Current projects
- Properties
- News
- Contact

Student residences
- Concept
- Properties
- Search for housing
- Contact

Healthcare
- Overview
- Current projects
- Properties
- Gecimed
- News
- Contact

Institutional newsflow
- Financial newsflow
- Legal notices
- Credits
- Copyright

9.1.1. REFERENCE DOCUMENT CONTAINING AN ANNUAL FINANCIAL REPORT

9.1.1.1. PUBLIC DOCUMENTS

This financial report is available free of charge on request from Gecina's Financial and Extra-Financial Communication department at the following address: 16, rue des Capucines – 75002 Paris, by telephone at 0 800 800 976, or by e-mail to actionnaire@gecina.fr. It is also available on Gecina's website (www.gecina.fr).

Other documents accessible at Gecina's head office or on its website include:

- the company's bylaws;
- the historic financial reports of the company and its subsidiaries for the two fiscal years preceding the publication of the annual financial report.

Person responsible for the Reference Document

Mr. Bernard Michel, Chairman and CEO of Gecina (hereinafter the "Company" or "Gecina").

Persons responsible for financial communications

Financial communications and analyst, investor and press relations:

Élizabeth Blaise: +33 1 40 40 52 22

Régine Willemyns: +33 1 40 40 62 44

ir@gecina.fr

Financial communications and private shareholder relations:

Régine Willemyns: +33 1 40 40 62 44

Toll-free number (only available in France): 0 800 800 976

actionnaire@gecina.fr

9.1.1.2. HISTORICAL FINANCIAL INFORMATION

In accordance with Article 28 of European Regulation 809/2004 of April 29, 2004, this Reference Document incorporates by reference the following information, to which readers are invited to refer:

- for the fiscal year ended December 31, 2010: The consolidated financial statements and the related Statutory Auditors' report included on pages 30 to 70 and 199 of the Reference Document filed with the AMF on March 8, 2011 under reference D. 11-0104;
- for the fiscal year ended December 31, 2011: The consolidated financial statements and the related Statutory Auditors' report included on pages 45 to 82 and 230 of the Reference Document filed with the AMF on March 27, 2012 under reference D. 12-0223.

These documents are available on the AMF and Gecina websites:

www.gecina.fr

www.amf-france.org

9.1.1.3. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT CONTAINING AN ANNUAL FINANCIAL REPORT

"I certify that, having taken all reasonable measures to this effect, the information contained in this Reference Document is, to the best of my knowledge, fair and accurate, and free from any omission that could alter its substance.

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with the applicable accounting standards and faithfully reflect the assets, liabilities, financial situation and earnings of the company and all the companies included in its consolidation group, and that the information from the management report listed in the correspondence table on the next page presents an accurate picture of the development of the business, earnings and financial situation of the company and all the companies included in the consolidation group, as well as a description of the main risks and uncertainties facing them.

I have received a completion letter from the Statutory Auditors in which they indicate that they have verified the information relating to the financial situation and financial statements given in this document and that they have reviewed the entire document.

The historical financial information relating to the year ended December 31, 2012 presented in this document is the subject of reports by the Statutory Auditors, which appear on pages 276 to 278 of this document. The report on the consolidated financial statements for the year ended December 31, 2012 is presented on page 276 of this document. The consolidated financial statements for the year ended December 31, 2011, presented in the Reference Document filed with the AMF under number D. 12-0223 on March 27, 2012, are the subject of a report by the Statutory Auditors, which appears on page 230 of that document. The consolidated financial statements for the year ended December 31, 2010, presented in the Reference Document filed with the AMF under number D. 11-0104 on March 8, 2011, are the subject of a report by the Statutory Auditors, which appears on page 199 of that document."

Bernard Michel

Chairman and CEO

9.1.1.4. CORRESPONDENCE TABLE FOR THE REFERENCE DOCUMENT

9.1.1.5. CORRESPONDENCE TABLE WITH THE INFORMATION REQUIRED IN THE ANNUAL FINANCIAL REPORT

Since the Reference Document also contains the annual financial report, the statement by the person responsible makes reference to information from the management report. In the document's current form, this information can be found in various sections.

Annual financial report

Elements required by Articles L. 451-1-1-1 of the French Monetary and Financial Code and 222-3 of the AMF's general regulations	Pages
Consolidated financial statements	53-93
Annual financial statements	95-113
Statement of the responsible person	270
Management report	See hereafter
Auditors' report on the Consolidated financial statements	276
Auditors' report on the Annual financial statements	278
Auditors' fees	93

Management report

	Pages
Analysis of changes in the company and the Group's business, earnings and financial position, the company and the Group's position during the past year (L. 225-100, L. 225-100-2, L. 232-1 and L. 233-26 of the French Commercial Code)	23-51
Predictable changes (L. 232-1 and L. 233-26 of the French Commercial Code)	51-52
Research and development activities (L. 232-1 and L. 233-26 of the French Commercial Code)	288
Information on environmental issues and the environmental consequences of business operations (L. 225-100 and L. 225-102-1 of the French Commercial Code)	19-20, 21-28, 161-248
Information on employee issues and the social consequences of business operations (L. 225-100 and L. 225-102-1 of the French Commercial Code)	225-235
Description of the major risks and uncertainties (L. 225-100 and L. 225-100-2 of the French Commercial Code)	14-31
Information about the capital structure and organization: authorizations for capital increases (L. 225-100 of the French Commercial Code), information on the buying of treasury stock (L. 225-211 of the French Commercial Code), identity of shareholders with more than 5%; treasury stocks (L. 233-13 of the French Commercial Code), employee shareholding as the last day of the financial year (L. 225-102 of the French Commercial Code)	145-157
Factors likely to have an impact in the event of a public offering (L. 225-100-3 of the French Commercial Code)	152
Amount of dividends distributed during three last financial years (243 bis of the French *General* Tax Code)	143, 145
Total compensation and fringe benefits paid to each corporate officer, offices and positions held in any company by each of the corporate officers during the financial year (L. 225-102-1 of the French Commercial Code)	91-93,116-119, 155-157, 134-135, 109-110

9.1.2. EPRA REPORTING AS OF DECEMBER 31, 2012

Gecina applies the EPRA* best practices recommendations regarding the indicators listed hereafter. Gecina has been a member of EPRA, the European Public Real Estate Association, since its creation in 1999. The EPRA best practice recommendations include, in particular, key performance indicators to make the financial statements of public real estate companies more transparent and more comparable across Europe.

- Diluted EPRA Net Asset Value
- Diluted EPRA Triple Net Asset Value
- EPRA Net Initial Yield
- EPRA "topped-up" Net Initial Yield
- EPRA Vacancy Rate

Diluted EPRA Triple Net Asset Value

The calculation for the diluted EPRA triple NAV is explained in chapter 2.5. "Triple Net Asset Value".

	12/31/2012		12/31/2011	
€ million	**Amount/ Number of shares**	**€/share**	Amount/ Number of shares	€/share
Diluted NAV	6,197.3	€101.51	6,282.8	€102.02
Diluted EPRA NAV	6,436.1	€105.42	6,536.5	€106.15
Diluted EPRA triple NAV	6,137.1	€100.53	6,262.1	€101.69

EPRA NET INITIAL YIELD AND EPRA "TOPPED-UP" NET INITIAL YIELD

The table below indicates the passage between the two yield rates defined according to EPRA and the yield rates communicated by Gecina:

	2012	2011
Gecina net yield	**5.71%**	**5.64%**
Impact of estimated duties and costs	–0.30%	–0.28%
Impact of changes in scope	0.01%	0.00%
Impact of rent adjustments	–0.71%	–0.67%
EPRA NET INITIAL YIELD (1)	**4.70%**	**4.97%**
Excluding lease incentives	0.37%	0.12%
EPRA TOPPED-UP NET INITIAL YIELD (2)	**5.07%**	**5.09%**

(1) The EPRA Net Initial Yield rate is defined as the annualized rental income, net of property operating expenses, after deducting rent adjustments, divided by the value of the portfolio, including duties.

(2) The EPRA "topped-up" Net Initial Yield rate is defined as the annualized rental income, net of property operating expenses, excluding lease incentives, divided by the value of the portfolio, including duties.

EPRA VACANCY RATE

Gecina uses the definition recommended by EPRA: ratio between the rental value of vacant space and the rental value of the whole portfolio in operation.

	12/31/2012	12/31/2011
Economic division	**9.2%**	**6.6%**
Offices	9.1%	5.7%
Logistics	18.0%	22.3%
Hotels	0.0%	0.0%
Demographic division	**1.7%**	**1.9%**
Residential	2.3%	2.4%
Healthcare	0.0%	0.0%
Student residences	5.7%	7.0%
TOTAL GROUP	**6.6%**	**4.9%**

** European Public Real Estate Association.*

9.2. STATUTORY AUDITORS

9.2.1. PARTIES RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

INCUMBENT STATUTORY AUDITORS

Mazars

Member of the Compagnie Régionale de Versailles

Represented by Bernard España

Exaltis – 61, rue Henri-Regnault

92400 Courbevoie

Mazars was appointed at the Combined General Meeting on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting held on May 10, 2010. The appointment will expire at the end of the Ordinary General Meeting convened to approve the financial statements for the financial year ending on December 31, 2015.

PricewaterhouseCoopers Audit

Member of the Compagnie Régionale de Versailles

Represented by Jean-Pierre Bouchart

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed at the Combined General Meeting on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting held on May 10, 2010. The appointment will expire at the end of the Ordinary General Meeting convened to approve the financial statements for the financial year ending on December 31, 2015.

DEPUTY STATUTORY AUDITORS

Philippe Castagnac

Member of the Compagnie Régionale de Versailles

Exaltis – 61, rue Henri-Regnault

92400 Courbevoie

Patrick de Cambourg was appointed by the Combined General Meeting held on June 2, 2004 for a six-year term. His term of office expired at the end of the Ordinary General Meeting on May 10, 2010. Mr. Philippe Castagnac has been appointed by this Meeting to replace Patrick de Cambourg. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2015.

Yves Nicolas

Member of the Compagnie Régionale de Versailles

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

Pierre Coll was appointed by the Combined General Meeting of June 2, 2004 for a six-year term. His appointment expired at the end of the Ordinary General Meeting held on May 10, 2010. Mr. Yves Nicolas has been appointed by this Meeting to replace Pierre Coll. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2015.

9.2.3. STATUTORY AUDITORS' REPORTS

9.2.3.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2012

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' General Meeting, we hereby present to you our report for the year ended December 31, 2012, on:

- the audit of Gecina's consolidated financial statements accompanying this report;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with the auditing standards applicable in France. Those standards require that we plan and implement procedures to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We certify that the consolidated financial statements for the fiscal year are, with regard to the International Financial Reporting Standards adopted by the European Union, fair and accurate and give a true and fair view of the property holdings, financial position and of the results of the group made up of the persons and entities included in the scope of consolidation.

2.Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we would like to draw to your attention to the following matters:

- Notes 3.5.5.13 and 3.5.8.3 to the consolidated financial statements describe, first, the commitments taken in Spain outside the internal control system implemented in the Group and second, the alleged issue of four promissory notes by Gecina. We have examined the specific procedures and analyses implemented by the company in this context and assessed the appropriateness of the ensuing accounting treatment.
- The real estate assets are subject at each closing, to appraisal procedures by independent real estate appraisers in accordance with methods described in Note 3.5.3.1 to the consolidated financial statements. We have reviewed the appropriateness of these methods and their proper application. We have also verified that the fair value for the investment property and property for sale presented in the consolidated balance sheet and Notes 3.5.5.1 and 3.5.5.5 to the consolidated financial statements was determined on the basis of these external appraisals. In addition, we have obtained assurance that, based on these external appraisals, the level of impairment applied to the real estate assets valued at historical cost in the consolidated financial statement was sufficient. As indicated in Note 3.5.3.14 to the consolidated financial statements, the appraisals carried out by the independent real estate appraisers are based on estimates and it is therefore possible that the real estate assets could be sold at values differing from the appraisals carried out at year-end.
- As indicated in Note 3.5.3.8 to the consolidated financial statements, the Group uses financial derivative instruments recorded on the consolidated balance sheet at fair value. To determine this fair value, the Group uses valuation techniques based on market parameters. We have reviewed the data and the assumptions on which these estimates are based, as well as the calculations carried out by the Group. As indicated in Note 3.5.3.14 to the consolidated financial statements, the valuations performed by the Group are based on estimates and it is therefore possible that the price at which these financial derivative instruments could be sold differs significantly from the valuation carried out at year-end.
- As indicated in Notes 3.5.3.2.2 and 3.5.3.2.3 to the consolidated financial statements, the non-consolidated interests are estimated at their fair value and other financial investments are depreciated when there is a long-term impairment. To determine the fair value of non-consolidated interests and the potential long-term impairment of other financial investments, the Group reviews the situation of each asset and uses assumptions and forecasts. We have assessed these elements and reviewed the valuations performed by the Group. As indicated in Note 3.5.3.14 to the consolidated financial statements, these valuations are based on estimates and it is therefore possible that the value at which these assets could be sold differs significantly from the valuations carried out at year-end.

Accordingly, our opinion issued in the first part of this report is based primarily on the assessments we made during our audit of the consolidated financial statements considered in their entirety.

3. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France of the information given in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine February 21, 2013

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Bernard España	Jean-Pierre Bouchart
Associé	Associé

9.2.3.2. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2012

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby present to you our report for the year ended December 31, 2012, on:

- the audit of Gecina's annual financial statements accompanying this report;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with the auditing standards applicable in France. Those standards require that we plan and implement procedures to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the financial position and assets and liabilities of Gecina, as of 31 December 2012, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

2. Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we would like to draw your attention to the matters below:

- The accounting principles applicable to property holding and financial investments are respectively described in Notes 4.3.3.1 and 4.3.3.2 to these financial statements. We have verified the appropriateness of these estimation methods and their proper application.
- Note 4.3.6.1 of the appendix describes the alleged issue of four promissory notes by Gecina. We have examined the specific procedures and analyses implemented by the company in this context and assessed the appropriateness of the ensuing accounting treatment.

Accordingly, our opinion issued in the first part of this report is based primarily on the assessments we made during our audit of the annual financial statements considered in their entirety.

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to compensation and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we certify the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names and voting rights of the shareholders has been properly disclosed in the management report.

Courbevoie and Neuilly-sur-Seine February 21, 2013

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Bernard España	Jean-Pierre Bouchart
Associé	Associé

9.2.3.3. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

For the fiscal year ended December 31, 2012

To the Shareholders,

In our capacity as Statutory Auditors of Gecina, we hereby present to you our report on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Pursuant to the provisions of article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R.225-40 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We implemented the procedures that we deemed necessary for this task in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us agree with the underlying documents.

Agreements and commitments to be submitted for the approval of the Annual General Meeting

Agreements and commitments authorized during the year

Pursuant to the provisions of article L.225-40 of the French Commercial Code, we were informed of the agreements and commitment which received the prior approval of your Board of Directors.

1. Disposal of a plot of land to SAS Labuire Aménagement

Officers concerned: Mr. Bernard Michel, Chairman and CEO of Gecina and Mr. André Lajou, Chairman of SAS Labuire

The Board Meeting of February 22, 2012 authorized the disposal by Gecina to SAS Labuire Aménagement, for a nominal price of €1, a 272-sqm plot of land located 78 avenue Félix Faure, in Lyon 3rd arrondissement. This transaction was not carried out in 2012.

Agreements and commitments already approved by the Annual General Meeting

Agreements and commitments approved in prior fiscal years.

Pursuant to the provisions of article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the Annual General Meeting in prior fiscal years, remained in force during the year ended December 31, 2012.

1. Guarantee granted to the Euro-Hypo bank

Directors concerned: Mrs. Victoria Soler, Mrs. Helena Rivero, Mr. Joaquin Rivero, Mr. Jose Vicente Fons and Mr. Jose Gracia

The Board of Directors of March 22, 2010 authorized the issuance by Gecina of a guarantee in favor of the Euro Hypo bank, for an amount of €20.14 million. This guarantee was set off against a guarantee given by its subsidiary SIF Espagne on June 24, 2009 (as part of the restructuring of loans for its 49% interest in Bami, where Euro Hypo is the lead manager) and replaces the comfort letter signed on April 29, 2009 by Gecina to cover the commitments of SIF Espagne. The decision to maintain this guarantee was confirmed on January 4, 2012 in connection with the renegotiation by Bami of certain parts of its debt financing and hedging.

2. Signing of a settlement agreement with Mr. Christophe Clamageran, subsequent to the termination of his duties as CEO of the company

Director concerned: Mr. Christophe Clamageran

The Board Meeting of October 4, 2011 authorized the signing of a settlement agreement with Mr. Christophe Clamageran subsequent to the termination of his duties as CEO of the company. This transaction includes in particular:

- Conservation by Mr. Christophe Clamageran of the benefit of the stock options granted to him at the Board Meetings of March 22, 2010 and December 9, 2010 as well as the performance shares granted at the Board Meeting of December 9, 2010. Mr. Christophe Clamageran was exempted by the Board of Directors from compliance with the presence condition in the regulations governing these allocations, the other terms of the regulations of the said plans remain unchanged;
- implementation of a no-compete clause paid €30,000 gross a month for a period of six months starting from October 4, 2011.

Under this transaction, the variable portion of Mr. Christophe Clamageran's compensation for fiscal year 2011, determined on an accruals basis on the quantitative performance criteria only, shall be published at the recognition by the Board of Directors of the achievement of these performance criteria. The Board Meeting of February 22, 2012 set the variable portion of the compensation (for fiscal year 2011) of Mr. Christopher Clamageran at 65% of his base salary from January 1, 2011 to October 4, 2011. Therefore, the variable portion of the compensation of Mr. Christopher Clamageran is €246,249.58 and was published on February 24, 2012.

3. Contributions in kind and asset disposal by Gecina to its subsidiaries (intercompany transactions)

Officer concerned: Mr. Bernard Michel, Chairman and CEO of Gecina

To allow future development transactions, the Board Meeting of September 28, 2011 authorized the contribution in kind by Gecina to GEC 8, its wholly-owned subsidiary, of a plot of land valued at €1,369,500, located at 3-9 rue de Villafranca, in Paris 15th arrondissement. This transaction has not yet been carried out.

4. The allocation to Mr. Bernard Michel, Director and Chairman of the Board, appointed as Chief Executive Officer (CEO) on October 4, 2011 of a compensation for termination of services subject to performance criteria

Officer concerned: Mr. Bernard Michel

The Board Meeting of December 14, 2011, approved the implementation of conditions for the severance benefit due to the Chairman and CEO in the event of termination of service. These can be summarized as follows:

- Assuming it is decided to change the corporate governance situation by separating the roles of Chairman and CEO, and that simultaneously, Mr. Bernard Michel would be appointed as Chairman of the Board and at financial terms identical to those agreed prior to his appointment as CEO, then no severance pay would be due.
- In case of termination of all the functions of Chairman and CEO, following a forced departure due to a change in control, Mr. Bernard Michel would receive a severance benefit with a maximum amount calculated as indicated hereinafter:
  - Seniority less than six months: 100% of the total gross compensation (fixed and variable) for his duties as Chairman and CEO. This amount will be prorated.
    The payment of this allowance is not subject to any performance conditions.
  - Seniority between six months and twelve months: 100% of the total gross compensation (fixed and variable) for his duties as Chairman and CEO. This amount will be prorated.
    The payment of this allowance is subject to performance conditions as described in the table below.
  - Seniority between one year and the end of his appointment: one equivalent of gross compensation (fixed and variable) for his duties as Chairman and CEO in the previous fiscal year.
    The payment of this allowance is subject to performance conditions as described in the table below.

Performance conditions:

The compensation is paid if the recurring income of the last year (N) ended before the termination of the duties is above the average recurring income of the two previous years (N-1 and N-2) prior to the termination of his duties. The recurring incomes will be compared, taking into account changes in the scope of the firm's assets during the pertinent years, as indicated below:

Performance criteria	Severance compensation
Recurring income year N (excluding fair value adjustments) > average recurring incomes (N – 1 + N – 2)	100%
Recurring income year N (excluding fair value adjustments) < 4% average recurring incomes (N – 1 + N – 2)	80%
Recurring income year N (excluding fair value adjustments) < 8% average recurring incomes (N – 1 + N – 2)	50%
Recurring income year N (excluding fair value adjustments) < 12% average recurring incomes (N – 1 + N – 2)	No severance compensation

It is the duty of the Board of Directors to check that these performance criteria are achieved, with the understanding that the Board of Directors may consider exceptional items that occurred during the year.

This agreement was not applied in fiscal year 2012.

Courbevoie and Neuilly-sur-Seine February 21, 2013

The Statutory Auditors

Mazars
Bernard España
Associé

PricewaterhouseCoopers Audit
Jean-Pierre Bouchart
Associé

9.2.3.4. STATUTORY AUDITORS' REPORT PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF GECINA'S BOARD OF DIRECTORS

For the fiscal year ended December 31, 2012

To the Shareholders,

In our capacity as Statutory Auditors of Gecina and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present to you our report on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code for the financial year ended December 31, 2012.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing other disclosures required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the disclosures made in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and
- to certify that the report includes the other disclosures required by Article L.225-37 of the French Commercial code, it being specified that it is not our responsibility to assess the fairness of these disclosures.

We conducted our work in accordance with the auditing standards applicable in France.

Disclosures concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we plan and implement procedures to assess the fairness of the disclosures on internal control and risk management procedures relating to the preparation and processing of accounting and financial information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control procedures and risk management procedures relating to the preparation and processing of accounting and financial information on which the disclosures presented in the Chairman's report is based, as well as existing documentation;
- obtaining an understanding of the work performed to support the disclosures made in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of accounting and financial information set out in the Chairman's report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

We draw your attention to paragraph 5.2.5.2 of the Chairman of the Board of Directors' report which describes the existence of commitments taken in 2009 and 2010 by a Group company outside the internal control system and the supplementary analyses and procedures implemented by the Group.

Other disclosures

We certify that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Courbevoie and Neuilly-sur-Seine February 21, 2013

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Bernard España	Jean-Pierre Bouchart
Associé	Associé

9.2.3.5 CERTIFICATE OF PRESENCE AND STATUTORY AUDITOR'S REPORT PROVIDING MODERATE AND REASONABLE ASSURANCE ON THE REVIEW OF SOCIAL, ENVIRONMENTAL AND SOCIETAL DATA

For the fiscal year ended December 31, 2012

In response to the request submitted to us and in our capacity as Gecina's statutory auditors, we hereby present to you our report on the social, environmental and societal data presented in the management report, reiterated in chapter 7 of the reference document, prepared for the fiscal year ended December 31, 2012 in application of the provisions of Article L.225-102-1 of the French Commercial Code.

Executive committee's responsibility

It is the duty of the Board of Directors to prepare a management report containing the social, environmental and societal data required by Article R. 225-105-1 of the French Commercial Code (hereafter the "Data"), prepared in accordance with the reporting standards used (the "Reporting standards") by the company and available at the Human Resources Department and the Development, Innovation and Sustainable Performance Department.

Independence and quality control

Our independence is defined by regulatory texts, the professional code of ethics and the provisions of Article L. 822-11 of the French commercial code. Furthermore, we have developed a quality control system which includes documented policies and procedures aimed at ensuring compliance with the applicable ethical rules, professional standards and legal and regulatory texts.

The Statutory Auditor's responsibility

It is our duty, based on our audits:

- to certify that the required Data are present in the management report, reiterated in chapter 7 of the reference document, or in the event of omission, are explained in application of the third paragraph of Article R. 225-105 of the French Commercial Code and decree no. 2012-557 of April 24, 2012 (Certificate of presence);
- to arrive at a conclusion of reasonable assurance on the fact that certain Data selected by the Group and identified by the sign ☑ in chapter 7 of the reference document were prepared, in all their material aspects, in accordance with the Reporting standards;
- to express a conclusion of moderate assurance on the fact that the other Data are presented, in all their material aspects, in a true and fair manner in accordance with the adopted Reporting standards (moderate assurance).

To assist us in our work, we relied on the expertise of our specialists in Corporate Social Responsibility and Sustainable Development.

1. Certificate of presence

We conducted our work in accordance with the *auditing standards applicable in France*:

- We compared the Data presented in the management report, reiterated in the reference document, with the list set out in Article R. 225-105-1 of the French Commercial Code;
- We checked that the Data covered the consolidated scope, namely the company as well as its subsidiaries as defined by Article L. 233-1 and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code;
- In the event of omission of certain consolidated data, we checked that the explanation had been provided as required by the provisions of decree no. 2012-557 of April 24, 2012.

Based on these audits, we certify the presence in the management report of the required Data.

2. Moderate assurance report

Nature and scope of our audits

We performed our audits in accordance with the ISAE 3000 standard (International Standard on Assurance Engagements) and the professional practices applicable in France.

We implemented the procedures below which led to:

- a reasonable assurance on the fact that the Data selected by the Group and identified by the sign ☑☑ in management report, reiterated in chapter 7 of the reference document were prepared, in all their material aspects, in accordance with the Reporting standards;
- a moderate assurance on the fact that the other Data presented in the management report, reiterated in chapter 7 of the reference document, are free of any material misstatements that could alter their true and fair nature, in all material aspects, in accordance with the Reporting standards.

We implemented the following procedures:

- we assessed the appropriateness of the Reporting standards in terms of their relevance, completeness, neutrality, clarity and reliability by taking account, where necessary, of the good practices in the sector;
- we checked the implementation in the group of a process for collecting, compiling, processing and checking data to ensure the completeness and consistence of the Data. We obtained information about internal control and risk management procedures regarding the preparation of the Data. We interviewed the people responsible for social and environmental reporting;

1. we selected the consolidated data to be tested (1) and determined the nature and extent of the tests by taking into consideration their importance in terms of the social and environmental consequences linked to the group's activity and characteristics as well as its societal commitments. With respect to the consolidated quantitative data that we considered the most important, we:
   1. implemented analytical procedures and verified, on a sampling basis, the calculations of these data;
   2. interviewed people to verify the correct application of the procedures [if the statutory auditor/independent inspector considers it useful: and to identify any omissions];
   3. implemented of substantive tests on a sampling basis, entailing the checking of the calculations made and checking the consistency of data in the supporting documents.

Our verification procedures allowed us to achieve a 100% coverage rate.

2. With respect to the consolidated qualitative data which we considered as the most important, we conducted interviews and reviewed the related documentary sources to corroborate this data and assess their true and fair nature.

- For the other published consolidated data, we assessed their true and fair nature and their consistency in relation to our knowledge of the company and where applicable, through interviews or review of the documentary sources.
- Lastly, we assessed the relevance of explanations relating, as applicable, to the absence of certain data.

Conclusion

Reasonable assurance

In our opinion, the Data selected by the Group and identified by the sign ☑ in the management report, reiterated in chapter 7 of the reference document were prepared, in all their material aspects, in accordance with the Reporting standards.

Moderate assurance

We found no material misstatement during our audits that could alter the fact that the other Data are presented, in all their material aspects in a true and fair manner, as required by the Reporting standards.

La Défense, on February 26, 2013

Mazars

Bernard España
Partner

Emmanuelle Rigaudias
CSR & Sustainable Development partner

(1) Construction certification, HQE operation certification, EMS coverage rate, percentage of the property holding's surface area accessible to public transport located less than 400 meters away, number of green leases signed (offices), total staff by gender, percentage of women in the executive population, staff changes (hiring), percentage of reduction in the level of employee greenhouse gas emissions.

9.3. LEGAL INFORMATION

9.3.1. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

Name	Gecina
Registered office	14-16, rue des Capucines à Paris (2nd)
Legal form	French *Société Anonyme* (public limited company) governed by Articles L. 225-1 et seq. and R. 210-1 et seq. of the French Commercial Code and all subsequent legislation
Legislation	French legislation
Date of formation and termination of company	The company was found on January 14, 1959 for 99 years. It will expire on January 14, 2058
Trade and company registry	592 014 476 RCS PARIS
Identification number	SIRET 592 014 476 00150
APE Code	6820A
Place where documents and information relating to the company may be consulted	At registered office (telephone : +33 1 40 40 50 50)
Fiscal year	The financial year begins on January 1 and ends on December 31 for a term of 12 months

FRENCH LISTED REAL ESTATE INVESTMENT TRUSTS SYSTEM

The company opted for the tax system introduced by the 2003 Finance law dated December 30, 2002 and applicable from January 1, 2003, which provided for the creation of listed real estate investment trusts (SIIC). It allows companies opting for this system to claim exemption from the tax imposed on the income and capital gains deriving from their business as a real estate company, contingent on the payment of an exit tax now calculated at a rate of 19% on unrealized capital gains existing on the date of the option, and for which the payment is to be spread over four years. In return for this tax exemption, the SIICs are subject to the mandatory distribution of 85% of their exempt rental income and 50% of their exempt capital gains within two years, and 100% of profits received from subsidiaries.

9.3.2. ARTICLES OF INCORPORATION AND EXTRACTS FROM BYLAWS

9.3.2.1. CORPORATE PURPOSE

Corporate purpose (Article 3 of the bylaws)

The company's purpose is to operate rental properties or groups of rental properties located in France or abroad.

To this end, the company may:

- acquire undeveloped land or similar land through purchases, exchanges, payments in kind, or other types of payment;
- build individual properties or groups of properties;
- acquire developed properties or groups of properties through purchase, exchanges, and payments in kind or other types of payment;
- finance the acquisition and construction of properties;
- rent, administer, and manage any properties, either on its own behalf or on behalf of third parties;
- sell any real estate assets or rights;
- acquire equity interests in any company or organization involved in activities related to its corporate purpose by any authorized means, including capital contributions and the subscription, purchase or exchange of securities or corporate rights; and generally engage in all types of financial, real estate, and investment transactions directly or indirectly relating to this corporate purpose or capable of facilitating the furtherance thereof.

9.3.2.2. ORGANIZATION OF THE BOARD AND EXECUTIVE COMMITTEE

Chairman and Executive Officer

Since the duties of Chief Executive Officer of Mr. Christophe Clamageran ended at the Board of Directors of October 4, 2011, the Board decided to combine the duties of Chairman of the Board of Directors and Chief Executive Officer and appointed Mr. Bernard Michel as the Chief Executive Officer of the company. Therefore, since that date, Mr. Michel is the Chairman and Chief Executive Officer of Gecina.

Board of Directors (Article 12)

The company's administration is performed by a Board of Directors consisting of at least three (3) members and at most eighteen (18) members, subject to the dispensations provided for under French law.

Directors are appointed for four years. Exceptionally, to allow the staggered renewal of the terms of office of directors, the Ordinary General Meeting may appoint one or more directors for a period of two or three years. They may be reappointed and dismissed at any time by the General Meeting.

No one over the age of 75 may be appointed. If a director has passed this age limit, he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which said director reached this age limit.

Each director must own at least one share during his or her term of office.

As required by Article 2 of the Board of Directors' Internal Regulations, each director must own 40 shares.

Board Office (Article 13)

The Board of Directors shall elect from among its members a Chairman who must be a natural person, and, if need be, a Co-Chairman and one or more Vice-Chairmen.

If the Board of Directors decides to appoint a Co-Chairman, this title shall also be given to the Chairman, without said appointment restricting the powers granted solely to the Chairman under French Law or these bylaws.

The Board of Directors shall set the term of office of the Chairman as well as that of the Co-Chairman and of the Vice-Chairmen, if they exist, but this term of office may not exceed that of their terms of office.

The Chairman of the Board of Directors and the Co-Chairman and the Vice-Chairman or -Chairmen, if they exist, may be dismissed at any time by the Board of Directors.

No one over the age of 70 may be appointed Chairman, Co-Chairman, or Vice-Chairman. If the Chairman, the Co-Chairman or a Vice-Chairman passes this age he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which they reached this age limit.

The sessions of the Board shall be chaired by the Chairman. If the Chairman is absent, the meeting shall be chaired by the Co-Chairman or by one of the Vice-Chairmen present, as designated by the Board for each session. If the Chairman, the Co-Chairman and the Vice-Chairmen are absent, the Board shall appoint one of the members present to chair the meeting for each session.

The Board shall appoint a person to serve as secretary.

Deliberations of the Board of Directors (Article 14)

The Board shall meet as often as necessary in the company's interests, either at the registered office or at another venue, including outside of France.

The Chairman shall set the agenda for each Board of Directors and shall convene the directors using any appropriate means.

Directors representing at least one-third of the total number of Board members may also convene the Board at any time, indicating the agenda for the meeting.

If necessary, the Chief Executive Officer may also request the Chairman to convene the Board on a given agenda.

The Chairman is bound by requests submitted to him under the previous two paragraphs.

The physical presence of at least half of the Board's members will be necessary for deliberations to have legal force.

A director may authorize another director to stand proxy for him at a session of the Board of Directors in accordance with the legal and regulatory provisions in force.

The provisions of the preceding paragraphs shall also apply to the permanent representatives of a director.

The Board may meet and deliberate using videoconferencing or telecommunications facilities or any other means provided for under French law, in accordance with the terms and provisions set forth in its internal regulations.

In this respect, within the limits applicable under French law, the internal regulations may allow for any directors participating in Board Meeting, using videoconferencing or telecommunications facilities or by other means, the nature and conditions of which are determined by the regulatory provisions in force, to be deemed to be present for the purposes of calculating a quorum or a majority.

Decisions shall be by majority vote of the members present or represented, whereby any director representing one of his or her colleagues is entitled to two votes. In the event of a tie vote, the session's Chairman shall not have a casting vote.

Powers of the Board of Directors (Article 15)

The Board of Directors sets the strategies for the company's business and oversees their implementation. Under the powers directly attributed to General Meetings and within the bounds of the corporate purpose, it may address any issues that are deemed to be of interest for the company's effective performance, and through its deliberations resolve any issues concerning it.

In its dealings with third parties, the company shall be bound by the resolutions of the Board of Directors even where they do not fall within the company's corporate purpose unless it can prove that the third party in question knew that the resolution in question fell outside said purpose or that said party could not have been unaware of this on account of the circumstances, it being excluded that the mere publication of the bylaws should be enough to constitute said proof.

The Board of Directors may perform the controls and verifications it deems necessary.

The Board of Directors may invest one or more of its members or third parties, whether they are shareholders or not, with any authority necessary for any specified purpose or purposes.

It may also decide to set up committees charged with reviewing issues that the Board or its Chairman has submitted to said committees for an opinion. These committees, whose makeup and remits are defined in the internal regulations, will carry on their activities under the responsibility of the Board of Directors.

Powers of the Chairman of the Board of Directors (Article 16)

In accordance with Article L. 225-51 of the French Commercial Code, the Chairman of the Board of Directors represents the Board of Directors. Subject to the legal and regulatory provisions in force, he organizes and oversees its work and reports on this work to the General Meeting. He ensures that the various corporate governance bodies are working smoothly and, in particular, that the directors are capable of fulfilling their required duties.

Pursuant to Article 17 of these bylaws, the Chairman may also assume the executive management of the company.

The company's executive management (Article 17)

The company's executive management is performed by either the Chairman of the Board of Directors, or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors chooses between the two methods of exercising the Executive Management presented in the preceding paragraph.

The Board of Directors makes this choice by majority vote of the directors present or represented.

Shareholders and third parties shall be informed of this choice as prescribed in the relevant regulations.

When the executive management is assumed by the Chairman of the Board of Directors, he shall hold the position of Chairman and Chief Executive Officer. The Board of Directors shall determine the term of office of the Chairman and Chief Executive Officer, which may not exceed his term as director. The Chairman and Chief Executive Officer may be dismissed at any time by the Board of Directors.

If the executive management is not performed by the Chairman of the Board of Directors, a Chief Executive Officer shall be appointed by the Board of Directors.

The term of office of the Chief Executive Officer is freely defined by the Board of Directors.

The Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, shall have the broadest powers to act in the company's name under any and all circumstances – in particular, to execute the sale or purchase of any real estate assets or rights. They exercise their powers within the scope of the corporate purpose and subject to those reserved expressly by French law to Shareholders' General Meetings and to the Board of Directors.

They represent the company in their dealings with third parties. The company is bound by the resolutions of the directors even where they do not fall within the company's corporate purpose unless it can prove that the third party in question knew that the resolution in question fell outside said purpose or that said party could not have been unaware of this on account of the circumstances, it being excluded that the mere publication of the bylaws should be enough to constitute said proof.

In connection with the company's internal organization, the Board of Directors may limit the powers of the Chief Executive Officer, or as relevant, of the Chairman and Chief Executive Officer, but any such restrictions on their powers are not enforceable against third parties.

On the proposal of the Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, in which case they shall be given the title of Deputy Chief Executive Officer.

There may not be more than five Deputy Chief Executive Officers.

By agreement with the Chief Executive Officer, or where relevant, with the Chairman and Chief Executive Officer, the Board of Directors shall determine the scope and term of the powers granted to the Deputy Chief Executive Officers.

Should the Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, cease or be prevented from performing their functions, the Deputy Chief Executive Officers shall retain their functions and their remits barring a decision to the contrary by the Board of Directors until the appointment of a new Chief Executive Officer, or where relevant a Chairman and Chief Executive Officer.

Deputy Chief Executive Officers, vis-à-vis third parties, shall have the same powers as the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer.

The Chief Executive Officer may be dismissed at any moment by the Board of Directors if there are reasonable grounds. The same shall apply to Deputy Chief Executive Officers on the proposal of the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer.

No one over the age of 65 may be appointed Chief Executive Officer or Deputy Chief Executive Officer. Should a Chief Executive Officer or Deputy Chief Executive Officer pass this age limit he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which said Chief Executive Officer or Deputy Chief Executive Officer reached this age limit.

Observers (Article 18)

The annual General Meeting may appoint up to three Observers for the company from among the shareholders. The Observers may also be appointed by the Company's Board of Directors subject to this appointment being ratified at the next General Meeting.

No one over the age of 75 may be appointed Observer. Should an Observer pass this age limit he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which said Observer reached this age limit.

Observers shall be appointed for a three-year term and may be reappointed. They are summoned to the sessions of the Board of Directors and take part in its deliberations in an advisory capacity.

Observers may be called upon to perform special assignments.

Compensation for Directors, Observers, the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers (Article 19)

Directors shall receive for their activities a fixed amount of annual attendance allowances, which shall be determined by the Ordinary General Meeting.

The Board of Directors shall freely distribute the amount of these attendance allowances among its members.

It may also grant exceptional compensation for assignments or offices entrusted to Directors or Observers. Such agreements shall be subject to the legal provisions applicable to agreements contingent on prior authorization from the Board of Directors.

The Board of Directors shall determine the amount of remuneration for the Chairman, Chief Executive Officer, and Deputy Chief Executive Officers.

Internal Regulations for the Board of Directors

Gecina's Board of Directors adopted its Internal Regulations on June 5, 2002 and updated them on several occasions, the last time being December 14, 2011. They clarify and supplement the Board's operating procedures and principles as set down in the company bylaws.

The Directors' Charter and the Works Council Representative Charter respectively clarify the duties and obligations of Directors and Works Council representatives.

The two Charters, and the Internal Regulations of the three Board of Directors committees, represent the schedules to the Internal Regulations of the Board of Directors.

9.3.2.3. RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

Rights and obligations attached to each share (Article 10 of the bylaws)

In addition to the voting right allotted to it under French law, each share gives right to a portion of the company's assets, profits or liquidating dividend proportional to the number and minimum value of existing shares.

Shareholders are only liable for the company's liabilities up to the nominal value of the shares they own.

The rights and obligations attached to a share follow the share if it is transferred between holders.

Ownership of a share entails full adherence by law to the company bylaws and to the decisions of the General Meeting.

Dual voting rights

None.

Restrictions on voting rights

None.

9.3.2.4. CHANGES TO SHARE CAPITAL AND VOTING RIGHTS ATTACHED TO SHARES

Gecina's bylaws prescribe no measures for changing share capital and voting rights attached to shares. Such measures, when decided, are subject to the relevant legal and regulatory provisions.

9.3.2.5. GENERAL MEETING

General Meetings (Article 20 of the bylaws)

1. Notice to attend

General Meetings are convened to deliberate under the conditions defined by legal and regulatory provisions.

Meetings are held at the registered office or any other venue stated in the invitation to attend.

2. Access rights

Ordinary and Extraordinary General Meetings may be attended on the conditions set out below by all shareholders holding at least one share. Special Meetings may be attended by all holders of shares falling in the class concerned and who hold at least one share from this class in accordance with the conditions set out below.

Shares on which payments are due but have not been paid cease to give access rights to attend General Meetings, and shall not be counted in calculating a quorum.

Subject to the conditions outlined above, all shareholders shall, upon providing proof of identity, have the right to attend General Meetings as prescribed under French law. This right is contingent on their shares being entered under their name in their account in the company's records.

3. Office – Attendance sheet

General Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Vice-Chairman or, in the absence of the latter, by a director especially appointed to this effect by the Board. Failing this, the General Meeting itself shall elect a Chairman.

The functions of the voting supervisors shall be performed by the two members present at the meeting who have the most votes, in accordance with the legal and regulatory provisions in force.

The office for the meeting shall appoint the secretary, who may be chosen from outside the shareholders.

4. Voting rights

Each member of the Meeting is entitled to one vote for each share owned or represented.

Shareholders may vote at meetings by sending their voting form by correspondence either in paper form or, as decided by the Board of Directors, by teletransmission (including by electronic mail), according to the procedure defined by the Board of Directors and clarified in the meeting notice and/or invitation to attend. Where the last method is selected, the electronic signature may be in the form of a procedure that meets the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

Shareholders may also appoint a proxy to represent them at meetings by sending the proxy form to the company in paper form or by teletransmission according to the procedure defined by the Board of Directors and specified in the meeting notice and/or invitation to attend, in the conditions outlined by the applicable legal and regulatory provisions. The electronic signature may be in the form of a procedure that meets the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

The mandate given for a Meeting is revocable in the same way as those required to appoint the representative.

The General and Special Meetings may hold their deliberations only on condition that the quorum and majority conditions provided for under the legal and regulatory provisions in force are met.

Shareholders who participate in Meetings through videoconferencing or though telecommunication means, allowing their identification in the conditions set out in the applicable regulation, shall be considered as present or represented for the calculation of the quorum or majority, as decided by the Board of Directors and published in the meeting notice and/or in the notice of invitation to attend.

The minutes of Meetings shall be prepared and copies certified and delivered in accordance with French law.

Form of shares (Article 7 of the bylaws)

Shares must be held and registered by name. They shall be registered in an account under the conditions and in accordance with procedures provided for by the legislative and regulatory provisions in force.

9.3.2.6. DECLARATION OF CROSSING SHAREHOLDER THRESHOLD LIMITS

Crossing shareholder threshold limits – Information (Article 9 of the bylaws)

In addition to the legal obligation to inform the company when certain fractions of the share capital are held and to declare the intention consequent thereto, every individual or corporate shareholder, acting alone or in concert, who has acquired or ceases to hold a fraction equal to 2% of the share capital and voting rights or any multiple of this percentage, must inform the company of the total number of shares and voting rights held by registered letter with recorded delivery to the company's registered office within fifteen days of having crossed one of such thresholds.

This disclosure requirement shall apply in every instance that one of the aforementioned thresholds has been crossed, including thresholds over and above the thresholds provided for under French law. In the event of a failure to disclose, under the aforementioned conditions, the shares in excess of the fraction that should have been disclosed will forfeit their voting rights under the conditions provided by French law if one or more shareholders holding at least 5% of the share capital should request this as recorded in the minutes of the General Meeting.

Any shareholder other than a natural person that directly or indirectly comes into possession of 10% of the company's dividend rights will be required to indicate in their declaration on exceeding the threshold limit whether or not they are a Deduction Shareholder as defined in Article 23 of the bylaws. Any shareholder other than a natural person that directly or indirectly comes to hold 10% of the company's dividend rights as at the date this paragraph comes into force is required to indicate within ten (10) business days before distributions are scheduled to be paid out, whether or not they are a Deduction Shareholder as defined in Article 23 of the bylaws. If a shareholder should declare that he or she is not a Deduction Shareholder, they will be required to justify this whenever requested to do so by the company. Any shareholder other than a natural person having disclosed that they have directly or indirectly crossed the 10% threshold for dividend rights or directly or indirectly holding 10% of the company's dividend rights as at the date when this paragraph comes into force, is required to notify the company as promptly as possible or in any event within ten (10) business days before the payouts are to be made, of any change in their tax status that would cause them to acquire or lose their status as a Deduction Shareholder.

In the event of a failure to disclose under the conditions set out in paragraph 1 of this Article, the shares exceeding the fraction that should have been declared will forfeit the right to vote in Shareholders Meetings if said failure to disclose is discovered during a Shareholders Meeting and if one or more shareholders together holding at least 2% of share capital demand this during the Meeting. The forfeiture of voting rights applies to all Shareholders Meetings held within a period of two years following the date on which the failure to disclose is rectified.

9.3.3. RESEARCH AND PATENTS

None.

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