REFERENCE DOCUMENT 2011

INCLUDING THE ANNUAL FINANCIAL REPORT AND THE SUSTAINABLE DEVELOPMENT REPORT

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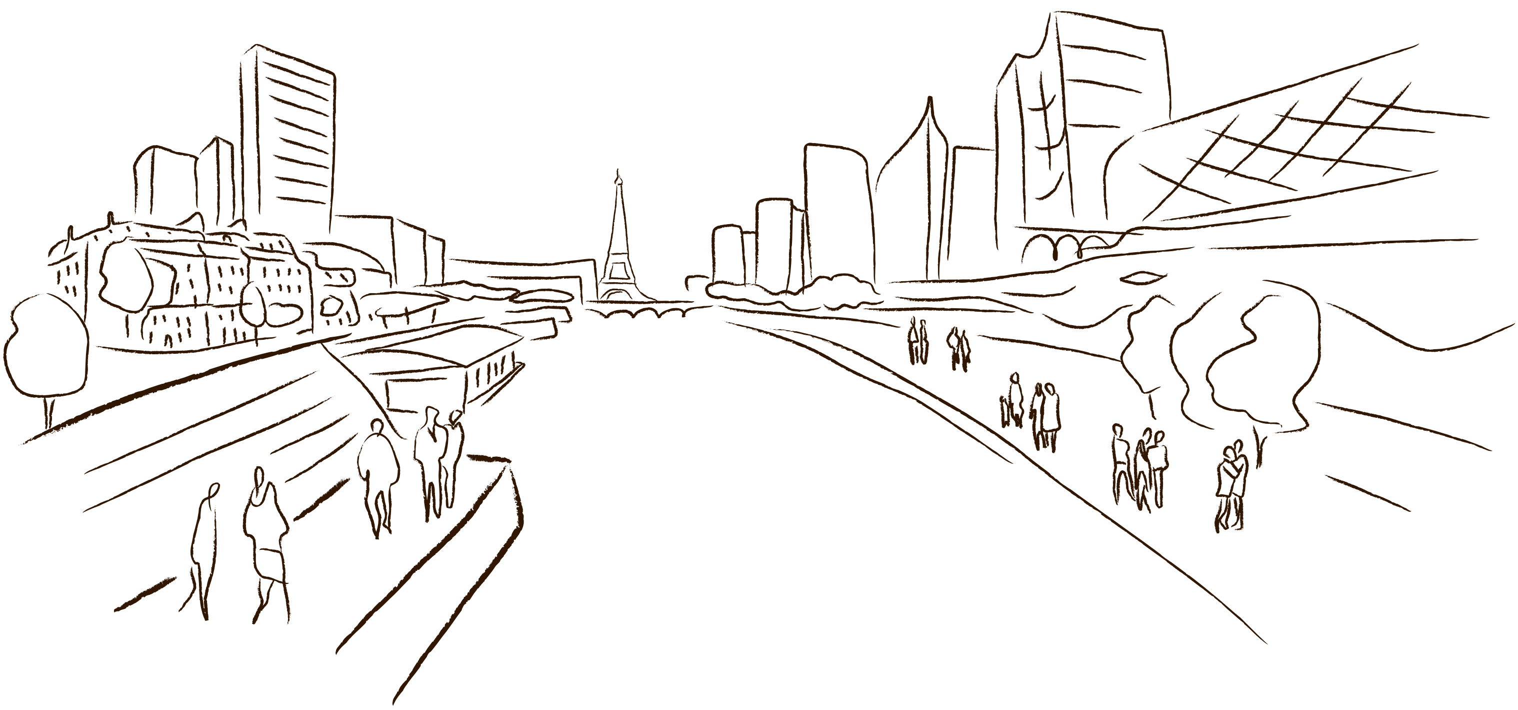

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2011

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

This reference document was filed with the French securities regulator (Autorité des marchés financiers, AMF) on March 27, 2012, 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

GROUP PROFILE

1.1. Key figures

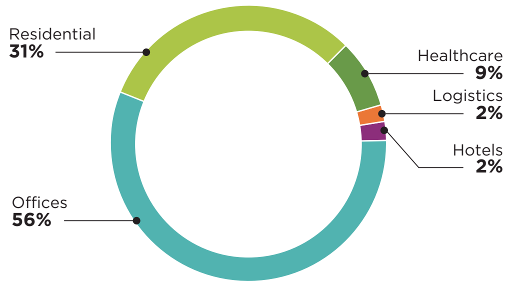
€ millions	Change	2011	2010
Rental revenues	**2.5%**	**632.5**	**616.8**
Economic division			
Offices	4.5%	350.2	335.0
Logistics	-19.1%	26.0	32.1
Hotels	1.2%	19.6	19.4
Demographic division			
Residential	-2.6%	178.5	183.3
Healthcare	23.9%	58.2	47.0
Gross recurring income (1)(4)	-5.2%	310.4	327.4
Net recurring income (2)(4)	-5.2%	308.0	325.0
VALUE IN BLOCK OF PROPERTY HOLDING	**1.0%**	**11,792**	**11,675**
Economic division			
Offices	1.1%	6,644	6,572
Logistics	-42.2%	256	444
Hotels	-0.4%	274	275
Demographic division			
Residential	-0.8%	3,610	3,639
Healthcare	35.9%	1,002	737
Other (3)	-16.6%	6	7
Gross yield on property holding – new method		6.13%	6.23%
Gross yield on property holding – historic method		5.97%	6.15%

Data per share *(€)*	Change	2011	2010
Net income (Group share)	-58.9%	6.74	16.39
Diluted block triple net NAV (EPRA)	2.0%	101.69	99.67
Net dividend	0.0%	4.4	4.4

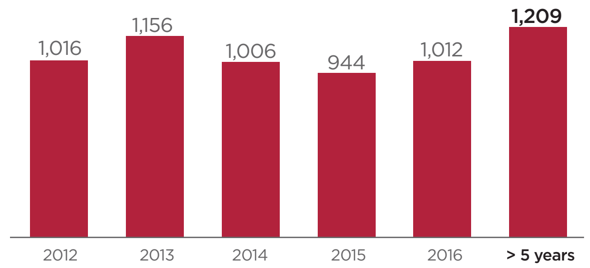
Number of shares	Change	2011	2010
Number of shares comprising share capital as at Dec. 31	0.1%	62,650,448	62,615,368
Number of shares excluding treasury stock as at Dec. 31	0.1%	61,028,972	60,988,537
Diluted number of shares excluding treasury stock as at Dec. 31	-0.4%	61,581,036	61,810,839
Average number of shares excluding treasury stock	0.2%	61,032,886	60,911,312

(1) EBITDA less net financial costs.
(2) EBITDA less financial costs.
(3) "Other" cover equity-accounted companies with their related receivables.
(4) 2011 includes a net cumulative amount of -€0.8 million over 2010 due to changes in the presentation of the accounts.

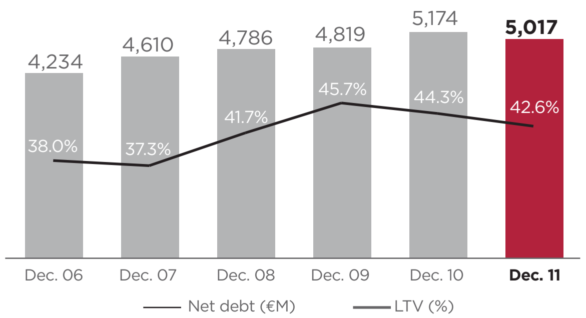
Property holding appraisal by business



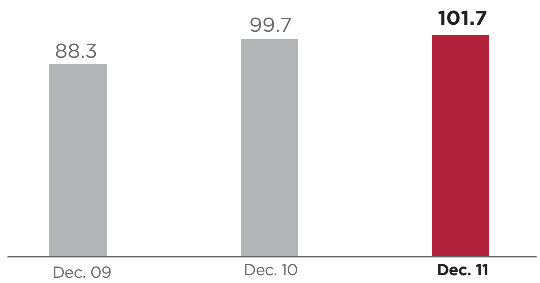
Schedule of agreed financings (including undrawn credit facilities) *(€ millions)*



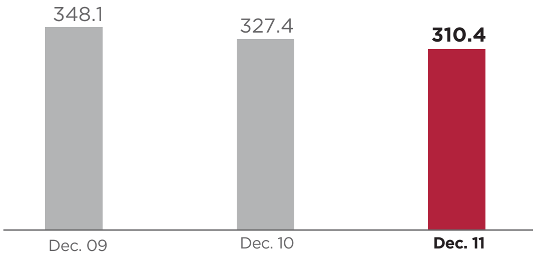
LTV ratio



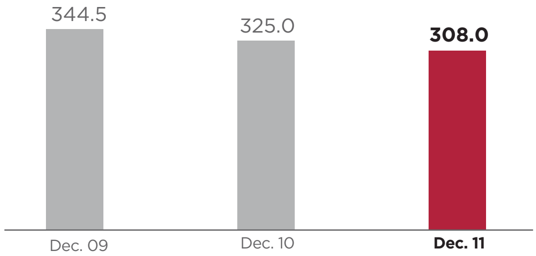
NAV per share, block *(in €)*



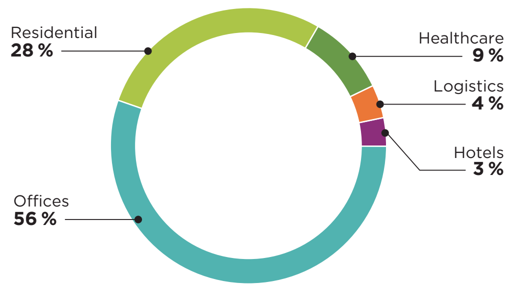
Gross recurring income *(€ millions)*



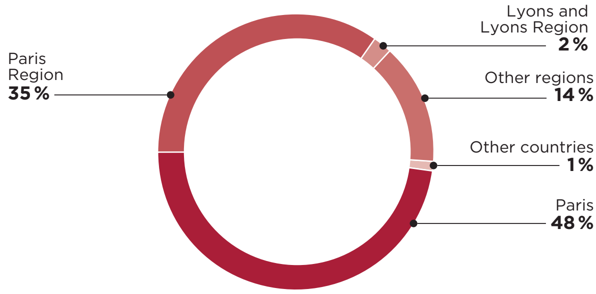
Net recurring income *(€ millions)*



Breakdown of rental revenues by business



Geographic breakdown of rental revenues



1.2. Performance indicators

Rental revenues from offices and retail depend on the average rent levels, the occupancy rate, the acquisition or disposal 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 Cost of Construction Index (CCI) for current leases. On expiration of the lease, since office rent is not subject to the cap rules applicable to commercial spaces, 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 CCI. 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. Their amount therefore depends on the capacity of the Group's management teams to exploit the legal exceptions to this rule. What is more, leases may henceforth be subject to the new Commercial Rent Index (CRI).

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

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 (Cost of Construction Index and Rent Reference Index) 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 holding were rented (vacant premises are computed at the rent paid by the departing tenant). The vacancy periods are determined day by day during the period of calculation. Buildings for which a disposal procedure has been initiated are not taken into account in the calculation of financial occupancy because, beginning at this stage, the Group stops putting the vacant units up for rent in order to be able to sell the wholly unoccupied units. The structural cap of the financial occupancy rate is less than 100% because of improvements performed during the periods of structural non-occupancy of housing units at times of tenant turnover (these periods being the minimum time necessary to complete the work needed to restore to previous condition or to renovate). The level of this cap depends on the efficiency of the rental and marketing management teams, the goal of the Group in the present market context being to keep the financial occupancy rate close to the structural cap;
- the financial occupancy rate is influenced by the turnover rate, defined for any given period as the number of housing units becoming vacant in the given period divided by the number of the Group's housing units at the beginning of the period, exclusive of buildings for which the transfer period has been initiated. Under present market conditions, a high turnover rate would be expressed in an increase in the total rent per 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 earnings (also known as net current cash flow) per share, which Gecina defines as the difference between EBITDA and net financial costs and current income tax. This amount is based on the number of shares comprising share capital, excluding treasury shares. This indicator is sometimes presented after current taxes;
- 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, such as for example balance sheet items not valued at fair value such as the headquarters and most financial debt. 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 shares to be issued when the issuance conditions are met;
- the yield: It is calculated on the basis of a potential rent for assets in operation over the block value of the property holding duties included, where the potential rent corresponds to the following definition:

  Potential rent = annualized rent end of period + market rental value of vacant units

  To ensure transparency and methodological harmonization with respect to the listed real-estate sector, this is the definition now applied. The historical methodology was based, apart from the annualized rent end of period, on a percentage of the potential rent for vacant units according to the vacancy percentage. The calculation of the yield of the property holding according to the historic method is nevertheless indicated for comparison in this report;
- 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 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 planning 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-Chief Executive Officer in October.
	The Horizons building wins the SIMI Grand Prize in the "New building" 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, logistical property and hotel buildings and the demographic division which includes traditional residential property, student residences and healthcare real estate.

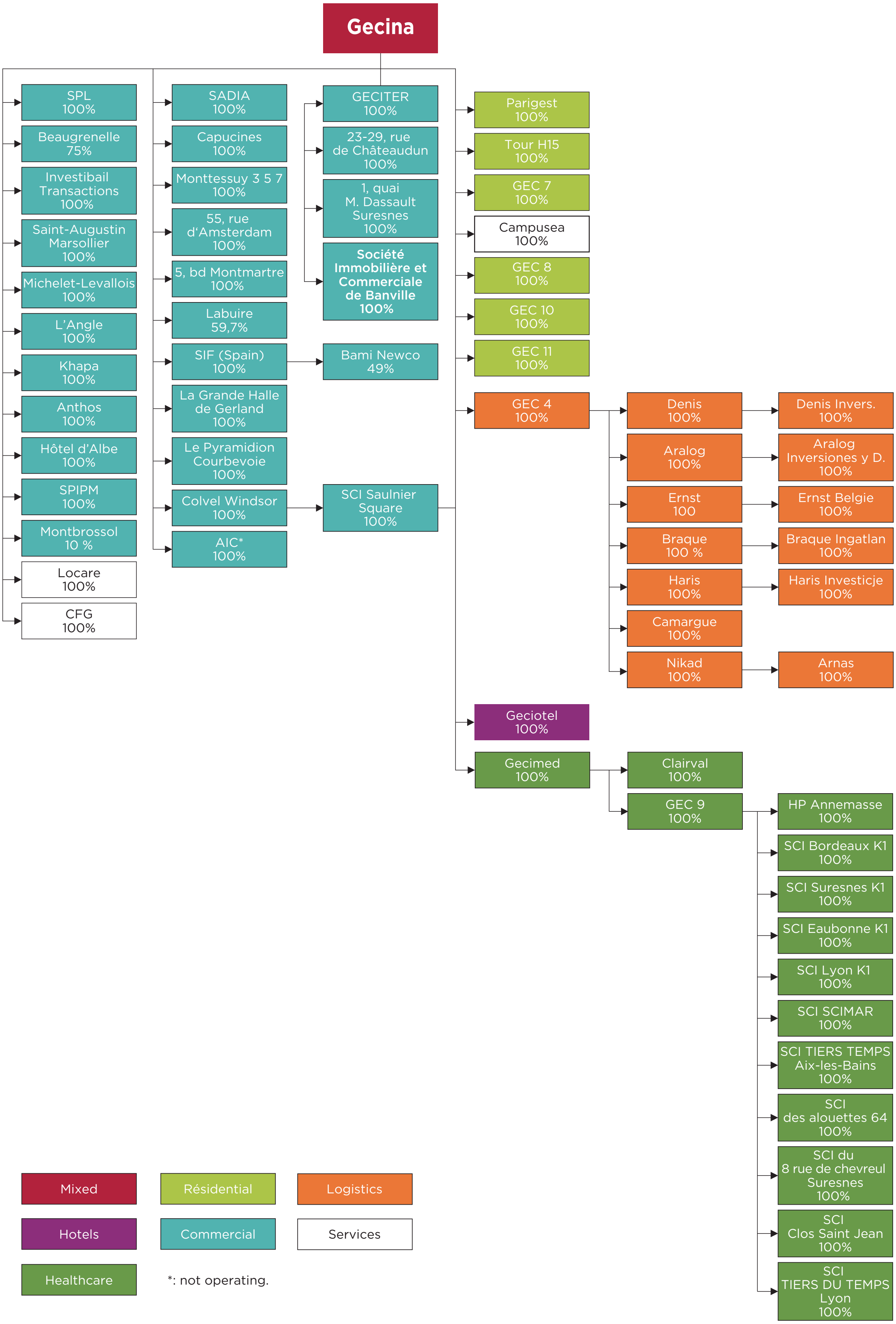
On December 31, 2011, the Gecina group consisted of 67 distinct legal entities including (i) 64 real estate companies holding properties or real estate rights, and (ii) three service companies.

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;
- SARL Montbrossol, in which Gecina holds a 10% equity stake.

Gecina directly holds 51% of the Group's assets by value, including 87% of the residential properties and 43% of the commercial properties.


Gecina
SPL 100%
Beaugrenelle 75%
Investibail Transactions 100%
Saint-Augustin Marsollier 100%
Michelet-Levallois 100%
L'Angle 100%
Khapa 100%
Anthos 100%
Hôtel d'Albe 100%
SPIPM 100%
Montbrossol 10 %
Locare 100%
CFG 100%
SADIA 100%
Capucines 100%
Monttessuy 3 5 7 100%
55, rue d'Amsterdam 100%
5, bd Montmartre 100%
Labuire 59,7%
SIF (Spain) 100%
La Grande Halle de Gerland 100%
Le Pyramidion Courbevoie 100%
Colvel Windsor 100%
AIC* 100%
GECITER 100%
23-29, rue de Châteaudun 100%
1, quai M. Dassault Suresnes 100%
Société Immobilière et Commerciale de Banville 100%
Bami Newco 49%
SCI Saulnier Square 100%
Parigest 100%
Tour H15 100%
GEC 7 100%
Campusea 100%
GEC 8 100%
GEC 10 100%
GEC 11 100%
GEC 4 100%
Denis 100%
Denis Invers. 100%
Aralog 100%
Aralog Inversiones y D. 100%
Ernst 100
Ernst Belgie 100%
Braque 100 %
Braque Ingatlan 100%
Haris 100%
Haris Investicje 100%
Camargue 100%
Nikad 100%
Arnas 100%
Geciotel 100%
Gecimed 100%
Clairval 100%
GEC 9 100%
HP Annemasse 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%
Mixed
Résidential
Logistics
Hotels
Commercial
Services
Healthcare
*: not operating.

1.4.2. Changes in the Group's structure during the year

On June 22, 2011, Gecina submitted a buyout offer followed by a squeeze-out targeted at Gecimed shares. Gecina became sole owner of Gecimed's share capital on completion of the transaction.

On June 23, 2011, Gecina acquired 100% of SAS Horizons which owns the Horizons office property in Boulogne-Billancourt. As part of an initiative to streamline and simplify the structure, SAS Horizons was merged with Gecina with effect from July 1, 2011.

On July 5, 2011, Gecina, through Gecimed's subsidiary GEC 9, purchased from Foncière Sagesse Retraite (FSR), a real estate company, 30 nursing homes, either directly or through 10 companies.

Gecina founded GEC 10, GEC 11, Saulnier Square and la Grande Halle de Gerland for future development.

1.4.3. Post-balance sheet events relating to the Group structure

N/A.

1.5. Business and markets

1.5.1. Economic division

1.5.1.1. Office sector

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

Property Holdings

At the end of 2011, the Offices sector manages a portfolio of 1,089,123 sqm, of which 830,729 sqm in operation distributed as follows:

- 41% in the City of Paris;
- 55% in the Paris region;
- 3% in Lyons;
- 1% in Spain.

Breakdown of assets by size:

- properties with a floor space of more than 10,000 sqm representing 70% of the portfolio (*versus* 44% in 2004);
- 16% of the portfolio is comprised of properties between 5,000 and 10,000 sqm;
- properties with less than 5,000 sqm account for only 14% of the property holding, *versus* 29% in 2004.

Strong recovery of the investment market in 2011

€15.1 billion were invested in commercial real estate in France, representing an increase of 37% compared to 2010, which represents the largest investment volume since 2007. This very sharp increase is especially due to a very dynamic 4th quarter 2011 (€6.5 billion, or around 43% of the annual amount). The €15.1 billion corresponds to €12 billion in offices and €2.3 billion invested in the retail sector, and the rest in industrial assets. €12.2 billion were invested in the Paris Region, which received 81% of all the amounts invested in France.

Investments mainly concerned large portfolios (*i.e.*, 46% of all volumes invested) and large transactions. For example, 35 transactions above €100 million were identified. The most liquid sectors were Paris, the business district of western Paris and the close outskirts.

The proportion of French investors in 2011 is generally stable compared to 2010 at 61%, within which institutionals such as SCPI and OPCI remain particularly dynamic. The leading players among international investors include German (10%), and American (7%) acquirers. Considering the financing terms, the market environment remains favorable to investors with high equity. The commercial real estate market is marked by the caution of investors and the scarcity of prime assets.

Increase in take-up in 2011, office property offering under control thanks to turnkey transactions

After a 15% increase in 2010, 2011 recorded another 14% increase in office property take-up, which stands at 2.4 million sqm. However, take-up decreased by 5% in the 4th quarter 2011, at the same time as the European financial crisis worsened. The market in 2011 was sustained by transactions on 20,000 sqm, with other 21% of take-up, or 515,000 sqm. split between 12 transactions. Demands for less than 5,000 sqm which had strongly fueled take-up in 2010 (+18% over 2009) slackened in 2011 but continue to follow an uptrend. They reached 1.43 million sqm. at the end of 2011, *i.e.*, an increase of nearly 6% compared to 2010.

Indeed, the rebound in take-up was mainly from six transactions signed in 2010 and finalized in 2011 on "turnkey" operations, such as the SFR head office in Saint-Denis (93) for 124,000 sqm, the Thalès head office in Gennevilliers (92) for 78,600 sqm or the Carrefour head office in Massy (91) for 85,000 sqm. If we exclude these six specific transactions, take-up would amount to 18% compared to 2010.

Tenants are guided by four main criteria when choosing office property:

1. steamline their occupations, and optimize the usable floor space with respect to the number of employees. Indeed, the main catalyst for demand is still property streamlining by users. For example, Cushman & Wakefield believe 87% of total take-up for premises larger than 4,000 sqm to be driven by combinations and streamlining. The trend is expected to continue in the medium term;
2. preference for properties close to public transport, with access to major roads and highways;
3. desire to project a modern image and engage in an environmental process, in addition to offering their employees a modern, pleasant well-appointed place of work;
4. cut down on property costs by focusing on each work station.

Rents showed different trends in the various geographic areas. For example, rents in the Paris Region shrank slightly by 1.3% for new or refurbished offices, and by 5% at La Défense. However, rent on prime property in the Paris Business District showed a 7% increase in 2011 at €830/sqm/year, in a context of scare quality products. Rents also surged by 9% on prime offices in the Western Crescent. Furthermore, assistance measures remained significant and ranged between 1.5 and 2 months for each year of commitment.

The tougher financing conditions affecting development operations since 2008, which became even worse in summer 2011, combined with the wait-and-see attitudes of developers and investors have placed enormous pressure on supply. Thus, the available office supply is generally stable at 3.6 million sqm, reflecting a relatively low vacancy rate of 6.6% in the Paris Region. The vacancy rate is particularly low in the Paris Central Business District (4.9% at the end of 2011), and higher in the Western Crescent (10.4%) and in the First Rim (9.1%). As the increase in take-up in 2011 is mainly driven by pre-sales, it did not allow a full absorption of the existing inventory.

At the same time, the quality of the available office inventory has been deteriorating. Indeed, the proportion of new or restructured floor space only represents 23% of the total supply. We expect the combination of this development and the scarcity of future supply to drive up rents in the medium term. For example, only 370,000 sqm of offices will be delivered in 2012 in the Paris Region, of which 160,000 sqm are still available given the pre-sales. The volume of deliveries for 2013 at this stage is limited to 432,000 sqm, of which 375,000 are available.

Outlook

Visibility is still limited in 2012 given the macro-economic context marked by the economic and financial crisis.

According to commercial property consultants, such as Jones Lang LaSalle, CBRE, BNP Paribas Real Estate, the investment market could be driven by two primary factors:

- first, the "safe haven" aspect of real-estate, which continues to stand when compared to volatile stock exchanges;
- second, the sale of distressed assets and the scheduled closing of certain funds could represent new opportunities. Acquirers are likely to continue focusing on core assets.

In all, €12 to 14 billion could be invested in commercial real-estate in France in 2012, according to property consultants.

Meanwhile we expect the search for more economical solutions to remain a priority for businesses on the rental market. This trend might be exacerbated by the upsurge in the cost of construction index which rose by 7% in the 3rd quarter 2011. This will probably cause businesses to seek more cost effective solutions by renegotiating their lease, or by moving. Nevertheless, the gradual implementation of a new index (ILAT) as from January 2012 will help to limit the magnitude of indexing of office rents. Take-up is expected to be around 2 million sqm, in the context of a limited new or restructured supply. This demand will probably be primarily motivated by the search for savings by tenants, as well as business combinations.

Against this backdrop, Gecina will continue its leadership strategy on office property in Paris and in the First Rim. Thus, the Group will deliver nearly 80,000 sqm of offices in six buildings in this area in 2012, as well as an asset of more than 15,000 sqm in Lyons. By the end of 2011, 52% of these development projects had already been pre-leased.

The buildings below will be delivered in 2012. Note that assets in the First Rim of the Paris Region are located on major lines of the "Grand Paris Express" project.

- "Mercy Argenteau" historic building located at 16, boulevard Montmartre in Paris 9e which is being reconstructed by DTACC and will be delivered in the 2nd quarter 2012. It will propose shops with floor areas of 115 sqm and 90 sqm, offices covering 1,080 sqm, 1,015 sqm of reception space as well as 22 housing units, of which six low-income units:
- 96-104, avenue Charles-de-Gaulle in Neuilly-sur-Seine (92) with a useable floor area of 10,426 sqm, will be delivered in 2012. This project was designed by the Lobjoy & Bouvier architectural firm and includes the demolition and construction of the building on avenue Charles-de-Gaulle, the restructuring of two buildings with a garden as well as substructures. The work is part of an HQE® process, with the building on the avenue also aiming for a BBC (low-energy building) label. This building will be the first BBC building in Neuilly and has already been fully pre-leased to two tenants.
- "New Side" at La Garenne-Colombes (92), a new building with useable floor area of 17,955 sqm. will be built on an old Peugeot SA plot. This program is being developed by the Valode & Pistre architectural firm. It has received a triple certification; HQE Construction exceptional level (BBC label), BREAM (Very Good) and LEED (Gold). Delivery is scheduled for 4th quarter 2012.
- "Magistere" at 62-64, rue de Lisbonne – 13-17, rue Murillo in Paris 8th, a building held in undivided ownership by Gecina since July 2010. It comprises three separate private mansions dating from the Second Empire and amalgamated in the 1920s by Dunlop to use as its head office. Currently being restructured by the architectural firm AAA BECHU, the building will offer 7,800 sqm. of top quality office space when delivered by mid -2012. Certification targets include HQE Construction, THPE and the LEED GOLD label.
- "Velum" located in the Buire mixed development zone, boulevard Vivier-Merle in Lyons 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 at the end of 2012 and has already been fully pre-leased to EDF.
- "Pointe Métro 2" at Genevilliers (92). The building comprises 15,000 sqm of office space and 274 parking spaces on two under-

ground levels. Works began in January 2011 for delivery by late 2012. The project signed by the architectural firm Jean-Paul Viguier, is aiming at the HQE and BBC certifications.

- 97 avenue Pierre Brossolette in Montrouge (92). This property complex with office floor space of nearly 24,000 sqm has been fully pre-leased to EDF, under a pre-construction commercial lease for a firm period of nine years. The project will be completed in the 4th quarter 2012. It benefits from the HQE and BBC certifications.

1.5.1.2. Logistics sector

Property holding

The logistics portfolio comprises 34 platforms in operation representing 647,127 sqm. 28% of assets in operation are located in the Paris Region (seven sites), 64% in the rest of France (excluding Lyons), 1% in the Lyons region (*i.e.*, 24 sites in the rest of France) and 7% in Spain (three sites).

A market with too much capacity

Take-up in France for large warehouses increased by 26% compared to 2010 and stood at 2.2 million sqm, with the Paris Region totaling 37% of total volume. Demand from shippers and the retail industry remained buoyant over the period, but was still 14% below the peak demand recorded in 2008. However, this market clearly has too much capacity, since the available offer amounts to 3.5 million sqm. “Prime” rent stayed stable overall in 2011 at €52 per sqm and per year in the Paris Region.

Outlook

After divesting 26% of its logistics portfolio in 2011, Gecina will pursue its medium term strategy of exiting from this asset category.

1.5.1.3. Hotel sector

Property holding

At the end of 2011, Gecina owned five assets representing 92,223 sqm, four of which are operated by Club Méditerranée (98% of surface areas). 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 the four principal assets as part of Club Méditerranée’s successful strategy to make its villages more upmarket. Gecina used this opportunity to revise the rent and the lease term, as appropriate.

The fifth hotel held by Gecina is a small property in south-eastern France which will eventually be sold.

Outlook

At the end of 2011, the residual firm term of the Club Med leases was six years and nine months. The length of this period combined with a 100% occupancy rate on this property holding, ensures secure and long term income for Gecina. The sale of these assets is not considered a priority, given their superb locations, their architectural quality and the secure and recurring cash flow they generate. Gecina will however review any interesting opportunity.

1.5.2. Demographic division

1.5.2.1. Residential sector

Sources: www.paris.notaires.fr, INSEE, guide du crédit, Clameur.

Property holding

Gecina substantially recentered its residential property on Paris and the Paris First Rim in 2011. This movement led to the disposal of 75% of the Group’s residential portfolio in Lyons. At the end of 2011, 96.3% of the residential portfolio is thus located in Paris and in the Paris Region, *versus* 91% in late 2010.

Residential surface areas in operation are broken down as follows:

- 71% in the City of Paris;
- 25% in the Paris Region;
- 3% in Lyons;
- 1% in other regions.

Continued increase in values, modest change in market volumes

Once again residential property prices in Paris recorded a sharp surge in 2011, peaking at an average of €8,360 per sqm at the end of September 2011, up 19.1% on an annual basis. However, the macro-economic downturn and the credit crunch hit transaction volumes. For example according to third quarter 2011 figures, the sale volumes of old apartments in Paris shrunk gradually and modestly by nearly 7% in one year.

Despite tensions on French bond yields and turbulence on banking markets, the conditions for mortgage loans remained generally favorable over the year. For example, the borrowing rate for a 15-year mortgage was 4.05% in December 2011, *versus* 3.7% in January 2011.

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

A resilient rental market

Source: Clameur.

Growth in market rents slowed in 2011. Indeed, although rents increased on average by 2.8% a year in the Paris Region and 3.4% in Paris over the 2000-2011 period, market rents increased by 0.8% in Paris Region in 2011 and stayed stable in Paris.

- Paris: €22.4 per sqm. and month excluding charges (€22.4 per sqm. and month in 2010);
- Paris region: €17.9 per sqm. and month excluding charges (up 0.8%);
- Whole of France: €12.4 per sqm. and month excluding charges (up 0.9%).

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.

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 contribute to supporting asset prices. By 2012, the expected tightening of credit terms, changes in regulations such as the restriction of entitlement to the Zero Interest Rate Loan, the change in the taxation of capital gains and the macro-economic slowdown could lead to a contraction of transaction volumes on the Paris market similar to the trend during the 2008 and 2009 downturn.

Although rents should stabilize in Paris and in the First Rim, and asset turnover is also expected to fall slightly, the difference between rents for incoming/outgoing tenants should stay high in Paris.

Having once again refocused in 2011 on the high demand markets of inner Paris and the Paris First Rim, Gecina's market reputation tends to support rents and asset values.

Gecina announced in the 4th quarter 2011 its determination to complete a €500 million block sale of residential assets by the first half of 2012. At the end of February 2012, this goal had already been partly reached with the signing of a preliminary sale agreement for disposal of €444 million of residential assets. Indeed, the Group signed a preliminary sale agreement concerning 10 housing properties with a leading French institutional group for €395 million (excluding transfer duties). Furthermore, Gecina signed a preliminary sale agreement with a group of investors for a residential building in Lyons for €49 million (excluding transfer duties). Lastly, the Group intends to pursue in 2012 its goal of selling €300 million of residential property, primarily in units, a year.

1.5.2.2. Student residences sector

Property holding

At the end of 2011, Gecina was managing 9 student's residences, 3 in the Paris Region and six in other French regions, representing 1,400 beds.

A market still affected by scarce supply

With more than 2.2 million students, more than 60% of whom share an accommodation and hardly any supply in terms of customized residences, this market is characterized by extreme shortage of supply, especially in the Paris Region. 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. No significant change is expected on this scarcity of supply in the market in the medium term.

In 2011, Gecina delivered a student's residence in the 13th arrondissement, the leading university district in Paris, representing 183 new units, of which 162 fitted and furnished studios.

Outlook

Gecina's ambition is to raise its student's residence portfolio to 5,000 beds by 2014, by targeting major French cities. Three development projects are currently under study or under construction in the Paris Region. The Group acquires or develops entirely new residences, built to the highest Sustainable Development standards. All new residences are built to the highest sustainable development and energy efficiency standards (BBC label) and in the premium (high level of comfort, design, equipment and services) spirit of Campuséa, no. 1 owner-operator in France.

1.5.2.3. Locare, Gecina's marketing agent

Through its subsidiary Locare, Gecina is one of the only fully integrated French players in the residential property sector, which provides asset management, property management, facility management and transactions functions for its own property holding 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 sales of assets, for both residential as well as office and hotel properties, for Gecina group companies and for third parties;
3. asset management for Gecina companies and for third parties.

Locare's no. 1 business, asset sales, accounting for 71% of revenues, posted €7.8 million in 2011, *i.e.* similar to 2010 (€7.9 million), mainly from retail sale fees.

The marketing segment posted 2011 revenues of €2.9 million, down from €3.8 million in 2010. This decline is a direct result of the reduction in Gecina's residential property holding due to the asset divestment policy. In fact, Locare's rental business remained buoyant, driven by 1,519 apartments, for which leases were extended with a 9.9% increase between rents of incoming/outgoing tenants.

Outlook

Locare's activity should be supported by retail sales of residential property implemented by Gecina. Indeed, the Group intends to continue in 2012 its goal of selling €300 million of residential property, primarily in units, a year. Locare's revenue should therefore show a significant increase in 2012.

1.5.2.4. Healthcare sector

Property Holdings

Through the intermediary of Gecimed, its subsidiary, Gecina owns the buildings of 70 facilities, clinics and homes for elderly dependent people, with a total of nearly 8,000 beds.

In the medical/social sector (homes for elderly dependent people), the budget constraints weighing on public finances have considerably limited construction of new facilities; for example 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 this context, Gecina's operating partners have fueled growth by adding beds more than by building new capacity, excluding previously launched and financed deals. As such, this trend promotes partnerships between real estate operators and healthcare professionals as illustrated by the one entered into between Gecimed and DVD.

On the Healthcare sector, there have been signs of streamlining with a concentration on the most efficient clinics, at the expense of old and inadapted facilities, such as in Le Havre where Gecimed has built and owns the Hôpital Privé de l'Estuaire, run by Générale de Santé, after four sites were shut down.

Consolidation continued on these two sectors in 2011 as transactions were completed on large healthcare property portfolios, especially through major European real estate companies.

Transaction	Date	Assets	Seller	Buyer	Yield	Price
FSR portfolio	July 2011	30 EHPAD	Foncière Sagesse Retraite	Gecimed	6.36% (triple net)	€231 M +€26 M capex
Medica	Summer 2011	5 assets (EHPAD+SSR)	Medica	Cofinimmo	6.51% (dble net)	€44.5 M
Médipartenaires 1	September 2011	7 MSO clinics	Medipartenaires	Icade Santé	6.60%	€233 M
Médipartenaires 2	November 2011 (sale agreement)	4 MSO clinics	Medipartenaires	Icade Santé		€112 M

Outlook

Gecina is currently constructing a private hospital in Annemasse, scheduled for delivery in the second half of 2012 to Générale de Santé Group through the signature of a firm 12-year lease. It will replace two obsolete clinics in the region.

Furthermore, Gecina is contemplating buying and constructing new facilities as and when the opportunity arises.

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, logistics and hotels (economic division) and residential, student homes and healthcare (demographic division).

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 economic growth, interest rates, 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 unfavourable 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 revenues, 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 Appendix 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% of rental revenues and 56% of the value of Group assets. 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 holding, 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 "from social responsibility to sustainable development);
- work undertaken to restore vacant premises to their former condition before they are re-rented is often more extensive for office real estate than for residential real estate;
- the risks attendant on tenant's insolvency and their impact on the Group's earnings are greater for office real estate owing to the relative size of each tenant.

1.6.1.1.3. Competition

Gecina is present on five segments of the real estate market, 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, assets 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 with the investment criteria or the objectives Gecina has set for itself.

Among European real estate investment and management companies, Gecina carried a weight of 3.78% of the IEIF Immobilier Europe index at the end of December 2011, behind respectively Unibail-Rodamco (11.86%), Land Securities (5.49%), British Land (4,57%) and Klépierre (3.88%).

With a block property holding of €11.8 billion as at December 31, 2011, Gecina is the third largest real estate company in France after Unibail-Rodamco and Klépierre.

This competition is especially felt 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's property portfolio is valued as at June 30 and December 31 each year by a board of independent appraisers. The procedure applied by Gecina for the last appraisal of its property holding on December 31, 2011 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 income statement. 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.

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.

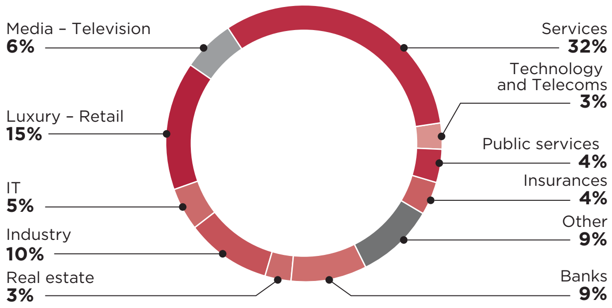
Risks linked to pre-construction sale agreements (VEFA):

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 costs) 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).

1.6.1.2.2. Risk of tenant insolvency

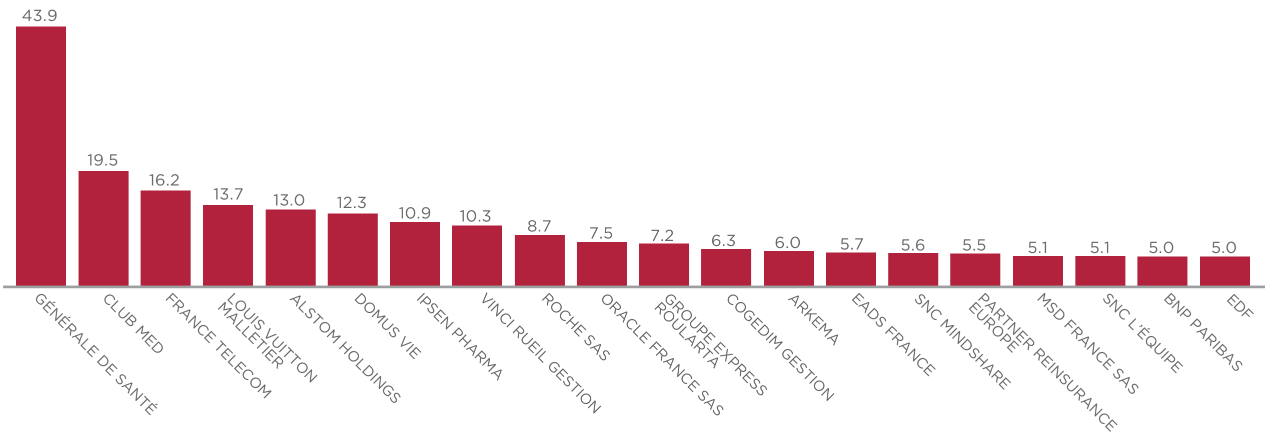
Rental revenues come from rent collected and may therefore be considerably affected by the insolvency or departure of tenants that account for a large proportion of rent collected. Depending on the change in the economic environment, any financial difficulties of tenants, in particular in the office and logistics 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, 2011, the Group's dependence on its main customers was as follows:

Rent from main tenants *(in € million)*



Gecina's top 20 tenants in 2011 accounted for 34% of rental income of the entire Group.

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

The financial occupancy rate of the Group's buildings was 95.1% as at December 31, 2011. 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 favourable 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 or logistics warehouses or to maintain a satisfactory financial occupancy rate and rental revenues, this could adversely affect its revenues, operating income and profitability.

Three-year lease terms restated to reflect office lease terms not exercised in the first half of 2012

(€ million)	2012	2013	2014	2015	2016	2017	2018	>2019
Offices	49.5	59.3	42.0	79.1	23.9	27.1	9.7	17.4
Logistics	1.9	6.5	10.7	0.0	0.0	0.0	0.0	0.0
Hotels	0.0	0.0	0.0	0.0	0.0	19.5	0.0	0.0
Healthcare	0.0	0.1	0.0	0.3	5.1	0.0	17.9	44.2
TOTAL	**51**	**66**	**53**	**79**	**29**	**47**	**28**	**62**

Lease agreements expiry schedule

(€ million)	2012	2013	2014	2015	2016	2017	2018	>2019
Offices	24.1	9.3	21.2	40.8	40.7	43.5	69.7	58.5
Logistics	0.1	0.1	0.0	0.0	1.5	6.9	1.8	8.6
Hotels	0.0	0.0	0.0	0.0	0.0	19.5	0.0	0.0
Healthcare	0.0	0.1	0.0	0.3	5.1	0.0	17.9	44.2
TOTAL	**24**	**10**	**21**	**41**	**47**	**70**	**89**	**111**

1.6.1.2.4. Acquisition risks

Gecina is planning to acquire commercial, healthcare and students' 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. This may lead it to buy them at a price that is too high given the financing required for such acquisitions, or prevent it from buying 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;
- if an acquisition is to be financed by the sale of other assets, unfavourable 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 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.

1.6.1.2.5. Obsolescence risks

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 holding. New professional standards, approved trade practices, quality labels and certifications may govern certain activities or impose non-regulatory technical objectives required by Group clients. This applies, for example, to the general demand by players for environmental certifications such as HQE®, BBC, LEED, BREEAM, Patrimoine Habitat & Environnement, on the majority of new or restructured commercial buildings. Failure by the company's buildings to meet client demands could negatively impact Gecina's revenues, operating costs and the value of its assets.

1.6.1.2.6. 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 the common 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 unfavourable 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.

1.6.1.2.7. 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 results.

1.6.1.2.8. 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 results. 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 of 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 assets, 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 assets.

1.6.1.3.2. Risks related to stringent lease regulations

With respect to residential leases, the annual rent revision is regulated and, for a current lease, it may not exceed the annual change in the Rent Reference Index. So long as the annual turnover rate of the Group's operating residential properties is low, 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 particular, in periods of high demand for rental housing units, the Group would not be free to raise the rent of outstanding leases more than the increase in the Rent Reference Index, and hence would not be able to apply the rental rates set for newly signed leases to them.

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 (CCI), 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. This indexing is calculated for commercial rent as a function of the change in the quarterly Cost of Construction Index (CCI). 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.

Considering the erratic trend of the cost of construction index, a new index, the tertiary activities rent index (ILAT) has been created by law and made enforceable through the decree published at the end of 2011. The new index requires a contractual agreement before it can be applied and is expected to reduce the risk of rent renegotiation by tenants.

Furthermore, contractual requirements related to the duration, cancellation or renewal of these leases as well as requirements relating to calculation of compensation due to evicted tenants are mostly justified under public policy and restrict Gecina's freedom to optimize management of rental revenue.

This means that during periods of high demand for rental space, the Group would not be free to raise the rent of current and cannot set the rental value outside the framework of 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 expenses and taxes 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 regime 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 transfers of properties or equity interests in real estate companies, and dividend payments from certain subsidiaries.

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

The benefit from the tax exemptions under SIIC is contingent on compliance with an obligation to distribute 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. Moreover, if Gecina were to opt out of the SIIC regime within the next 10 years following the adoption of the SIIC status, it would have to pay additional tax that could have a materially adverse effect on its results and financial position.

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% deduction 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 deduction 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 deduction is due by the Deduction Shareholder.

A similar mechanism is in place for the case where a Gecina subsidiary having SIIC status would be subject to the 20% deduction tax because of the presence of a Deduction Shareholder in Gecina's share capital.

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

The criteria of eligibility to the SIIC regime and the tax exemption conditions associated with this system and the deduction scope 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 Act for 2008, the amended Finance Act for 2010 and the amended Finance Act for 2011 brought certain changes to the regime, especially the aforementioned provisions concerning a shareholder's 60% or more of the capital or voting rights by one or several shareholders (except for the REITs themselves) acting in concert, or, the 20% deduction tax, the exit tax rate which has risen from 16.5% to 19% as at January 1, 2009, the extension of the plan to include certain property rights, sanctions in the case of definitive withdrawal from the SIIC system and the SIIC III plan which, although extended to December 31, 2011, was not renewed on January 1, 2012 (however, a new regime covering just disposals of commercial premises held for conversion into housing units was introduced on January 1, 2012). 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 date of this document. Furthermore, future amendments to the SIIC regime could have a materially adverse effect on the Group's business, financial position and results.

Tax environment

Gecina is exposed to risks related to changes in applicable tax rules 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 affect on the Group's financial position and results.

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 results.

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 favourable 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 results 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. Joaquin 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 3.5.5.12 and 3.5.8.3 to the consolidated financial statements.

These acquisitions and 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, this may 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 risk (see also Note 3.5.5.12 of the Notes to the Consolidated Financial Statements).

The *Association de Défense des Actionnaires Minoritaires* (minority shareholders association) 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, Joaquin 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 intends to fully assist 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 maybe joined as a party in the future, together with the company's executives and representatives.

At the beginning of 2011, Gecina asked the French legal authorities to appoint a court expert to appraise the potential consequent damage to the Gecina group resulting from the acquisition of a 49% stake in Bami Newco. This request was rejected by the interim relief judge on April 14, 2011. The company appealed the ruling. The Paris Court of Appeal confirmed the ordinance of the summary relief judge.

To the company's knowledge, there is no other government, judicial or arbitration proceedings pending or threatening it, which may, in the next twelve months, 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.

The "Risks" Department applies risk identification, analysis and management systems to regulate the risks associated with the safety and environment of buildings, while Internal Audit uses these systems for risks associated with the company's management operational risks. Risk management is the responsibility of the various group divisions, depending on the type of risk.

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 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. Each evaluation results in the 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

Real estate risk mapping is aimed at helping the different Group players pay more attention to risks in their day-to-day management.

It currently concerns 18 areas, one of which is currently being assessed (fire).

Categories	Areas
Health protection	"Asbestos risk" "Management of cooling towers and risks of legionnaire's disease" "Management of risks associated with mobile telephone masts" "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 for each identified risk;
- define and implement action plans for controlling risks.

This procedure is managed by the Architecture and Construction Division.

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,
  - very efficient: efficient + level corresponding to best industry practices;
- application of weighting on a scale of 1 to 8 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 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 indicators, Efficient and Highly Efficient 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 the 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 least all the 17 areas of an asset must be assessed under the standard criteria before it can qualify for a medal.

The associated computer system facilitates the review by providing a global, consolidated view that helps to ensure continuous improvement. The risk map is constantly updated.

A specific computer platform also ensures transparency for customers with regard to risk. Indeed, customers now have the opportunity of using the internet to consult technical files about asbestos and the state of natural and technological risks in the building. 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.

The 18 mapped areas

The mapping aims to identify and define sets of standards and policies for each of the major risks associated with owning real estate assets.

It fully covers 17 areas of risk or danger or factors relevant to environmental protection. The Fire area is currently under evaluation.

The goal for 2011 was to complete 90% of the assessments.

A risk management system audited by an external auditor

An external audit was performed late 2011 – early 2012 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 2011;
- assessment of the quality of self-assessments and the quality of the data transmission and consolidation process;
- conduct of assessments regarding fire on 72% of the financial value of Gecina's assets;
- checking of the results obtained against Gecina's commitments (assessment rate, rate of indicators complied with and the weighted overall performance level).

The auditor's findings are once again encouraging this year: "we consider that Gecina has an efficient risk assessment and management system that allows real and constant monitoring of its portfolio holdings. In the light of the weighting assigned to the indicators, we consider the system to be representative. This system is a useful management tool that provides a comprehensive and targeted view. The upgrades to the system, especially to the DDT module (technical audits file), have allowed Gecina to boost the operational efficiency of its portfolio management.

The implementation of the risk indicators self-assessment drill by operating staff was satisfactory given the staff's experience and competence on the system".

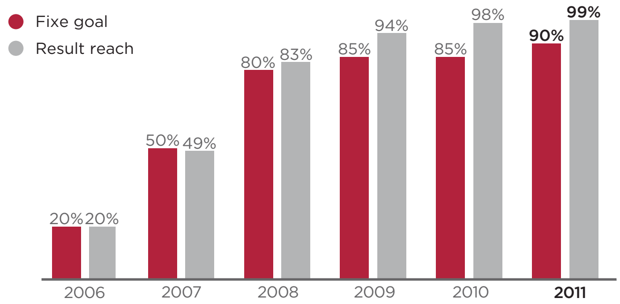
The audit certificate is presented at the end of this section.

98.8% of assessment

The quantitative and qualitative control of assessments confirms "that the overall assessment rate of risk control indicators was 98.8%. The 90% assessment goal has been reached".

The auditor also confirmed that the self-assessments carried out by Gecina staff were very high quality.

Percentage of property holdings incorporated in the mapping

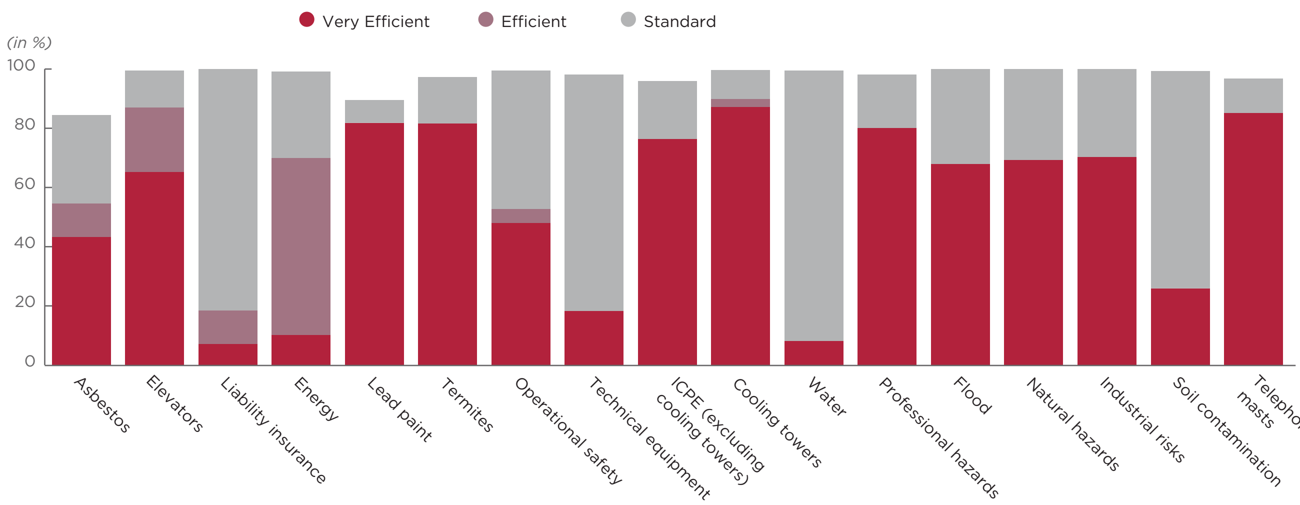


Particular types of assets were taken out of the mapping (*e.g.* properties taken off the market, overly small surface area, etc.).

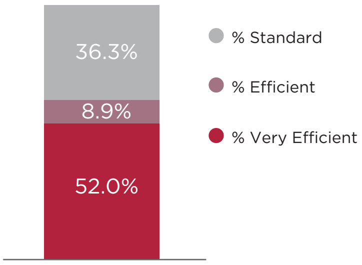
81.9% performance

Out of a total of 61,465 indicators, 81.9% have been complied with. This represents a 2.5% improvement compared to the 2010 rate, which, given the significant change in the property holding in 2011 due to sales and acquisitions of new sites, is a good result.

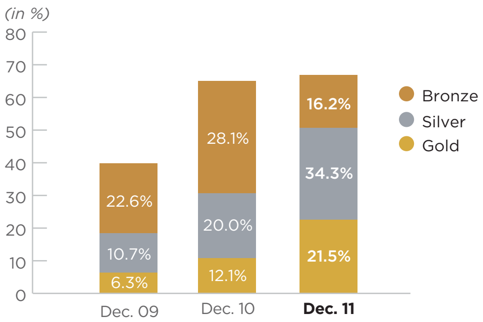
Efficiency levels of assets by area (financially weighted assets)



Breakdown of indicators by performance criteria (after weighting) for 2011: a weighted overall efficiency rate of 97.2%. The initial goal of 95% has been exceeded



Weighted distribution (after application of inter-sector and financial weightings) of the trophies of all Gecina assets: a significant improvement in results



1.6.3.1.2. Measured classification of Gecina's risk exposure

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: weighted efficiency rate as at December 31, 2011: 84.4%

This concerns assets for which building permits were obtained prior to July 1, 1997.

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 of Gecina's property holdings have been subjected to a complete material audit, for which an Asbestos Technical File (ATF) was created.

When buying properties, Gecina 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 sale by unit 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.

The new Asbestos regulatory obligations applicable as at January 1, 2012 will bolster individual protection against this risk, once the latest decrees have been published.

Cooling towers (TAR) and risk of legionnaire's disease: weighted efficiency rate at December 31, 2011 99.6%

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

At the end of 2011, only 13 of Gecina's sites are equipped with such cooling towers, 4 of them have been dismantled.

To respond to this risk, Gecina:

- protects the environment and complies with the regulations in force by implementing controls and effecting the necessary maintenance of water distribution, heating or cooling systems by engaging selected contractors;
- checks the quality of the elements discharged by the cooling towers (discharges into the air, into sewers, etc.);
- assures transparency by supplying any document related to the management of cooling towers.

The assets at risk are subject to precise water analyses. Gecina also endeavors to limit its risk by performing a variety of work on these types of buildings.

Electromagnetic waves and mobile phone masts weighted efficiency rate as at December 31, 2011: 96.7%

In view of the controversy surrounding the effects of wave emissions from mobile phone masts, Gecina has implemented a pre-emptive risk policy.

30 installations are constructed on building patios, *i.e.* a little under 9% of the property holding.

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

The regulatory constraints and obligations as well as the charter on mobile phones signed between operators and the City of Paris in 2003 were complied with in 2011. Pending the outcome to the renegotiation of the charter on mobile phone masts between the City of Paris and operators. Gecina has opened talks with the operators for the levels from this previous charter to be maintained.

In addition to ongoing oversight, Gecina has entrusted a specialized research agency with the task of monitoring and verifying 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.

Lead in claddings and volatile organic compounds: weighted efficiency rate at December 31, 2011: 89.8%

Only assets built prior to 1949 are concerned.

Diagnostics and any treatment required are undertaken when renovation work is performed on these 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 material has been identified by the Group's appointed experts as being in poor condition, and no tenant has indicated any significant deterioration on his or her private premises.

As in previous years, no lead poisoning was reported in 2011.

b. Customer and building safety, comfort

Elevators: weighted efficiency rate at December 31, 2011: 99.5%

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 (up to date with the latest regulatory changes) with an elevator service company;
- 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 2011, notably in several office buildings. This work involved 15 elevators and has already made the elevators compliant with regulations required by 2013 or 2018 at a total cost of €0.6 million. Five elevators are planned for 2012.

Neither Gecina nor its occupants/users were involved in any accidents in 2011.

General safety: weighted efficiency rate at December 31, 2011: 99.5%

The audits cover the risks associated with fire, explosions, falls, traffic accidents, accidents and falls from a height, intrusions, electrical accidents, leaks, flooding, ICPEs and other miscellaneous risks.

Since 2001 Gecina has been conducting safety audits on all of its property holdings in order to classify its buildings into three categories (low-risk buildings, medium-risk buildings with urgent issues identified in the course of an inspection and buildings at risk requiring in-depth additional examination). These audits, reported to property managers, make it therefore possible to assess the vulnerability of assets and to introduce preventive actions along with risk mitigation measures.

These audits were performed on all of Gecina's properties by independent consultants or by the Architecture and Construction Division in collaboration with technical managers.

The Operational Departments involved carry out the necessary corrective actions.

Fire safety: 72% of Gecina's property holding by value has been audited by experts accredited by Gecina's insurer.

Given that fire risk is a long-standing and habitual concern in the real-estate sector, it is included, with respect to servicing and maintenance, in the above "general safety" and "technical equipment" benchmarks.

In its role as a real-estate professional, Gecina takes advantage of any renovation work on all or part of assets in order to improve fire safety and, if necessary, exceed the relevant regulations. It then informs the occupants concerned about the measures put in place.

Gecina systematically installs any necessary or prescribed safety equipment for new constructions or renovation of all its property holdings. Gecina completed installation or upgrading work on alarm and/or fire protection systems in three of its office buildings amounting to €0.1 million in 2011.

Technical equipment: weighted efficiency rate at December 31, 2011: 98.1%

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 depends (electricity, lifting mechanisms and devices, lightening 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. As a result, Gecina imposes a mandatory annual inspection of all its sensitive equipment.

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 and Technological Risk Prevention Plans, and calls for better public information.

In response to the regulatory requirement of providing a Statement 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: weighted efficiency rate at December 31, 2011: 100%

All Gecina sites have been analyzed with the help of outside experts. An inventory has been made of the 87 properties exposed to potential flooding (according to the Statement of Natural and Technological Risks) and their degree of vulnerability.

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 103.

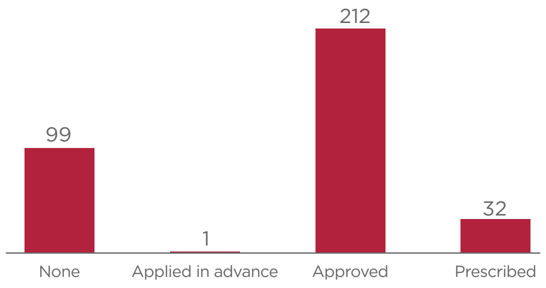
These properties have already been subjected to a flood hazard assessment.

Natural hazards: weighted efficiency rate at December 31, 2011: 100%

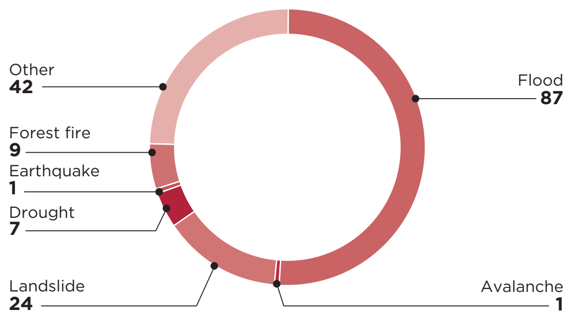
The assessments were made using the information provided by the SNTRs.

Filling work has been completed with regard to any building constructed on underground cavities, quarry areas or zones 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.

Natural Risks Prevention Plan (PPRN)
Number of buildings situated within an area covered by a natural risks prevention plan in 2011



Assessment of Natural Hazards



Industrial and technological hazards: weighted efficiency rate at December 31, 2011: 100%

The assessments were prepared based on information provided by the Statement 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 Technological Risk Prevention Plans, three sites are located in a zone containing a technological hazard, which mainly relates to logistics assets.

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): weighted efficiency rate at December 31, 2011: 96.1%

The existence and operation of regulated environment protection facilities (ICPEs) expose Gecina to risks of harm or pollution. These risks can also affect the health and safety of tenants and nearby residents.

The actions currently being undertaken in this area by Gecina are described in the section of the report on sustainable development.

Water management: weighted efficiency rate at December 31, 2011: 99.4%

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.

The policy and implemented actions are described in the chapter on Sustainable Development.

Energy management: weighted efficiency rate at December 31, 2011: 99.2%

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

Termites and other parasites: weighted efficiency rate at December 31, 2011: 97.3%

The presence of termites, xylophagous insects or fungus in buildings can have serious consequences on the building structure, resulting in material damage and often significant repair costs are required to restore the building to good condition. Furthermore, it also incurs a risk of contaminating neighboring buildings.

The existence of termites was not detected in any building in 2011.

Soil contamination: weighted efficiency rate at December 31, 2011: 99.3%

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

Gecina also possesses historical and documentary studies and/or soil analyses for 112 sites. 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 the year.

d. Protection of employees

Work risks from occupational accidents: efficiency rate by standard area or more at December 31, 2011: 98.2%

Gecina's business activity does not expose its employees to a significant risk of accident or to any problematic working conditions.

The identification of high risk operations for each work station has led to the introduction of preventive actions.

Accidents are monitored by the Architecture and Construction Division. As appropriate, corrective or preventive actions are carried out to mitigate these risks. For example, the preventive action carried out this year includes a mandatory kit of individual protective gear provided to each superintendant, training for electrical skills certification (H0B0), improvement in body movements and postures, and prevention and management of physical or verbal assaults.

e. Responsibility in leases

Responsibility in leases: weighted efficiency rate at December 31, 2011: 100%

Gecina's entire property holding has undergone a lease analysis.

Assessments relating to this set of 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 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 cell was set up in 2001 and updated in 2011, following Gecina's restructuring. The existing procedures have been supplemented with the preparation of potential crisis scenarii.

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

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

584 calls, 158 of which did not require an intervention.

The crisis unit was mobilized in May 5, 2011, following the report of a fire on a flat roof of a Gecina building under reconstruction in the 15th district of Paris. The fire was rapidly extinguished by the firefighters. There was very little material damage and more importantly no casualties.

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CERTIFICATE

Oxéa was commissioned by Gecina to expose an external opinion on its risks control device. Our audit was realized between December 12th, 2011 and January 17th, 2012 and dealt with the following points:

Achievement of evaluation objectives:

On 16/01/12, Oxéa guarantees that the global rate of estimated indicators has been 98, 8%. The objective of 90 % evaluation is reached. Thus, on mapping results, the global rate of weighted performance is satisfactory with 97, 2 %, which proves a high level of risk control. The target was initially of 95 %.

Quality of self-assessments:

Regarding self-assessments quality, our audit targeted five segments: Elevators, Technical Equipments, Classified Installations Environmental Protection, Cooling Towers and Antenna. Audit results demonstrated that those segments are globally satisfactory.

Quality of datas' transmission & consolidation process:

Our study on data transmission's quality & consolidation process revealed no errors, between data input and output. The strict quality control performed by the contractor in charge of the data consolidation ensures the good quality of the process.

Evolution of the risks control device:

Oxéa noticed the improvements brought to the risks device. Those improvements allow Gecina to improve its operational performance. Based on mapping results, Oxéa also noticed that more and more of its assets get an award according to its low risk's level.

Oxéa also pointed out the work in progress on the integration of the "Fire" segment. This segment is evaluated for 72% of Gecina property holdings (in financial value).

At PARIS, January 24th, 2012

Sylvie LEPICIER
CEO Oxéa Group

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oxéa conseil

1.6.3.2. Management of Operational risks

With regard to operational Group Management risks, 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 in the Group's divisions based on analytical and 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 the 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 programme 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 directors 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 programme that covers Gecina as well as all its subsidiaries or partnerships with leading insurers, principally ACE Europe, AXA and Liberty Mutual, through the insurance broker, Assurances-Conseils, SIACI Saint-Honoré and Cabinet Bessé.

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

There is no captive insurance company in the Group.

1.6.4.1. 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 programme 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 programme that covers damage to its property holding, including that caused by natural events, acts of terrorism and attacks, claims by neighbours and third parties, loss of rental income, and consequential losses and indemnities. The programme 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 some as sets, further to prior appraisal to determine the maximum possible loss (MPL) and reasonably foreseeable risks (RFR), Gecina has elected for specific limits of liability (LOL) which have been raised as part of the program's negotiation on July 1, 2011:

- €50 million for logistics assets covered through its special warehouse policy;
- €150 million for the largest office or residential properties.

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 building insurance programme also includes policies taken out during construction work on a case by case basis.

Contractor's liability insurance (in France, *dommages ouvrage* or "DO") is taken out whenever necessary in conformity with the Spinetta Law 78-12 of January 4, 1978 and in accordance with the Group's policy, the goal of which is cost control and risk protection.

Thus a "DO" or comprehensive builder's insurance policy is taken out in the following cases:

work exceeding €300,000 (taxes included) and comprising:

- risk coverage for construction unfit for purpose; or, and in Note 3.5.3.1 of the accounting principles.
  - a risk of impropriety relative to the structure, or
  - risk coverage for the structural soundness of the construction, or
  - a major risk to equipment integral to the work (the worksite's purpose);
- works for sums less than €300,000 (all taxes included), but high-risk considering the techniques employed, on existing assets (structural work, roofing, waterproofing, etc.), or consequential immaterial damage.

Work sites using standard techniques, requiring sums less than €6 million are covered under the SIACI Saint-Honoré/AXA agreement. For works entailing sums greater than €6 million, contracts are negotiated and concluded on a case-by-case basis.

1.6.4.2. General and professional liability

Bodily, material and immaterial damage 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/premiums ratio with effect from January 1, 2010.

Mandatory coverage for professional liability of subsidiaries whose activities come under the Hoguet Law is incorporated into the Group's civil liability programme. The programme was renewed for two years as from January 1, 2012.

1.6.4.3. Environmental 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 programme was renewed for two years as from 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 advice 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 2011.

COMMENTS ON THE YEAR

The Group's consolidated income statement 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 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. 2011: a year marked by significant success stories in refinancing and asset disposals

Gecina achieved major successes in 2011, a year marked by a significant deterioration in the economic outlook for Europe, while bank financing also dried up considerably. More specifically, the Group raised 1.1 billion euros of financing, sold off 926 million euros of assets and invested 860 million euros. Building on these successes, January 2012 saw a record level of preliminary sales agreements signed for 444 million euros of residential assets on a block basis, enabling the Group to quickly strengthen its balance sheet, in line with the commitment made during the fourth quarter of 2011.

In 2011, recurrent income before tax came to 310.4 million euros, incorporating changes in terms of the accounting presentations applied. Before taking these changes into consideration (0.3% of recurrent income before tax), this indicator is down -4.9% to 311.2 million euros, better than the guidance figure of -7%. A proposal will be submitted at the General Meeting on April 17, 2012 for a dividend of 4.4 euros per share, in line with the payout requirements linked to the real estate investment trust status.

2.1.2. Rental income up by 1.3% on a like-for-like basis, with a slight drop excluding AON settlement

Gross rents climbed 2.5% on a current basis and 1.3% like-for-like, boosted by the settlement of €10.5 million paid by AON in the 2nd quarter 2011 in the context of a lease termination, net of IFRS reversal. Restated by this impact, gross rents climbed by 0.8% on a current basis and dropped 0.6% on a like-for-like basis.

Rental income from **office properties** was up by 4.5% on a current basis at year-end 2011, primarily due to the positive impact of the integration of income from the Portes d'Arcueil building and the Horizons tower. On a like-for-like basis, gross rents from office properties are up by 0.6% if we include the settlement paid by AON. Restated of this impact, gross rents on a like-for-like basis shrank by 2.8% under the effect of the increase in vacancy rate. Indexing, neutral at the end of September 2011, had a positive impact of 1% at the end of 2011.

Residential real estate grew by 2.2% on a like-for-like basis thanks to the positive effect of indexing, and the 9.9% differential in incoming/outgoing rents. The **hotel** and **healthcare** segments were also boosted by the effect of indexations, as well as the additional rents generated by improvement or extension works. The sharp increase in rents on a current basis in healthcare properties reflects the consolidation, from July 2011 onwards, of 30 nursing homes in the FSR portfolio. In **logistics**, gross rents were up 0.6% on a like-for-like basis, thanks to the increase in the occupancy rate.

			Change *(%)*	
€ millions	**12/31/2011**	12/31/2010	Current basis	Like-for-like
Group total	632.5	616.8	2.5%	1.3%
Offices	350.2	335.0	4.5%	0.6%
Residential	178.5	183.3	–2.6%	2.2%
Healthcare	58.2	47.0	23.8%	2.9%
Logistics	26.0	32.1	–19.0%	0.6%
Hotels	19.6	19.4	1.0%	2.0%

(1) The like-for-like scope includes buildings in operation over an identical period between the two dates being compared.

The average **financial occupancy rate** (FOR) at year-end 2011 totaled 95.1% *versus* 95.4% at the end of September 2011. The slight deterioration can be explained by the full effect of the delivery of the Mercure (unrented) and Horizons buildings (50% rented) in the 3rd quarter. The vacancy rate is still very low for the residential property holding, thanks to the finalized sale of the residences delivered in 2011. The occupancy rate has clearly increased for logistics properties compared to the end of 2010, up to 77.7% following the sale of a portfolio of 395,000 sqm, that was 41% vacant in May 2011, as well as the rental of a 41,000 sqm platform at Lauwin Planque in July 2011. At the same time, Caravelle, the acquirer of the Mory Group which is in court-supervised reorganization, vacated 36,000 sqm (or 5.5% of Gecina's logistics property holding) as at the 4th quarter 2011. Lastly, the occupancy rate remained stable at 100% on the healthcare real estate and hotels.

Average FOR	**12/31/2011**	12/31/2010
Economic division	**93.4%**	**92.7%**
Offices	94.3%	95.3%
Logistics	77.7%	71.7%
Hotels	100.0%	100.0%
Demographic division	**98.1%**	**97.6%**
Residential	97.3%	97.4%
Healthcare	100.0%	100.0%
Student residences	93.0%	96.2%
GROUP TOTAL	**95.1%**	**94.3%**

Office property (55% of the Group's rent)

Change on a like-for-like basis 2011 *vs.* 2010

like-for-like change	Indices	Renegotiations & renewals	Vacancy	Other
0.6%	1.0%	–0.9%	–3.7%	4.1%

Rental revenues amount to €350.2 million, indicating a 4.5% increase on a current basis. This increase however includes an amount of €10.5 million corresponding to the settlement paid by AON. AON, a tenant in La Défense Ouest building in Colombes (92), left the property before the term of its lease expiring in November 2017. It then had to pay the compensation stipulated in the lease.

Restated of this compensation, gross office rents increased by +0.8% on a current basis. This trend primarily reflects the €22.5 million increase in rents stemming from investments, which are mostly the buildings of Portes d'Arcueil (acquired in November 2010), Anthos (fully rented in December 2010) and Horizons (50% rented in July 2011).

On a like-for-like basis, rents have increased by 0.6%, and dropped by 2.8% restated without the compensation paid by AON. This change mainly stems from the negative reversion of renegotiations and relets (–0.9%). Thus, out of the 62,345 sqm for which the leases were renewed or renegotiated in 2011, Gecina agreed to slightly lower the headline rent.

Furthermore, the increase in the vacancy rate had a negative impact of 3.7% on rents on a like-for-like basis.

Residential (28% of the Group's rental income)

Change on a like-for-like basis 2011 *vs.* 2010

like-for-like change	Indices	Renegotiations & renewals	Vacancy
2.2%	0.6%	1.7%	–0.1%

2011 gross rental income totaled €178.5 million, down 2.6% on a current basis. On a like-for-like basis, rental income rose by +2.2%. Residential real estate is still buoyed by a high turnover rate (14.7%) allowing the company to capture the positive reversion potential, and a very short average re-let period of 27 days in Paris. Furthermore, Gecina reported an increase of +9.9% on the re-lets of its residential asset base since January 2011. Asset sales led to a €13.4 million loss of rental revenues for the year, which was not offset by the €3.3 million increase in rents like-for-like and rents generated by investments (+€5.4 million).

Healthcare (9% of Group rental income)

Change on a like-for-like basis 2011 *vs.* 2010

like-for-like change	Indices	Investments
2.9%	1.4%	1.6%

Gross rents amounted to €58.2 million at the end of 2011, up by 23.8% on a current basis. This increase includes the consolidation of 30 nursing homes in the FSR portfolio as from July 2011. On a like-for-like basis, rents are up +2.9%, driven by the positive effect of indexation, and thanks to the works that generated additional revenues.

Logistics (4% of Group rental income)

Change on a like-for-like basis 2011 *vs.* 2010

like-for-like change	Indices	Renegotiations & renewals	Vacancy
0.6%	0.1%	–3.0%	3.5%

Gross rental income amounted to €26.0 million at the end of 2011, down 19% on a current basis. On a like-for-like basis, activity showed a slight increase of 0.6%. The vacancy rate improved over the year, through the disposal of a portfolio of 21 assets (or 26% of the Group's logistics portfolio) during the 1st half of 2011, as well as the rental of the Lauwin-Planque warehouse in July 2011. At the same time, Caravelle, the acquirer of the Mory Group which is now in court-ordered liquidation, released 36,000 sqm in the 4th quarter of 2011.

Hotels (3% of Group rental income)

Change on a like-for-like basis 2011 *vs.* 2010

like-for-like change	Indices	Investments
2.0%	1.7%	0.3%

2011 gross rental revenues totaled €19.6 million, up by 1% compared to full year 2010 on a current basis. On a like-for-like basis, rents increased by 2.0%. This trend reflects a positive indexing, following a very negative indexing effect on the previous year (–5.1%).

On the whole, the Group's rental margin was stable at 90.4% at December 31, 2011, comparedwith 90.3% in 2010. It now factors in the cost of the rental risk (6.0 million euros). On a comparable basis, the Group's rental margin is up 1.0% to 91.3%. This change stems also from the increase in the residential property margin. Indeed, this segment is driven by the sale of recent deliveries or acquisitions of buildings in Marseille, Saint-Denis and Prevessin. The sale of 75% of the Group's residential portfolio in Lyons, which had a percentage of non-billable expenses compared to gross rents higher than the Paris Region portfolio, also have a positive impact on the rental margin. The margin is flat for offices. The impact of the AON compensation makes up for the negative impact of the higher vacancy rate.

The rental margin for logistics shows a clear drop, falling to 59.4% at the end of 2011, compared with 77.1% at end-2010. Indeed, it now factors in the cost of the rental risk (5.1 million euros). On a comparable basis, the rental margin is up 2.0% to 79.1%

The sale of the 114 million euro portfolio during the first half of the year has had a negative impact on the rental margin, with almost 2 million euros in costs to be covered by Gecina.

Rental margins in hotels and healthcare properties are covered by "triple net" leases and therefore have margins close to 100%. The rental margin above 100% observed on hotels comes from the adjustment of expenses.

	Group	Offices	Residential	Logistics	Healthcare	Hotels
Rental margin at 12/31/2010	90.3%	94.6%	81.9%	77.1%	98.4%	99.2%
Rental margin at 12/31/2011	90.4%	94.6%	82.7%	59.4%	98.5%	100.4%

2.1.3. 2011 recurring earnings down by –4.9% excluding the minor impact of changes to accounting presentations

Net financial expenses climbed to €191.6 million compared to €155 million as at December 31, 2010, according to the trend observed in the previous quarters and announced by Gecina. The average cost of debt stands at 4.14% over the whole of 2011 *versus* 3.62% in 2010.

Gross recurring income totaled €310.4 million, down 5.2% compared to December 31, 2010, comprising changes in accounting presentations aimed at improving the clarity of financial statements. Before taking account of these changes (0.3% of gross recurring income), the indicator totaled €311.2 million, representing a 4.9% drop in a trend that is slightly better than the –7% guidance. Net recurring income amounts to €308 million, down by 5.2% compared to 2010.

€ millions	**12/31/2011**	12/31/2010	Change (%)
Gross rental income	**632.5**	**616.8**	**+2.5%**
Property expenses	(156.6)	(155.5)	+0.7%
Recharges to tenants	94.7	94.7	+0.0%
Net rental income	**570.6**	**556.0**	**+2.6%**
Services and other expenses (net)	7.3	6.2	+17.7%
Overheads	(75.9)	(79.8)	–4.9%
EBITDA	**502.0**	**482.4**	**+4.1%**
Net financial expenses	(191.6)	(155.0)	+23.6%
Gross recurring income	**310.4**	**327.4**	**–5.2%**
Recurring taxes	(2.4)	(2.4)	+0.0%
Net recurring income	**308.0**	**325.0**	**–5.2%**

2.1.4. Turnover of assets - significant progress in disposals

Gecina completed €926 million of **disposals** in 2011, in line with the annual goal of €1 billion. This amount breaks down as follows: 39% of residential property disposals (including the block sale of the Lyons property holding), 49% of offices, and 12% in logistics. These divestments represent a major victory for the Group, on a market where investors were affected by the credit crunch.

The next exit rate for these sales was 5.0%. The average premium on asset sales rose 4.2% compared to appraisals at year-end 2010, of which +22.5% on residential assets sold in units.

Furthermore, preliminary sale agreements have been signed for €466 million of additional assets, including €444 million of residential assets, on a block basis. Overall, in 2012, the Group has set itself a target for 1 billion euros of sales, including around 300 million euros of additional residential sales, primarily on a unit basis.

At the same time, **investments** amounted to €860 million in 2011, of which €237 million in healthcare real estate (FSR portfolio), €331 million for the projects delivered in the year and €240 million in ongoing projects and €52 million of Capex.

At December 31, 2011, there was still €398 million outstanding for investment in developments.

2.2. Financial resource

Gecina carried out major financing transactions while optimizing its hedges in 2011 including:

- a €500 million bond issue completed with a 168 bp spread on the mid-swap rate;
- the reimbursement of €390 million of syndicated and unsyndicated corporate financing, the cancellation of €100 million of unused bilateral corporate lines in the first half of 2011;
- new bank loans and mortgages for €649 million with an average margin of 181 bp;
- optimization of its hedging instruments in the wake of the strategy followed in the last 18 months (short term flexibility and extension of hedging maturity);
- continuous issuance of treasury notes with an average balance of €89 million.

At the same time, Gecina also updated its EMTN program by €2.5 billion in September 2011 with the AMF.

Furthermore, S&P and Moody's confirmed Gecina's credit rating.

2.2.1. Debt structure as at December 31, 2011

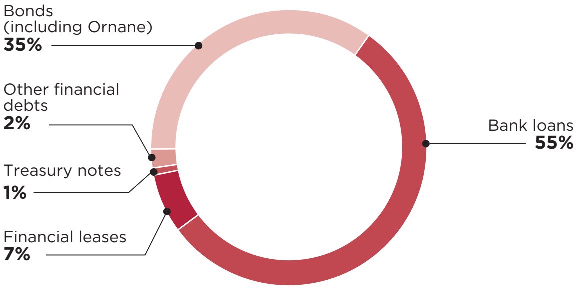
Gecina's consolidated gross financial debt amounted to €5,060 million as at December 31, 2011 *versus* €5,199 million at December 31, 2010, representing a drop of €138 million. Consolidated net financial debt reached €5,017 million at the end of 2011, corresponding to a drop of €157 million.

The main characteristics of the debt are:

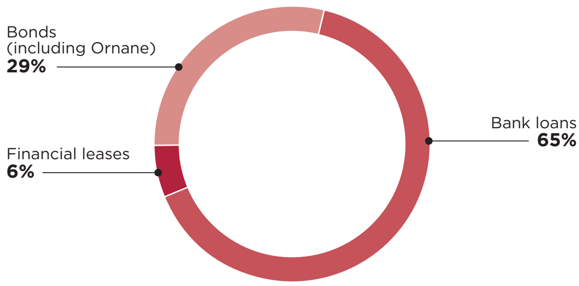
	12/31/2010	12/31/2011
Net debt (consolidated) *(€ millions)*	5,174	5,017
Unused credit lines *(€ millions)*	850	1,360
Average term of authorizations *(years)*	3.86	3.44
LTV (%)	44.3%	42.6%
ICR	3.09	2.62
Pledged debt/Properties	16.94%	18.65%

Debt by type

Breakdown of uses



Breakdown of authorizations



Gecina gross financial debt at December 31, 2011 comprised:

- €1,486 million of bonds issued under the EMTN (Euro Medium Term Notes) program;
- €291 million of Ornane bonds (market value) (€320 million in nominal value);
- €2,769 million of bank loans of which €1,833 million of mortgage financing, €934 million of corporate financing;
- €384 million of finance leases;
- €40 million of treasury bonds covered by confirmed credit lines;
- €63 million of accrued interests not due.

2.2.2. Liquidity

Gecina's 2011 financing and refinancing transactions include (with an average margin of 1.78%):

- new €649 million mid and long-term bank loans (average margin of 1.81%, average maturity of 5.62 years):
  - five new corporate lines of €390 million (due in 2015 and 2016),
  - five new mortgage loans of €259 million (due 2018 and 2021);
- the issue in February 2011 of €500 million in bonds with the following key terms:
  - 4.25% coupon,
  - five-year maturity,
  - spread on mid-swap: 1.68%;
- the recovery of 12 finance-lease contracts following the acquisition of the FSR portfolio in July 2011 for €49 million with maturities of up to 2029 (average duration of 8.1 years).

Due to the macroeconomic uncertainties and the sovereign debt crisis in the eurozone, financial markets plunged sharply in the second half of 2011 impacting interest rates, credit margins and the banking market.

Despite this difficult context, since September 2011, Gecina has raised €574 million in new debt in the medium and long term on the banking market at favorable conditions.

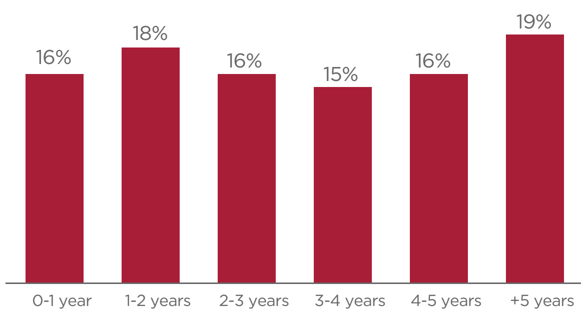
At the same time, Gecina continued to issue treasury notes. The outstanding at year end was €40.4 million with an average margin of 9 bp over the EURIBOR.

Gecina loan repayments in the next 12 months are largely covered by unused credit lines. As at December 31, 2011, Gecina had a total of €930 million debt repayments payable in 2012 and at the same time €1,360 million of unused credit lines. These €930 million include the €495 million of bonds repaid late January 2012

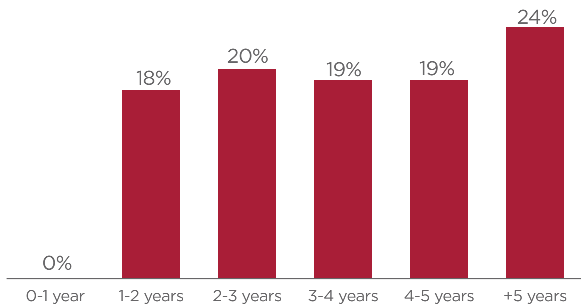
2.2.3. Debt by maturity

Gecina's consolidated authorized debt had an average remaining term of 3.44 years as at December 31, 2011, down 0.4 year compared to year end 2010.

The chart below shows the payment schedule for authorizations as at December 31, 2011.



The chart below presents the payment schedule for Gecina's gross debt as at December 31(2011 after allocation of unused credit lines), which have an average maturity of 4.1 years (*versus* 4.5 in the previous year).



2.2.4. Average cost of debt

The 2011 average cost of debt was 4.14%, *versus* 3.75% in 2010 based on comparable accounting principles. These changes can be mainly explained by the more intensive use of the bond market and the maturing of credits contracted before 2006 at low margins.

Interest capitalized on development projects amounted to €24.4 million in 2011 (*versus* €18.7 million in 2010).

2.2.5. Credit rating

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

- Standard & Poor's confirmed in December 2011 its rating of BBB- with stable outlook;
- Moody's also confirmed its Baa3 rating with stable outlook in October 2011.

2.2.6. Management of interest rate risk hedges

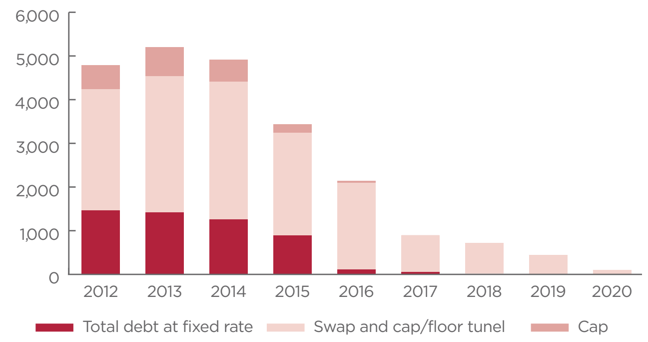
Gecina's risk and interest rate management policy is aimed at hedging the company's exposure to interest rate risk. To do so, Gecina uses derivative products (primarily caps and swaps) in order to limit the impact of interest rate changes on the Group's results, and keep its cost of debt under control.

Gecina continued to optimize its hedging policy in 2011 with the intention of:

- taking advantage of low long-term interest rates and increasing the value of its long-term hedges;
- maintaining a short-term optimal hedging rate.

Thus at December 31, 2011, the average duration of hedges was 4.35 years *versus* 4.90 years at December 31, 2010.

The chart below shows the hedging portfolio:



In January 2011, at the same time as the fixed rate bond issue, Gecina reduced €122 million of swaps over the period 2012 to 2015 and €300 million of collars.

In August and September, Gecina changed two transactions that led to a €108 million reduction in hedge and extended the maturity of hedges by two to three years.

Since December, in connection with early reduction of its 2012 debt, Gecina has restructured €279 million of swaps over periods ranging from two to four years and contracted €90 million of swap at an average rate of 2.39% to hedge 2012 to 2022.

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 income.

Measuring interest rate risk

Gecina's financial debt at December 31, 2011, was 87.7% to 99.2% hedged in 2012 against interest rate drops and hikes (depending on actual Euribor levels).

Based on the existing hedge portfolio, the contractual conditions as of December 31, 2011, and the anticipated debt in 2012, a 0.5% increase in interest rates would generate an additional interest expense in 2012 of €3.1 million. A 0.5% fall in interest rates would result in a reduction in interest expense in 2012 of €3.0 million.

2.2.7. Financial structure and ratios

Gecina's financial position as at December 31, 2011 meets the various ratios likely to affect repayment terms or to trigger early repayment clauses in loan agreements.

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

	Benchmark standard	Balance at 12/31/2011
LTV Net debt / revalued block value of property holding	Maximum 50%	42.6%
ICR EBITDA before disposals/financial expenses	Minimum 2.25	2.62
Outstanding secured debt/block value of property holding	Maximum 20%	18.65%
Revalued block value of property holding (€ millions)	Minimum 8,000	11,834

The LTV fell to 42.6% at December 31, 2011 compared to 44.3% at December 31, 2010 (decline by 1.7 points). The ICR shrank by 0.47 (from 3.09 at December 31, 2010 to 2.62 at December 31, 2011) due especially to the increase in the cost of debt.

2.2.8. Guarantees given

The amount of consolidated debt guaranteed by real sureties (*i.e.* mortgages, lender's liens, unregistered mortgages, and leasing) amounted to €2,207 million at December 31, 2011 compared to €1,976 million at year end 2010. Furthermore, the outstanding finance lease contracts stood at €374 million *versus* €383 million in 2010.

Thus at December 31, 2011, the total value of asset-backed debt in the form of mortgages or leasing, amounted to 18.65% of the total (block) value of the property holding held by a ratio of 20% authorized in the various credit agreements, *versus* 16.9% at December 31, 2010. This increase can be explained by the twelve finance lease contracts following the acquisition of the FSR portfolio as well as the signature of five mortgage loans for €259 million in December 2011.

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 early mandatory repayment and/or cancellation of loans granted and/or their mandatory early repayment if there is a change of control for Gecina.

Based on a total facility including gross outstanding debt of €6,420 million (including the gross debt and available undrawn bank credit lines) at December 31, 2011, €3,104 million of bank debt and €1,815 million of bonds (falling due on January 25, 2012, September 19, 2014, February 3, 2016 and Ornane on January 1, 2016) are affected by such a change-of-control clause.

For the bond loan falling due in September 2014 to become due for early payment, 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 maturing in February 2016, only a change of control followed by a Non Investment Grade rating, not upgraded to Investment Grade within the next 120 days, can trigger the early repayment of the loan.

2.3. Appraisal of property holdings

The entire property holding of Gecina group undergoes appraisals each year as at June 30 and December 31 conducted by a board of five independent appraisers: CB Richard Ellis, BNPP Real Estate, Foncier Expertise, Jones Lang Lasalle, and Catella; the appraisers' fees 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 Risk and Sustainable Development Audit Committee, which stipulates that each appraiser should be given a portfolio of properties to value and that an annual average rotation 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: the individual sale of units comprising the properties (appraised unit value) and sale of entire properties (appraised block value). The methods 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, respectively) annualized rents (with the exception of residential assets for which booked rents are used) over the appraisal values excluding 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 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 2011 are as follows:

Breakdown by segment	Block value			Change current basis		Change like-for-like
€ millions	2011	H1 2011	2010	12 months	6 months	12 months
Offices	6,644	6,749	6,572	1.1%	–1.5%	0.0%
Residential	3,610	3,682	3,639	–0.8%	–2.0%	9.4%
Healthcare	1,002	747	737	35.9%	34.1%	2.4%
Logistics	256	301	444	–42.2%	–14.9%	–19.4%
Hotels	274	276	275	–0.4%	–0.4%	–0.2%
Sub-total	**11,786**	**11,755**	**11,667**	**1.0%**	**0.3%**	**2.3%**
Equity affiliates	*6*	*7*	*7*			
TOTAL GROUP	**11,792**	**11,762**	**11,675**	**1.0%**	**0.3%**	**2.3%**
TOTAL VALUE UNITS	**12,478** (1)	**12,523**	**12,423**	**0.4%**	**–0.4%**	**0.6%**

(1) The residential buildings concerned by a block sales process are still valued on a block basis.

The **property** holding amounts to €11,792 million, *i.e.*, an increase of €118 million during 2011.

The main factors include:

- a like-for-like structure representing €9,252 million, up €206 million (or 2.3%) in the year including €44 million of expenses and upgrades completed during the year;
- €440 million of projects delivered during the year (as at December 31, 2011), including the Mercure tower in May for €63 million and Horizons in June for €304 million, together with two residential buildings in Marseille and Boulogne and a students' residence in the 13th *arrondissement*, which was revamped in 2011 at a total budget of €73 million, out of which €337 million of expenses and works were booked in 2011;
- €932 million of buildings under construction including inventory properties (of which €440 million on the Beaugrenelle project, €111 million on the Park Azur project in Montrouge, €97 million on the Charles-de-Gaulle avenue in Neuilly and €15 million on the new Docks project of Saint-Ouen) representing total investment of €238 million in 2011;
- €237 million of acquisition (FSR portfolio);
- €205 million of assets on unit sale at December 31, 2011 including €123 million (as at December 31, 2010) of units were sold;
- €621 million of assets in the process of block sale for which €5 million was booked in 2011 for works;
- €45 million of land reserves for which €3 million of expenses and works were booked in 2011;
- €66 million of head office book value including depreciation of €1 million in 2011;
- €764 million of block sales and €1 million of residual sales on assets in unit sale (December 31, 2010 value) completed during the year (generating a sale income of €774 million, or gross capital gain of €9 million compared to the valuation at December 31, 2010);
- an increase of €142 million was recognized in the income statement.

Net capitalization rates fell by 6 basis points during the year on a like-for-like basis, particularly significant in residential property (down 26 bps).

	Gross cap rate			Net cap rate		
	2011	2010	Change	2011	2010	Change
Offices (including head office)	6.39%	6.39%	0 Bps	6.13%	6.12%	1 Bps
Residential	5.01%	5.31%	–30 Bps	4.16%	4.42%	–26 Bps
Logistics	9.92%	8.94%	98 Bps	9.01%	7.20%	182 Bps
Hotels	7.11%	7.10%	1 Bps	7.15%	7.05%	11 Bps
Healthcare	7.05%	7.01%	3 Bps	6.95%	6.91%	4 Bps
TOTAL LIKE-FOR-LIKE BASIS	**6.13%**	**6.23%**	**–10 BPS**	**5.69%**	**5.76%**	**–6 BPS**

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

Sector-specific premium risks were determined in reference to French treasury 10-year OAT bonds (which had an average interest rate of 3.10% as at December 31, 2011).

	Discount rate December 2011			Specific risk premium December 2011		
Offices	**4.00%**	**-**	**12.75%**	**0.90%**	**-**	**9.65%**
Paris	*4.00%*	*-*	*10.25%*	*0.90%*	*-*	*7.15%*
Paris Central Business District	4.00%	-	9.25%	0.90%	-	6.15%
Paris, excl. Central Business District	4.86%	-	10.25%	1.76%	-	7.15%
Paris Region	*5.73%*	*-*	*12.75%*	*2.63%*	*-*	*9.65%*
Inner suburbs	5.73%	-	9.25%	2.63%	-	6.15%
Outer suburbs	8.35%	-	12.75%	5.25%	-	9.65%
Other regions	*6.00%*	*-*	*7.00%*	*2.90%*	*-*	*3.90%*
Logistics	**8.25%**	**-**	**12.00%**	**5.15%**	**-**	**8.90%**
Paris region	8.50%	-	9.50%	5.40%	-	6.40%
Other regions	8.25%	-	10.25%	5.15%	-	7.15%
Outside France	9.50%	-	12.00%	6.40%	-	8.90%
Healthcare	**6.75%**	**-**	**7.50%**	**3.65%**	**-**	**4.40%**
Paris region	7.00%	-	7.50%	3.90%	-	4.40%
Other regions	6.75%	-	7.50%	3.65%	-	4.40%
Hotels	**7.00%**	**-**	**7.00%**	**3.90%**	**-**	**3.90%**
Other regions	7.00%	-	7.00%	3.90%	-	3.90%

The value of the property holding (block) is up 1.0% on a current basis.

This rise is due to **the sharp increase in the values of the residential portfolio** (up 9.4% like-for-like or up €246 million), acquisition of FSR portfolio (€225 million), delivery of the Horizons office property (€304 million) and a €253 million increase in the value of the current pipeline (of which €238 million in investments), offsetting the sale of €889 million of assets (in book value as of December 31, 2010).

- **Like-for-like, property holdings were up 2.3% (or €206 million):**

(i) This rise was driven by the **increase in Residential values** (9.5% for traditional residential and 6.8% for student residences). This is part of the general market trend. Indeed within **Central Paris**, Gescina's traditional Residential assets have increased by 10.08% over the year (of which 9.8% during the first half of 2011), while the market values of old apartments indicated an annual increase of 22.5% in Q2 2011. The retail value in this sector stands at €6,516 per sqm as at December 31, 2011 against €5,927 per sqm as at December 31, 2010 (all properties combined). The block value of this sector amounted to €5,365 €/sqm at December 31, 2011 versus €4,859 €/sqm at December 31, 2010 (all properties combined);

(ii) Like-for-like **comparable office property is flat over the year** (+0.02%). Office capitalization rates remained flat for the year, nevertheless, we note differences depending on the sectors (–28 Bps in Province, +254 Bps abroad, –10 Bps in Paris CBD);

(iii) Like-for-like **logistics assets fell 19.4%** (down €58 million), –7% of which occurred in the 1st half of 2011, due to the rise in market yields in this sector and the fall in average rental values.

- **On a current basis:**

(i) Five assets were delivered during the second half, with a total value of €440 million as at December 31, 2011, including the Tour Mercure in May (€63 million), Horizons in June (€304 million), two residential properties in Marseille and Boulogne and one student residence in the 13th *arrondissement* of Paris (Château des Rentiers);

(ii) The balance sheet value of the pipeline at December 31, 2011 existing since December 31, 2010 rose by €238 million. The increase in the value of Le Velum in the 2nd half year is due to the signing of a tenant planning protocol of a further €7 million with EDF. The total value of ongoing projects increased by €253 million (up €15 million concerning the Saint-Ouen Dock asset);

(iii) Block sale of 52 assets for a total sale price of €773 million and a value at December 31, 2010 of €764 million of which:

– €113 million of logistics assets (sold to Carval, Cargill group), at a net capitalization rate of 6.9% over rents in place at the time of the sale,
– €452 million of office assets (including Origami for a sale price of €86 million and appraisal value of €78 million as at December 31, 2010), at a net capitalization rate of 5.5%,
– €208 million of residential assets (including six assets located in Lyons and two in Paris), at a net capitalization rate of 4.3%.

The overall net capialization rate of these assets on the basis of their sale price at December 31, 2010 amounts to 5.4%;

(iv) €152 million of apartments and carparks (€125 million in book value at December 31, 2010) were sold to private customers in 2011;

(v) Furthermore, €466 million of assets are currently covered by a sale promise. The overall net capitalization rate of these assets amounted to €4.05% on December 31, 2011. The value retained as at December 31, 2011 for these assets corresponds to the value of the signed promise as applicable after deducting any costs and fees required for the sale.

Financial investments (€14 million compared to €9 million at the end of 2010) have changed due to the advance payments paid to lessors for the acquisition of the nursing home from Foncière Sagesse Retraite (FSR). Equity-accounted investments (€6 million compared to €7 million at year end 2010) concern the company La Buire only, given that the company Bami is no longer consolidated under the equity method since December 31, 2010.

Value by segment int the balance sheet as at December 31, 2011 is as follows:

Segments	2011 *(€m)*	2011 *(%)*
Offices	6,644	56%
of which Beaugrenelle	*446*	*4%*
Logistics	256	2%
Hotels	274	2%
Total Economic division	**7,175**	**61%**
Residential	3,610	31%
Healthcare	1,002	8%
Total Demographic division	**4,611**	**39%**
TOTAL GECINA	**11,786**	**100%**

2.3.1. Buildings in the real estate property holding of the economic division

Valuation of office properties in the balance sheet

€ millions	**12/31/2011**	12/31/2010	Change
Valuation of office properties	6,644	6,572	1.10%
Valuation of office properties on a like-for-like basis	5,137	5,136	0.02%

By including the acquisitions and disposals made during the financial year, the value of office properties amounted to €6,644 million, up 1.1% over the value at December 31, 2010 (*i.e.* up €72 million including €437 million of sales in 2010 values).

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 and property. Accordingly, boosted by a capitalization rate reduction in 2010, the market value of Gecina's commercial assets on a like-for-like basis stabilized in 2011. The portfolio's gross capitalization rate on potential rents was also stable in 2011 (at 6.39%).

Office portfolio assets in operation (on a comparable basis)

	Appraisal value *in € million*	Value *in €/sqm.*	Gross capitalization rate	Net capitalization rate
Paris CBD	2,158	11,171	5.62%	5.39%
Paris non CBD	663	6,436	7.02%	6.74%
Paris	**2,820**	**9,525**	**5.95%**	**5.71%**
1st Rim	2,112	5,674	6.84%	6.56%
2nd Rim	98	2,121	8.38%	8.05%
Paris Region	**2,210**	**5,282**	**6.90%**	**6.63%**
Lyons region	70	2,939	6.25%	6.00%
Other countries	38	3,142	9.16%	8.79%
TOTAL	**5,137**	**6,849**	**6.39%**	**6.13%**

The Group's office properties on a like-for-like basis is 54.4% located in Paris, a sector on which the return rates fell slightly in 2011, and at 43.7% in the Paris Region.

Valuation of logistics properties in the balance sheet

€ millions	12/31/2011	12/31/2010	Change
Valuation of logistics property holdings	256	444	–42.21%
Valuation of logistics properties on a like-for-like basis	240	297	–19.36%

Comparable logistics assets fell 19.36% (down €58 million), 13.2% of which occurred in the 2nd half of 2011, due to the rise in market yields in this sector and the fall in average rental values (down 12% in a year).

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

	Appraisal value *in €million*	Value *in €/sqm.*	Gross capitalization rate	Net capitalization rate
Paris Region	67	439	10.60%	9.63%
Other regions	156	395	9.30%	8.45%
Other countries	17	263	12.90%	11.72%
TOTAL	**240**	**392**	**9.92%**	**9.01%**

Valuation of hotel properties in the balance sheet

€ millions	12/31/2011	12/31/2010	Change
Valuation of hotel properties	274	275	–0.35%
Valuation of hotel properties on a like-for-like basis	272	273	–0.18%

Comprised essentially of four Club Med hotels with long-term leases, the values are stable in 2011 (down 0.35%).

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

	Appraisal value *in €million*	Value *in €/sqm.*	Gross capitalization rate	Net capitalization rate
Other regions	272	3,016	7.11%	7.15%

2.3.2. Buildings in the real estate property holding of the demographic division

Valuation of residential properties in the balance sheet

€ millions	12/31/2011	12/31/2010	Change
Valuation of residential property holdings	3,610	3,639	–0.81%
Valuation of residential properties on a like-for-like basis	2,859	2,608	9.64%

Unsatisfied demand, the scarcity of products and still low interest rates confirm investor appetite for residential properties and the increase in values.

With a total value of €3,610 million as at December 31, 2011, Gecina's residential assets were particularly boosted by the favourable conditions of 2011. The value of the Group's traditional residences jumped 9.6% on a like-for-like basis for the year. 6.4% of this increase can be explained by the decline in yield and the remaining 3.3% by rents.

The value of student residences rose by 6.8% on a like-for-like basis for the year.

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

	Appraisal value (block) *in €million*	Value *in €/sqm.*	Gross capitalization rate	Net capitalization rate
Paris Region	2,755	4,778	4.94%	4.10%
Other regions	104	3,210	6.72%	5.58%
TOTAL	**2,859**	**4,694**	**5.01%**	**4.16%**

69.3% of the Group's residential property in service is located in Paris, a region with the highest change in yield. The average price per square meter as at September 30, 2011 published by the *Chambre des Notaires* of Paris late November 2011, for available apartments, stood at €8,360/sqm, highlighting the appreciation potential of the residential property holding.

Valuation of healthcare properties in the balance sheet

€ millions	12/31/2011	12/31/2010	Change
Valuation of healthcare properties	1,002	737	35.92%
Valuation of healthcare properties on a like-for-like basis	743	726	2.42%

The healthcare portfolio, valued at a total of €1,002 million at the end of 2011 increased by 35.9% or €265 million, mainly thanks to the July 2011 acquisition of the FSR portfolio comprised of 30 assets.

On a like-for-like basis, the 2.4% increase in values stems from the rate effect of –0.6% and rental impact of 3.0%.

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

	Appraisal value *in €million*	Value *in €/sqm*	Gross capitalization rate	Net capitalization rate
Paris Region	121	2,251	6.89%	6.80%
Other regions	622	1,738	7.08%	6.98%
TOTAL	**743**	**1,805**	**7.05%**	**6.95%**

2.3.3. Summary report by property appraisers

General background to the appraisal engagement

General background

Gecina consulted the property appraisers:

- CB Richard Ellis Valuation;
- BNPP Real Estate Valuation;
- Catella Valuation Advisors;
- Foncier Expertise;
- Jones Lang La Salle,

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

		Number of assets	Valuation as at 12/31/2011
CBRE	Offices	68	4,498
	Healthcare	9	196
BNPP RE	Offices	35	1,920
	Logistics	19	135
Catella	Healthcare Hotels	65	1,072
	Logistics	11	103
Foncier Expertise	Offices	13	119
	Residential	67	1,488
	Logistics	1	3
Jones Lang	Residential	35	1,629
Non-appraised asset excluding costs and fees required for the sale		70	668
TOTAL GECINA GROUP ASSETS		**393**	**11,832**

Pursuant to Gecina's instructions, the property appraisers drafted appraisal reports and determined the requested values, objective value as at December 31, 2011.

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 7.6% of its annual revenues.

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 real estate assets concerned were inspected by the appraisal teams over the last five years, including 56 assets in 2011 and 34 assets in 2010.

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;
- invoicing details;
- details about the tax regime and some charges.

Conditions for conducting appraisals

This appraisal was conducted on the basis of documents and information released by Gecina to the appraisers, especially rental statements transmitted in October, all supposed to be true and sincere and corresponding to the entirety of information and documents held or known by the principal, likely to have an impact on the market value of the property.

The appraisal due diligence and assessments were made in accordance with:

- the recommendations of the Barthès de Ruyter report on assessing the real estate portfolio of publicly-listed companies 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 (applied to buildings under construction only).

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 finance lease, the appraisers exclusively valued the properties and the underlying rights in *rem* and not the assignment value of the finance lease contract.

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.

CB Richard Ellis 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

2011 rental income amounted to €302 million, compared to €294 million in 2010. Residential sector rents fell from €161 million in 2010 to €155 million in 2011 due to asset sales in 2010 and in 2011.

Despite the asset sales during the year, commercial sector rents climbed from €133 million in 2010 to €148 million in 2011. They include in 2011 an exceptional compensation of €12.7 million paid by AON (cf. note 4.3.1).

With respect to the write-backs of provisions in 2011, €6 million were written back for impaired receivables and €3 million for pension liabilities (in 2010 they concerned €86 million of provisions written back for risks and charges and €7 million for receivables).

Operating revenues include €49 million of recharges to tenants and, under other income, recharges of inter-company services amounting to €23 million.

Operating expenses in 2011 totaled €247 million, up from €236 million the previous year. External expenses increased by €6 million and specifically include €3 million of pension insurance payments, €4 million for the acquisition of Horizons securities and €4 million in loan issuance costs.

Depreciation expense increased in 2011 by €8 million (new assets in service).

Operating income amounted to €138 million, up from €233 million the previous year.

The financial result for the year amounted to a net expense of €93 million compared to a net expense of €68 million the previous year. This reflects:

- interest and related expenses (net of cash revenues) of €126 million (including €19 million payments of balances resulting from the restructuring of transactions on hedging financial instruments);
- dividends received from subsidiaries and income from equity investments of €208 million;
- write-backs on provisions of €4 million related to shares and receivables from subsidiaries;
- financial provisions of €223 million, of which €135 million concerned investment securities (including €70 million for GEC 4, €39 million for Parigest and €20 million for Montessuy) and €69 million of receivables from equity investments (including €61 million for SIF Espagne and €8 million for GEC4).

A net profit of €186 million was recorded under exceptional items, of which €213 million of capital gains on property disposals, €25 million of provisions on properties and €3 million of losses on buybacks of treasury shares.

2011 net income amounted to €273 million, up from €275 million for €2010.

2.4.1.2. Financial position

At December 31, 2011, the company reported a balance sheet total of €7,968 million, compared to €8,055 million as of December 31, 2010.

Fixed assets include intangible assets while largely consisting of €242 million of 2007 unrealized merger gains from the SIF property holding and its subsidiaries for €180 million as well as €62 million on the property holding of Horizons taken over in 2011.

As of December 31, 2011, Gecina's directly held property holding fell from €4,112 million at year end 2010 to €4,035 million, down €77 million.

The changes were as follows:

• capitalized expenditures	384
• net book value of assets sold	(383)
• net depreciation and provisions	(78)
	(77)

Investments in subsidiaries, equity interests and related receivables represented a total net amount of €3,273 million as of December 31, 2011, compared to €3,341 million at the end of 2010.

The main changes were as follows:

• capital increase of the subsidiary GEC 4	70
• capital increase of the subsidiary Anthos	4
• capital increase of the subsidiary GEC 7	6
• purchase of Gecimed shares (public offer –squeeze-out)	3
• capital reduction of Capucines, a subsidiary	(79)
• increase in related receivables	128
• net change in provisions	(200)
	(68)

At December 31, 2011, the most significant equity investments were as follows stated at cost: Geciter (€782 million of shares and €295 million of receivables), Parigest (€415 million of shares), GEC 4 (€270 million of shares and €280 million of receivables), Gecimed (€249 million of shares) and SIF Espagne (€33 million of shares and €228 million of receivables and loans).

Other financial investments consisted of 478,106 treasury shares amounting to €38 million, plus 1,082,473 shares recorded as transferable securities held for stock options and performance share plans granted to employees and company officers amounting to €76 million (at cost), in addition to 60,897 shares held in connection with the liquidity contract for €5 million. Total treasury shares represented 2.6% of share capital.

Current assets totaled €193 million as of December 31, 2011, compared with €220 million as of December 31, 2010. They include:

- "other receivables" (€59 million net) mainly composed of inter-company receivables (€27 million), €11 million of VAT receivables and income receivables (group rebilling) for €16 million;
- €75 million corresponding to investment securities and liquid assets, which include the €69 million of treasury shares (net of provisions) and €6 million of open-ended investments funds and cash instruments.

Prepaid expenses (€21 million) primarily concern deferred loan issuance costs.

The €7 million increase in shareholders' equity can be explained as follows:

€ millions	
Shareholders' equity at December 31, 2010	3,696
Capital increase resulting from the exercise of stock options and subscriptions to the company savings scheme ("PEE")	3
Dividends paid in 2011	(269)
2011 earnings	273
Shareholders' equity at December 31, 2011	3,703

Shareholders' equity at December 31, 2011 includes an additional write-down of equity interests and related receivables for €9.4 million concerning guarantees which the Company was informed about in 2012. These guarantees were granted by SIF Espagne, represented by Mr. Joaquín Rivero at the end of 2009 and the beginning of 2010 guaranteeing Bami Newco's repayment of various loans (see Note 3.5.8.3).

Financial debt at December 31, 2011 totaled €4,078 million compared with €4,186 million at the end of 2010, of which €567 million represented inter-company liabilities.

During the year, the company issued a new bond loan in February 2011 for €500 million.

Provisions for risks and charges amounted to €20 million, compared to €21 million the previous year.

The provisions mainly concern €8 million of provisions for pension commitments and long service awards and €7 million of provisions for future expenses caused by the allocation to employees of performance shares and stock options.

Terms of payment for suppliers represented 47 days in 2011.

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 10 Paris and Paris Region-based buildings. The total value of its buildings in use, exclusive of duties, amounted to €333.8 million as of December 31, 2011.

In 2011, the total amount of rents billed by Parigest reached €15.5 million, compared to €27.7 million in 2010. The company reported total net income for financial year 2011 of €3.8 million compared to €79.8 million in 2010. The change in net income can be explained by the three office buildings transferred to Geciter in 2010.

In 2011, Parigest paid out a dividend of €85.6 per share (total of €82.8 million).

Geciter

Geciter, a wholly-owned Gecina subsidiary, owns 34 office buildings with a block value, exclusive of duties, of €1,479.6 million as of December 31, 2011.

In 2011, Geciter disposed of four buildings and generated €46.9 million in capital gain.

In 2011, it reported a total of €92.3 million in billed rents compared to €84.7 in 2010. Net profit for the year amounted to €102.5 million compared to €86.0 million in 2010.

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 real estate consulting services to commercial customers, pre-construction sale services to property developers and investors in new products and first-time rental of new assets.

Locare reported total billed fees of €11.1 million in 2011 compared to €12.1 in 2010. Intercompany revenues accounted for 71% of its total revenues.

Net income for 2011 amounted to €2.3 million *versus* €3.4 million in 2010.

In 2011, Locare paid out a dividend of €1,600 per share, *i.e.* €4.0 million.

GEC 4

GEC 4, a wholly-owned Gecina subsidiary, owns 29 logistics assets with a block value, exclusive of duties, of €218.6 million as of December 31, 2011.

The Group's logistics real estate business, operated *via* GEC 4 and its subsidiaries under the Gecilog brand, is described in the chapter "Comments on the year".

In 2011, revenues totaled € 21.7 million compared to €26.3 million in 2010. It reported a net loss for the year of €80.0 million (explained by sales and the accrual of provisions for property impairment) compared to a loss of €120.5 in 2010 (due to lower rents stemming from the vacancy of some warehouses and provisions for property impairment).

Gecimed

Gecimed became a Gecina wholly-owned subsidiary after the public squeeze-out bid in 2011. Gecimed owns 38 proprietary assets dedicated to healthcare real estate and operates two assets through a finance lease. All assets had a block appraised value, exclusive of duties, of €681.1 million as of December 31, 2011.

Gecimed reported total billed rents of €47.3 million in 2011 compared to €41.3 million in 2010. The net income for the year amounted to €5.3 million (explained by the accruals for GEC 9 shares) compared to €46.2 million for 2010 (due to write-backs on asset impairments).

In 2011, Gecimed paid out a dividend of €0.17 per share for 2010, amounting to a total of €28.5 million after reporting dividends on treasury shares in retained earnings.

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 finance leases for two other villages in Opio and Peisey-Vallandry.

The property holding of Geciotel (a wholly-owned Gecina subsidiary) had a total value exclusive of duties, of €272.4 million as of December 31, 2011.

In 2011, it reported a total of €19.4 million in rents compared to €19 million in 2010. Net profit for the year amounted to €5.0 million compared to €4.4 million in 2010.

2.4.3. Related party transactions

2.4.3.1. Transactions between Gecina group and its shareholders

At December 31, 2011, 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 security 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

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, properties 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 REIT tax plan;
- the fair value of fixed rate financial debts;
- revaluation at year end of potential earnout debts.

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 triple Net Asset Value amounted to €6,262 million as of December 31, 2011 or €101.69 per fully diluted share. Diluted NAV totaled €6,537 million as of December 31, 2011, or €106.15 per share.

The diluted triple net unit NAV came to 112.14 euros per share at December 31, 2011, compared with 111.76 euros per share at December 31, 2010.

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:

	12/31/2011		12/31/2010	
	Amount/ Nbr of shares	*€/share*	*Amount/ Nbr of shares*	*€/share*
Number of fully diluted shares	61,581,036		61,810,839	
GROUP NAV DERIVED FROM IFRS FINANCIAL STATEMENTS	**6,264.2**		**6,101.8**	
+ Effect of the exercise of stock options	18.6		37.4	
DILUTED NAV	**6,282.8**		**6,139.2**	
+ Fair value reporting of properties, if the amortized cost option is adopted	29.2		27.1	
+ Fair value reporting of inventory properties	1.9		5.6	
– Fair value of financial instruments	252.0		133.0	
– Beaugrenelle's earnouts	(16.5)			
– Deferred taxes due to FV reporting of properties and financial instruments	(12.9)		(20.5)	
= DILUTED EPRA NAV	**6,536.5**	**€106.15**	**6,284.4**	**€101.67**
+ Fair value of financial instruments	(252.0)		133.0	
+ Fair value of debts	(34.6)		(9.4)	
+ Deferred taxes on the revaluation of assets at Fair value	12.2		18.6	
= DILUTED EPRA NET TRIPLE NAV	**6,262.1**	**€101.69**	**6,160.5**	**€99.67**

2.6. Developments, outlook and trends

2.6.1. Trends and outlook

Visibility for 2012 remains limited given the uncertain development of the sovereign debt and bank crisis as well as their impacts on the economy. The context is likely to impact the earnings of companies, which will continue to streamline their real-estate expenditure. However, rents and asset values will be sustained by a controlled commercial supply in the office sector in the Paris region, the scarcity of residential assets in Paris and the perception of real estate as "safe haven" investment opportunities.

The major issue at stake for Gecina in 2012 remains the rental of its vacant floor space and the offices delivered during the year (52% being already pre-rented).

All the repayments for 2012 are covered by the unused credit lines. The Group will continue to refinance its medium term maturities. In 2012, Gecina intends to continue striving to diversify its financing sources, as it did in 2010 and 2011.

Lastly, Gecina will continue moving forward with its asset rotation strategy, and has set itself a target for 1 billion euros of sales in 2012, including 300 million euros of residential assets, primarily on a unit basis, in addition to the 444 million euros of preliminary agreements signed for block sales of residential assets in January 2012. In view of the limited commitments for the development pipeline, these sales will enable the Group to bring its debt down further or build up its capacity for investment again, depending on the opportunities.

Gecina now bases its 2012 forecasts on net recurring income, which is expected to dip slightly in comparison to 2011.

2.6.2. Developments

As of December 31, 2011, Gecina's development pipeline amounted to €1,183 million, €398 million of which is to be paid out by the end of 2014.

These developments concern eight office projects in Paris and in the 1st Rim. 45% of the surface areas had already been pre-leased at the end of 2011. Gecina is also continuing the full reconstruction of the Beaugrenelle shopping center in the 15th *arrondissement* of Paris. The construction is scheduled for delivery in April 2013, and 62% of the surface area had been preleased at the end of 2011.

In residential real estate, two student residences will be developed in the Paris region. Lastly, in the healthcare real estate segment, Gecina is building a private hospital in Annemasse (Haute-Savoie), which has already been pre-leased by Générale de Santé, the future operator.

These developments are expected to generate forecast net return of 6.8%. Annual net rent is estimated at €81 million.

Furthermore, the Group will develop three property developments by 2014. The main one will be a traditional residential property in the context of the green neighborhood project in Ville-d'Avray (Hauts-de-Seine). These timely property development projects are completed by two smaller-scale projects involving the creation of surface areas for sale. The three developments represent total capital expenditure of €61 million for Gecina. The bulk of this capex is yet to be released, and is contingent on the achievement of minimum pre-sale levels that can be used to secure the developments. Gecina expects a development margin of 16% on these projects.

Concise overview of the developments pipeline

Segments	Number of projects	Surface area *(sqm)*	Total Investment *(€ million)*	Already invested amounts *(€ million)*	Outstanding amounts to invest *(€ million)*	Net rate of return
Offices and shopping centers	9	160,486	1,110	743	355	6.8%
Residential	2	5,793	23	1	22	6.5%
Healthcare	1	23,662	50	29	21	6.8%
TOTAL	**12**	**189,941**	**1,183**	**774**	**398**	**6.8%**

Summary of property development operations

	Revenue *(€ million)*	Total costs *(€ million)*	Development margin
Group total	73	61	16%

CONSOLIDATED FINANCIAL STATEMENTS

3.1. Consolidated balance sheet as at December 31, 2011

Assets

€ thousands	Note	12/31/2011 Net	12/31/2010 Net
Non-current assets		**11,001,338**	**11,082,596**
Investment properties	3.5.5.1	9,951,373	10,116,219
Properties under reconstruction	3.5.5.1	936,998	832,892
Operating buildings	3.5.5.1	66,429	67,845
Other tangible fixed assets	3.5.5.1	4,158	4,089
Intangible fixed assets	3.5.5.1	4,558	3,886
Financial investments	3.5.5.2	14,058	9,212
Equity-accounted investments	3.5.5.3	5,835	3,867
Financial instruments	3.5.5.11	4,445	43,361
Deferred taxes	3.5.5.4	13,484	1,225
Current assets		**1,026,142**	**835,747**
Properties held for sale	3.5.5.5	825,849	650,184
Inventories	3.5.5.1	5,788	0
Trade receivables	3.5.5.6	62,649	65,587
Other receivables	3.5.5.7	63,971	71,374
Prepaid expenses	3.5.5.8	24,114	23,975
Financial instruments	3.5.5.11	850	0
Cash and equivalents	3.5.5.9	42,921	24,627
TOTAL ASSETS		**12,027,480**	**11,918,343**

Liabilities and equity

€ thousands	Note	12/31/2011	12/31/2010
Capital and reserves	**3.5.5.10**	**6,308,127**	**6,147,615**
Capital		469,878	469,615
Issue, merger and contribution premiums		1,870,443	1,868,106
Consolidated reserves		3,512,639	2,765,848
Group consolidated earnings		411,225	998,245
Group equity		**6,264,185**	**6,101,814**
Total minority interests		**43,942**	**45,801**
Non-current liabilities		**4,390,544**	**5,074,424**
Financial debt	3.5.5.11	4,063,767	4,825,008
Financial instruments	3.5.5.11	257,306	171,378
Deferred tax liabilities	3.5.5.4	14,573	23,134
Provisions for risks and charges	3.5.5.12	50,904	48,913
Tax and social security payables	3.5.5.15	3,994	5,991
Current liabilities		**1,328,809**	**696,304**
Short-term portion of debt	3.5.5.11	996,158	374,087
Financial instruments	3.5.5.11	25	4,984
Security deposits		61,981	65,979
Trade payables	3.5.5.14	153,178	140,089
Tax and social security payables	3.5.5.15	60,660	57,656
Other payables	3.5.5.16	56,807	53,509
TOTAL LIABILITIES		**12,027,480**	**11,918,343**

3.2. Consolidated income statement

€ thousands	Note	12/31/2011	12/31/2010
Gross rental income	3.5.6.1	632,468	616,770
Property expenses	3.5.6.2	(156,623)	(155,470)
Recharges to tenants	3.5.6.2	94,723	94,671
Net rental income		570,568	555,971
Services and other income (net)	3.5.6.3	7,340	6,235
Overheads	3.5.6.4	(75,918)	(79,817)
EBITDA		501,990	482,389
Gains or losses on disposals	3.5.6.5	15,541	43,820
Change in value of properties	3.5.6.6	142,206	763,178
Depreciation		(4,566)	(4,148)
Net impairments and provisions		(4,491)	4,206
Operating income		650,680	1,289,445
Net financial expenses	3.5.6.7	(191,617)	(155,018)
Financial impairment and amortization	3.5.5.2	(513)	(34,560)
Change in value of financial instruments	3.5.6.8	(108,950)	(104,226)
Net income from equity-accounted investments	3.5.5.3	1,969	(21,327)
Income before tax		351,569	974,314
Tax	3.5.6.9	60,026	41,520
Minority interests	3.5.5.10	(370)	(17,589)
Consolidated net income (Group share)		411,225	998,245
Consolidated net income per share	3.5.6.10	€6.74	€16.39
Consolidated diluted net income per share	3.5.6.10	€6.69	€16.25

Other comprehensive income items

€ thousands	Note	12/31/2011	12/31/2010
Consolidated net income (Group share)		411,225	998,245
Impact of share-based payments		3,815	3,400
Gains or losses from translation differentials		526	255
Change in value of financial instruments		1,071	(4,703)
TOTAL INCOME		416,637	997,197

3.3. Statement of changes in consolidated shareholders' equity

€ thousands (except for number of shares)	Number of shares	Share capital	Consolidated premiums and reserves	**Equity (Group share)**	Minority interests	Total shareholders' equity
Balance at January 1, 2010	62,582,240	469,367	4,901,712	5,371,079	1,670	5,372,750
Dividend paid in May 2010 (€4.40 per share)			(267,860)	(267,860)		(267,860)
Assigned value of treasury shares (1)			1,180	1,180		1,180
Change in value of financial instruments (2)			(4,703)	(4,703)		(4,703)
Impact of share-based payments (3)			3,400	3,400		3,400
Gains or losses from translation differentials			255	255		255
Group capital increase (4)	33,128	249	1,797	2,046		2,046
Changes in consolidation (5)			(1,828)	(1,828)	26,592	24,764
Other changes				0	(50)	(50)
Net Income at December 31, 2010			**998,245**	**998,245**	**17,589**	**1,015,834**
Balance at December 31, 2010	62,615,368	469,615	5,632,199	6,101,814	45,801	6,147,615
Dividend paid in May 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			**411,226**	**411,226**	**370**	**411,596**
BALANCE AT DECEMBER 31, 2011	**62,650,448**	**469,878**	**5,794,307**	**6,264,185**	**43,942**	**6,308,127**

(1) Treasury shares:

	At 12/31/2011		At 12/31/2010	
€ thousands (except for number of shares)	Number of shares	Net amount	Number of shares	Net amount
Shares recorded as a deduction from equity	1,621,476	117,819	1,626,831	118,119
Treasury shares in %		2.59%		2.60%

(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.) plus €50 million in 2008 and a €50 million reduction in 2009 of shares subject to an equity swap.

(3) Impact of benefits related to stock allocation plans and bonus shares allotments (IFRS 2).

(4) Share issue for the exercise of options for subscription by Group employees (2,708 shares in 2010) and the share issue for the capital increase reserved for Group employees as part of the set up of an employee mutual fund (30,420 shares in 2010).

(5) Full consolidation of FSR and Beaugrenelle for the first time.

3.4. Consolidated net statement of cash flows

€ thousands	12/31/2011	12/31/2010
Consolidated net income (including minority interests)	**411,595**	**1,015,832**
Net income from equity(accounted investments	(1,969)	21,326
Net depreciation, impairments and provisions	9,569	31,442
Changes in fair value and discounting of payables and receivables	(33,255)	(658,953)
Calculated charges and proceeds from stock options	3,815	3,400
Tax charges (including deferred tax)	(60,026)	(41,519)
Recurring cash flow before taxes	329,729	371,528
Capital gains and losses on disposal	(15,541)	(43,821)
Other calculated income and expenses	(1,287)	4,296
Cost of net debt	191,618	155,018
Net cash flow before cost of net debt and tax (A)	504,520	487,021
Tax paid (B)	41,981	(24,711)
Change in operating working capital (C)	(18,335)	(11,021)
Net cash flow from operating activities (D) = (A+B+C)	528,166	451,289
Acquisitions of tangible and intangible assets	(449,286)	(576,488)
Sales of tangible and intangible assets	904,114	476,293
Disbursements for acquisitions of financial investments (non-consolidated investments)	0	0
Proceeds from disposals of financial investments (non-consolidated investments)	0	2,718
Impact of changes in consolidation	(83,737)	(79,726)
Dividends received (equity-accounted investments, non-consolidated investments)	0	914
Other cash flows from investing activities	(6,145)	55,094
Change in working capital from investing activities	10,473	(921)
Net cash flow from investing activities (E)	375,419	(122,116)
Capital contribution from minority interests of consolidated companies	0	32
Amounts received on the exercise of stock options	4,823	3,135
Purchases and sales of treasury shares	(5,043)	90
Dividends paid to shareholders of the parent company	(268,493)	(267,997)
Dividends paid to minority interests of consolidated companies	(217)	(82)
New borrowings	1,318,666	1,637,836
Repayment of borrowings	(1,744,502)	(1,527,441)
Net interest paid	(170,861)	(159,971)
Other cash flows from financing activities	(12,848)	(100,223)
Net cash flow from financing activities (F)	(878,474)	(414,621)
CHANGE IN NET CASH AND CASH EQUIVALENTS (D+E+F)	25,110	(85,448)
Opening cash and equivalents	17,811	103,258
Closing cash and cash equivalents	42,921	17,810

3.5. Notes to the Consolidated financial statements

3.5.1. Highlights

Foreword

Gecina holds, manages and develops property assets worth €11.8 billion as at December 31, 2011 located 86% 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'Investment Immobilier Cotée*, SIIC) listed on Euronext Paris, and is included in the FTSE4Good, DJSI World and Stoxx Global ESG Leaders indices. To cement its social commitments, Gecina has created a foundation dedicated to protecting the environment and supporting persons suffering from all forms of disability.

www.gecina.fr

Fiscal year 2011

On January 25, 2011, Gecina successfully completed a 5-year bond issue for €500 million maturing February 3, 2016, with a spread of 168 bps over the mid-swap rate, and offering a coupon of 4.25%. The issue was launched on January 25, 2011, and was oversubscribed more than 6 times, reflecting renewed interest from European investors.

Gecimed, a healthcare property subsidiary of Gecina, signed a memorandum of understanding on March 29, 2011 with Foncière Sagesse Retraite (FSR) for the acquisition of 30 nursing homes (132,000 sqm for a capacity of 2,700 beds). These homes located throughout France are operated by the DVD (26 homes for elderly dependent persons) and Korian (four homes for elderly dependent persons) groups, on the basis of firm triple net leases with an average residual term of 8.5 years. The transaction was finalized on July 5, 2011.

Gecina has sold a portfolio of 21 logistics assets based on a net sales price of €113.7 million to Carval (Cargill group), supported by Constructa Asset Management. The price gives a net exit return of 6.2%, excluding non-occupancy costs.

As part of its asset base optimization policy, Gecina has made significant asset sales. For example, the Group sold the Origami building (34-36 avenue de Friedland, Paris, 8th *arrondissement*) in June 2011, which comprises 4,900 sqm of office floor space, for €86 million, generating a net return of 4.7%. Furthermore, Gecina made a block sale of its residential assets in Lyons to a private equity fund for a total of €172 million. Parallel to this, the Group acquired the Tour Horizons in Boulogne-Billancourt for a total of €308 million from the developer Hines. This building, designed by Jean Nouvel and built to HQE Construction standards, provides a usable area of 38,600 sqm of which 15,560 sqm have been let to Laboratoire Roche on a firm lease of nine years. The net yield of this investment is around 5.9%.

AON, the company leasing La Défense Ouest building in Colombes (92), informed Gecina of its wish to leave the building before the end of its lease (March 2017). After agreeing to break the lease, and as AON vacated the premises on June 30, 2011, Gecina recognized in rental income for the first half of 2011 €10.5 million for the compensation paid by AON corresponding to the settlement itself, representing two years of rent (€11.0 million), the operating compensation (€1.7 million) net of the reversal of the balance of the benefits granted to the tenant and amortized on a straight line as allowed by IAS 17 (€2.2 million).

Gecina, which held 98.6% of Gecimed in June 2011, submitted to the AMF on May 31, 2011, a proposed buyout offer, followed by a squeeze out targeted at the shares of its subsidiary Gecimed. Gecina considered that it was no longer appropriate to retain Gecimed as a listed entity. Ricol Lasteyrie et Associés was appointed as an independent expert by the Board of Gecimed and has delivered an equitable price certificate for the offer, which was set at €2.06 ex-coupon per Gecimed share. The AMF's compliance certificate on the buyout followed by a squeeze-out was received on June 21, 2011. Since this outstanding transaction as at the half-year reporting date was initiated by Gecina, Gecimed was fully consolidated as at June 30, 2011. The buyout of Gecimed's shares was completed on July 7, 2011. The AMF's result notice concerning the public buyout offer was published on July 8, 2011, following which Gecimed shares were delisted and the squeeze-out began.

On June 28, 2011, Gecina also updated its €2 billion EMTN program, which was created in July 2010, with the AMF and has increased it to €2.5 billion in September 2011.

Gecina outsourced part of its squeeze-out commitments to former staff members by paying out €3.6 million to an insurance company.

As part of improvements in corporate governance, Gecina restructured its Board of Directors, changing from 18 to 14 members, of whom five are independent. The Board of Directors also organized the staggering of directors' terms of office to provide for seamless renewal of board members in future years, as recommended by Afep-Medef. These two measures were approved by the General Meeting held on May 24, 2011. The Gecina Board of Directors meeting dated October 4, 2011 unanimously decided to terminate on that day the chief executive officer Mr. Christophe Clamageran due to differences on priorities in the implementation of Gecina's strategy. Upon the recommendation of the Governance Committee, the Appointments and Compensations Committee, the Board has unanimously approved the appointment of Mr. Bernard Michel, Chairman of the Board, to the position of Chairman and CEO of the company.

In December, the Group signed mortgage loans amounting to €259 million. This amount breaks down into 5 lines subscribed from three banks: Deka Bank, Helaba and Deutsche Hypo. These mortgage loans were entered into on the basis of a spread of 161 bp on the Euribor 3 month rate. Their average maturity is around 7.5 years. In all, Gecina contracted €649 million of new credit lines in the 2nd half of 2011. At the same time, the Group continues to diversify its sources of finance, this total amount breaks down between €390 million of bank credit lines and the €259 million of mortgage credit obtained thanks to the superior quality of Gecina's property holding.

In conjunction with its €1 billion asset sale program planned for 2011, in December 2011 Gecina completed the sale of four office buildings in Paris, representing nearly 27,000 sqm. These assets were previously covered by preliminary sale agreements. The total value of these four asset sales amounts to €209 million excluding transfer duties, slightly above the appraisal values of these assets at the end of 2010 and resulting in a total net exit return of 5.5%.

Gecina also restructuring its organization in various ways:

(i) Merger-absorption of its subsidiary SAS Horizons into Gecina with effect from July 1, 2011;

(ii) Conversion with effect from January 1, 2012 of a number of French subsidiaries subject to tax into partnerships entity;

(iii) Transfer with effect from January 1, 2012 of the rental and technical management activity of the office buildings to Compagnie Foncière de Gestion, also converted into a partnership then renamed Gecina Management.

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 Gecina group is not concerned by the IAS 39 exclusion on the recognition of financial instruments, or by mandatory standards or interpretations for 2011 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, 2011 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 REITs 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, 2011, the consolidation included the following companies:

Scope of consolidation

Companies	SIREN	12/31/2011 % interest	Method of consolidation	12/31/2010 % 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%
A.I.C.	351 054 432	100.00%	FC	100.00%
Aralog Inversiones y Desarollo		100.00%	FC	100.00%
Aralog	423 542 133	100.00%	FC	100.00%
Arnas	318 546 090	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%
Camargues Logistique	482 439 087	100.00%	IG	100.00%
Campusea (ex-Immofac)	501 705 909	100.00%	FC	100.00%
Capucines	332 867 001	100.00%	FC	100.00%
Clairval	489 924 035	100.00%	FC	98.59%
Colvel Windsor	477 893 366	100.00%	FC	100.00%
Compagnie Foncière de Gestion (CFG)	432 028 868	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	B63,256,457	100.00%	FC	100.00%
Ernst	439 959 859	100.00%	FC	100.00%
Ernst Belgie		100.00%	FC	100.00%
GEC 2 – Geciotel	428 819 064	100.00%	FC	100.00%
GEC 4	490 526 829	100.00%	FC	100.00%
GEC 7	423 101 674	100.00%	FC	100.00%
GEC 8	508 052 149	100.00%	IG	100.00%
GEC 9	508 052 008	100.00%	IG	100.00%
Gecimed	320 649 841	100.00%	FC	98.59%
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%
Investibail transactions	332 525 054	100.00%	FC	100.00%
Khapa	444 465 017	100.00%	IG	100.00%
L'Angle	444 454 227	100.00%	IG	100.00%
Labuire Aménagement	444 083 901	59.70%	EM	59.70%
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%
Montessuy 357	423 852 185	100.00%	FC	100.00%
Nikad	433 877 669	100.00%	FC	100.00%
Parigest	642 030 571	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 (Espagne)		100.00%	IG	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%

Companies	SIREN	12/31/2011 % interest	Method of consolidation	12/31/2010 % interest
SPIPM	572 098 465	100.00%	FC	100.00%
SPL	397 840 158	100.00%	FC	100.00%
Tour H15	309 362 044	100.00%	FC	100.00%
First consolidated in 2011				
Alouettes 64	443,734,629	100.00%	FC	
8 rue de Cheuvreul - Suresnes	352,295,547	100.00%	FC	
Clos Saint Jean	419,240,668	100.00%	FC	
Bordeaux K1	512,148,438	100.00%	FC	
Eaubonne K1	512,148,974	100.00%	FC	
Lyon K1	512,149,121	100.00%	FC	
Suresnes K1	512,148,560	100.00%	FC	
SCIMAR	334,256,559	100.00%	FC	
Tiers temps Aix-les-Bains	418,018,172	100.00%	FC	
Tiers temps Lyon	398,292,185	100.00%	FC	
Grande Halle de Gerland	538,796,772	100.00%	FC	
First consolidated in 2010				
Hôpital privé d'Annemassse	528,229,917	100.00%	FC	100.00%
Anthos	444,465,298	100.00%	FC	100.00%
Montbrossol	380,249,326	100.00%	FC	100.00%
Deconsolidated in 2011				
Grands Bouessays	309,660,629	Wound up	FC	100.00%
Joba	392,418,216	Wound up	FC	100.00%
Saint Genis Industries	382,106,706	Wound up	FC	100.00%
Val Notre Dame	343,752,903	Wound up	FC	100.00%
Deconsolidated in 2010				
Bami Newco [(1)]			NC	49.00%
Foncigef	411,405,590		FC	Wound up
Foncirente	403,282,353		FC	Wound up
GEC 3	428,818,512		FC	Merged
GEC 6	490,753,340		FC	Merged
Paris Saint Michel	344,296,710		FC	Merged
Parisienne Immobilière d'Investissement 1	434,021,200		FC	Merged
S.G.I.L.	964,505,218		EM	Wound up
SCI Bazincourt	449,212,562		FC	Merged
SCI Pierre Curie	443,957,014		FC	Merged

FC: full consolidation
EM: equity method.
NC: not consolidated.
(1) See Note 3.5.5.2.

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, 2011 (see Note 3.5.5.3).

3.5.2.4.2. Intercompany transactions

Reciprocal 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 capital 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.

When the acquisition relates to an entity constituted by a combination of assets and liabilities without a commercial activity as defined in IFRS 3, since this acquisition is not a business combination, it is recorded as an acquisition of assets and liabilities without recognizing goodwill.

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 year and on net income for the year are recorded on a separate line under shareholders' equity.

3.5.2.6. Changes in the presentation of the consolidated income statement

To improve is accounting reporting, Gecina has decided to change the presentation of the income statement on the points below:

Object	Previously present in	Now present in	Reference
Cost of rental risk	Impairments and net provisions	Property expenses	Note 3.5.6.2
Write-back of the balance of deferred benefits granted to tenants in case of asset disposal	Gross rental income	Gains or losses on disposals	Note 3.5.6.5
Net commitments related to benefits granted to employees (excluding share-based compensation)	Impairments and net provisions	Overheads	Notes 3.5.6.4 and 3.5.5.13
Share of payroll costs, directly linked to disposals, rentals and develop. Projects	Overheads	Gains or losses on disposals Change in property value (due to capitalized construction work)	Notes 3.5.6.4, 3.5.6.5 and 3.5.5.13
Depreciation of premiums on derivatives	Change in value of financial instruments	Financial expenses	Note 3.5.6.7

The impact of these changes on the Group's consolidated financial statements as at December 31, 2011 is detailed in the notes to the financial statements, specifically indicated in the table above.

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.

Contracts for leased assets are recognized as finance leases and recorded as assets on the balance sheet, and the corresponding borrowings are recorded as liabilities under 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.

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 in the consolidated financial statements. This block value excludes transfer duties and is determined by independent appraisers (at December 31, 2011: BNPP Real Estate, Catella, CB Richard Ellis Bourdais, 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, including those acquired during the half year and which were previously not subject to specific appraisal. No asset was concerned by this change during the year.

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 as follows:

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

Investment properties under redevelopment are stated 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. 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. Such is the case over the half year for the Le Velum property in Lyons recognized at fair value as at December 31, 2011: the impact of the fair value recognition amounts to €9 million.

Valuation procedure

Each investment property is measured separately by an independent appraiser. 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.

a) Office properties

The fair market value of each asset is based on the results of the following three 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 valuation and transactions made on assets equivalent in type and situation, on dates close to the date of valuation.
- Capitalization of net income method: this method consists of capitalizing recorded or potential income on the basis of a 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, potential 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 state

The block market value of each asset is determined from the results of the following two methods: direct comparison and income capitalization. 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 is identical to the method used for office property.
- Capitalization of income 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.

c) Unit value for residential and mixed property

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

The 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. Office units and commercial premises situated on the ground floor of buildings are then added for their estimated value based on both methods: direct comparison and income capitalization.

For properties where the process of sale by units is in process, 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 market value of each asset is determined from the results of the following two methods: capitalization of income and discounted cash flow. 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)

When the Group is engaged in selling an asset or group of assets, it classifies this as an asset held for sale, in current assets on the balance sheet at its latest known fair value.

Properties recorded in this category were valued as follows:

- properties for sale in block: block valuation of accepted offer (or, failing that, the block appraised value excluding duties) excluding transfer duties, subject to the deduction of expenses and fees necessary for their sale;
- properties for sale in units: unit valuation (see Note 3.5.3.1.1) after taking into account miscellaneous costs, periods and contingencies that are part of their marketing. If more than 60% of the property is sold, the asset is recognized at the fair value of the last recorded transactions.

3.5.3.1.3. Operating properties and other tangible 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 property, plant and equipment are recorded at cost and depreciated under the straight-line method for periods of 3 to 10 years.

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 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. Loss of value is recorded if the value in use of the investment becomes less than its net book value over the long term.

In the event where the Group's share in the negative equity of an equity-account company 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 interests are stated at fair value. 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. Where there is long-term impairment, this is accounted for under expenses.

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. Impairments 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.

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

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

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

Impairment thus determined is adjusted to take account of 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 year during which rights are vested is determined by reference to the fair value of equity instruments granted, the discounted value of future dividends paid over the vesting period and the staff turnover rate.

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

3.5.3.8. Financial instruments (IAS 39)

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

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

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

To a large extent, Gecina's interest rate 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 income 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 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

IAS 37 requires interest-free long-term liabilities to be discounted.

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

3.5.3.11. Employee benefit commitments

IAS 19 details accounting rules for benefits granted to employees (except for share-based payments, which come under IFRS 2).

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 liabilities" under balance sheet liabilities.

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

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 executive managers.

Actuarial differences are posted under equity.

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.

3.5.3.12. Tax

3.5.3.12.1. Ordinary law treatment

For companies not eligible to the SIIC regime, 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 regime

Opting for the SIIC regime 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 regime 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 regime, this option coming under the acquisition strategy.

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 corporate property sector (mainly rent franchises and stepped rents) are amortized straight-line over the firm period of the lease. The adopted deferral reflects, if appropriate, the additional advantages beyond the first firm term 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.

3.5.3.14. Estimates and key accounting judgments

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

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 at 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 risks

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.

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, 2011 would require an additional provision of €2.5 million in Gecina's corporate financial statements.

3.5.4.3. Counterparty risk

Having a portfolio of clients of around 2,000 corporate tenant, from a great variety of sectors, and more than 14,000 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 bad debt rate.

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 to a particular counterparty is 13%.

3.5.4.4. Liquidity risk

Liquidity risk is managed by constantly monitoring the maturity of loans, 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 lines of credit, and asset disposal programs. Details of debt maturity dates are provided in Note 3.5.11.1 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 3.5.11.2 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 income, according to the procedures described in Note 3.5.3.8.

3.5.4.6. Exchange rate 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.

3.5.5. Notes to the consolidated balance sheet

3.5.5.1. Real estate assets

3.5.5.1.1. Statement of changes in property holding

Gross value *€ thousands*	At 12/31/2010	Acquisitions	Disposals	Change in fair value	Change in scope	Transfers between items	At 12/31/2011
Investment properties	10,116,219	594,277	(191)	146,772	3,611	(909,315)	9,951,373
Properties under reconstruction	832,892	260,914	0	(42,169)	1,185	(115,825)	936,998
Operating buildings	76,204	19	0	0	0	0	76,223
Intangible assets	5,871	2,409	(5	0	0	0	8,275
Other tangible assets	8,088	1,466	(44)	0	0	4	9,516
Properties for sale (current assets)	650,184	5,312	(888,382)	37,602	0	1,021,134	825,849
Properties in inventory (current assets)	0	1,782	0	0	0	4,006	5,788
GROSS VALUE	**11,689,458**	**866,180**	**(888,622)**	**142,205**	**4,797**	**4**	**11,814,023**

Depreciations *€ thousands*	At 12/31/2010	Acquisitions	Disposals	Change in fair value	Change in scope	Transfers between items	At 12/31/2011
Operating buildings	8,359	1,434	0	0	0	0	9,794
Intangible assets	1,985	1,735	(3)	0	0	0	3,717
Other tangible assets	4,000	1,396	(43)	0	0	4	5,358
DEPRECIATION	**14,344**	**4,566**	**(45)**	**0**	**0**	**4**	**18,870**
NET VALUE	**11,675,114**	**861,614**	**(888,577)**	**142,205**	**4,797**	**0**	**11,795,154**

In accordance with the accounting principles defined in Note 3.5.3.1.1, three assets under refurbishment are recorded at their historical cost for a combined total of 46.7 million euros.

3.5.5.1.2. Analysis of acquisitions (duties and costs included)

The acquisitions (excluding properties in inventory) concerned:

€ thousands	12/31/2011
Horizons in Boulogne-Billancourt (commercial)	313,544
Foncière Sagesse Retraite portfolio (30 healthcare assets)	237,608
Les Docks de Saint-Ouen (commercial)	14,978
Financial expenses capitalized on 2011 acquisitions	61
Property acquisitions	**566,191**
Reconstruction work	245,875
Renovation work	48,438
Works	**294,313**
TOTAL ACQUISITIONS	**860,504**

3.5.5.1.3. Maturity dates of investment properties held on financial lease

The Group has 30 financial leases. This concerns fixed or variable-rate contracts taken out for an average duration of 4.30 years with leading organizations.

€ thousands	**12/31/2011**	12/31/2010
Less than 1 year	62,335	57,616
1 to 5 years	241,745	205,133
Over 5 years	151,894	187,183
TOTAL	**455,974**	**449,932**

3.5.5.2. Financial investments

€ thousands	**12/31/2011**	12/31/2010
Non-consolidated investments	109,421	109,421
Advances on fixed asset acquisitions	66,433	65,569
Deposits and guarantees	2,037	2,213
Other financial investments	5,441	770
Total	183,332	177,973
Impairment (1)	(169,274)	(168,761)
NET TOTAL	**14,058**	**9,212**
(1) Impairment:		
Advances on fixed asset acquisitions	*(59,933)*	*(59,420)*
Equity investments and related receivables	*(109,342)*	*(109,341)*
	(169,274)	***(168,761)***

As of December 31, 2010, Gecina stopped the equity method consolidation of Bami Newco, a company in which its holds 49%, as it no longer had significant control. The €109.3 million investment (costs included) was fully written off on June 30, 2010.

The €65,6 million advance payment for the property acquisition of land in Marbella (Spain) has been written down by €59.9 million to reduce it to the latest appraised value of the land (€5.6 million).

3.5.5.3. Equity-accounted investments

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

As of December 31, 2011, this item included the company's share in La Buire (a Lyon-based business that sells plots of land).

The main consolidated balance sheet and income statement headings for these investments at December 31, 2011 were follows:

€ thousands	La Buire
Property holdings	3,812
Other assets	13,321
Total assets	**17,133**
Equity	9,774
Other liabilities	7,359
Total liabilities	**17,133**
Revenues	0
Recurring income	11
Net income	**3,298**
% held	59.70%
SHARE IN NET INCOME	**1,969**
Equity	9,774
% held	59.70%
EQUITY-ACCOUNTED INVESTMENTS	**5,835**

3.5.5.4. Deferred tax assets and liabilities

Deferred tax assets include loss carry-forwards that can be booked as forecast tax payables and tax timing differences on assets or liabilities of companies subject to income tax.

In this way, the Group recorded 22 million euros in deferred tax assets over the year relating to the capitalization of part of its carryover losses, which are expected to be used over the medium term. This amount is net of the 11 million euro deferred tax liability relating to an exit tax payment, also recorded in 2011 within Gecina

€ thousands	12/31/2010	Increases	Decreases	Transfers between items	**12/31/2011**
Asset	1,225	13,049	(1,128)	338	13,484
Liability	(23,134)	(855)	9,754	(338)	(14,573)
TOTAL	**(21,909)**	**12,194**	**8,626**	**0**	**(1,089)**

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:

€ thousands	**12/31/2011**	12/31/2010
Properties for sale (block basis)	620,876	490,752
Properties for sale (units basis)	204,973	159,432
TOTAL	**825,849**	**650,184**

3.5.5.6. Trade receivables

The breakdown of net receivables by sector is set out in Note 3.5.5.7. At December 31, 2011, the amount of overdue trade receivables with no impairment was not material.

€ thousands	12/31/2011	12/31/2010
Billed clients office business	5,629	6,064
Billed clients residential business	11,700	12,377
Billed clients student residence business	163	90
Billed clients logistics business	10,952	8,133
Billed clients hotel business	119	6
Billed clients healthcare business	63	154
Billed clients service business	1,078	638
Billed clients	**29,704**	**27,462**
Unbilled expenses payable.	10,376	10,170
Balance of amortized rent holidays and stepped rents (IAS 17)	40,662	41,558
GROSS TOTAL	**80,742**	**79,190**
Impairment of receivables	(18,093)	(13,603)
TOTAL NET RECEIVABLES	**62,649**	**65,587**

3.5.5.7. Other current asset receivables

€ thousands	12/31/2011	12/31/2010
Value added tax	32,066	26,597
Income tax	2,516	6,149
Other (1)	34,135	44,475
GROSS VALUES	**68,717**	**77,221**
Impairment	(4,746)	(5,847)
NET VALUES	**63,971**	**71,374**
(1) Of which:		
Advance on OPAC sales (Maisons-Alfort)	*0*	*15,300*
Advance and deposit payments for Beaugrenelle orders	*14,000*	*0*
Advance and deposit payments on orders Other	*2,862*	*2,113*
External agents and managers	*5,489*	*3,760*
Bami cash advance (100% provisioned)	*2,315*	*2,685*
Convertible bond interest (100% provisioned)	*2,300*	*2,300*

3.5.5.8. Prepaid expenses

€ thousands	12/31/2011	12/31/2010
Works on properties on sale	594	1,189
Loan application costs	16,968	15,069
10-year warranty insurance	5,233	3,801
Pre-paid finance leases	208	136
Marketing costs	251	3,219
Costs of future sales	175	0
Internal costs	526	0
Miscellaneous	159	561
NET VALUES	**24,114**	**23,975**

3.5.5.9. Cash and equivalents

€ thousands	12/31/2011	12/31/2010
Money-market UCITS	9,674	16,329
Bank current accounts	33,248	8,298
GROSS CASH AND EQUIVALENTS	**42,921**	**24,627**
Bank overdrafts	0	(6,816)
NET CASH AND EQUIVALENTS	**42,921**	**17,811**

3.5.5.10. Consolidated shareholders' equity

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

3.5.5.11. Loans, debt and financial instruments

3.5.5.11.1. Loans and debt

Outstanding debt *€ thousands*	**Outstanding debt 12/31/2011**	Repayments < 1 year	Outstanding debt 12/31/2012	Repayments 1 to 5 years	Outstanding debt 12/31/2017	Repayments more than 5 years
Fixed-rate debt	**1,977,746**	**(591,704)**	**1,386,042**	**(1,326,631)**	**59,411**	**(59,411)**
Ornane	320,000	0	320,000	(320,000)	0	0
Fair value impact of Ornane	(28,960)	0	(28,960)	28,960	0	0
Bonds	1,485,782	(496,202)	989,580	(989,580)	0	0
Bank borrowings	0	0	0	0	0	0
Finance leases	108,626	(12,488)	96,138	(36,727)	59,411	(59,411)
Accrued interest and other liabilities	92,299	(83,015)	9,284	(9,284)	0	0
Floating-rate debt	**3,082,177**	**(404,453)**	**2,677,724**	**(1,537,502)**	**1,140,221**	**(1,140,221)**
Treasury notes	40,400	(40,400)	0	0	0	0
Floating-rate and variable-rate borrowing	2,000,766	(45,911)	1,954,855	(997,257)	957,599	(957,599)
Credit lines	766,000	(285,000)	481,000	(381,400)	99,600	(99,600)
Finance leases	275,011	(33,142)	241,869	(158,846)	83,023	(83,023)
Bank overdrafts	0	0	0	0	0	0
GROSS DEBT	**5,059,924**	**(996,158)**	**4,063,766**	**(2,864,133)**	**1,199,633**	**(1,199,633)**
Cash (floating rate)						
Open-end investment funds, deposits and income receivable	9,674	(9,674)	0	0	0	0
Liquid assets	33,248	(33,248)	0	0	0	0
TOTAL CASH AND EQUIVALENTS	**42,921**	**(42,921)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	1,977,746	(591,704)	1,386,042	(1,326,631)	59,411	(59,411)
Floating rate	3,039,255	(361,531)	2,677,724	(1,537,502)	1,140,221	(1,140,221)
TOTAL NET DEBT	**5,017,002**	**(953,236)**	**4,063,766**	**(2,864,133)**	**1,199,633**	**(1,199,633)**
Available credit lines	1,360,000	(130,000)	1,230,000	(1,230,000)	0	0
Future cash flows on debt	0	129,435	0	343,428	0	144,279

The interests that will be paid until maturity of the entire debt estimated on the basis of the interest rate curve at December 31, 2011, come to €617 million.

The breakdown of the €996 million repayment of gross debt at less than one year is as follows:

	1st quarter 2012	2nd quarter 2012	3rd quarter 2012	4th quarter 2012	**TOTAL**
€ thousands	603,677	168,874	25,569	198,038	**996,158**

The fair value of the gross debt used to calculate the NAV was €5,095 million as of December 31, 2011.

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 nominal value (€320 million) and the impact of the fair value adjustment (€32 million). Furthermore, the debt is detailed at its balance sheet value.

Type of bond	EMTN	Ornane	EMTN	EMTN
Issue date	June 1, 2004	April 9, 2010	September 17, 2010	February 3, 2011
Issue amount *(€ million)*	498.3	320.0	500.0	500
Issue/conversion price	€996.56	€111.05	€49,803.50	€99,348
Redemption price	€1,000	N/A	€50,000	€100,000
Conversion rate	N/A	1.06	N/A	N/A
Number of bonds issued	500,000	2,881,586	10,000	5,000
Nominal rate	4.88%	2.125%	4.50%	4.25%
Maturity date	January 25, 2012	January 1, 2016	September 19, 2014	February 3, 2016

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 (1)	**Position at 12/31/2011**	Position at 12/31/2010
Net debt/Revalued block value of property holding	maximum 50%	42.64%	44.35%
EBITDA (excluding disposals)/Financial expenses	minimum 2.00 x/2.25 x	2.62	3.09
Value of guarantees/Block value of property holding	maximum 20%	18.65%	16.94%
Minimum block value of property holding	minimum €8 billion	11,834	11,662

(1) Barring temporary exception.

Change of control clauses

Bond issue of €494 million due in January 2012: a change of control leading to downrating to "Non investment grade", not raised to "Investment Grade" within 270 days, can lead to the early repayment of the loan.

Bond debt of €500 million due in September 2014: a change of control leading to downrating to "Non investment grade", not raised to "Investment Grade" within 120 days, can lead to the early repayment of the loan.

Bond debt of €500 million due in February 2016: a change of control leading to downrating to "Non investment grade", not raised to "Investment Grade" within 120 days, can lead to the early repayment of the loan.

€320 million Ornane bonds: a change of control can lead to early reimbursement at the discretion of the bondholders.

3.5.5.11.2. Financial 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 *€ thousands*	**Outstanding 12/31/2011**	Maturity or effective date < 1 year	Outstanding 12/31/2012	Maturity or effective date 1 to 5 years	Outstanding 12/31/2016	Maturity or effective date more than 5 years
Portfolio of outstanding derivatives at December 31, 2011						
Fixed-rate payer swaps	2,480,515	(536,650)	1,943,865	(1,043,865)	900,000	(900,000)
Caps, floors	1,456,000	0	1,456,000	(556,000)	900,000	(900,000)
Fixed-rate receiver swaps	498,000	(498,000)	0	0	0	0
Floating rate swaps versus floating rates	250,000	(250,000)	0	0	0	0
Total	4,684,515	(1,284,650)	3,399,865	(1,599,865)	1,800,000	(1,800,000)
Portfolio of derivatives with deferred effect (1)						
Fixed-rate payer swaps	0	207,000	207,000	0	207,000	(207,000)
Caps, floors	0	0	0	0	0	0
Buying/selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Buying/selling of collar puts and calls	0	0	0	0	0	0
Fixed-rate receiver swaps	0	0	0	0	0	0
Floating rate swaps versus floating rates	0	0	0	0	0	0
Total	0	207,000	207,000	0	207,000	(207,000)
Total portfolio of derivatives						
Fixed-rate payer swaps	2,480,515	(329,650)	2,150,865	(1,043,865)	1,107,000	(1,107,000)
Caps, floors	1,456,000	0	1,456,000	(556,000)	900,000	(900,000)
Buying/selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Buying/selling of collar puts and calls	0	0	0	0	0	0
Fixed-rate receiver swaps	498,000	(498,000)	0	0	0	0
Floating rate swaps versus floating rates	250,000	(250,000)	0	0	0	0
TOTAL	4,684,515	(1,077,650)	3,606,865	(1,599,865)	2,007,000	(2,007,000)
future interest cash flows on derivatives	0	64,411	0	182,620	0	(7,056)

(1) Positive amounts in the "repayment" columns correspond to contracted derivatives.

Gross debt hedging *€ thousands*	**12/31/2011**
Fixed-rate gross debt	1,977,746
Fixed-rate debt converted to floating rate	(498,000)
Residual debt at fixed rate	1,479,746
Gross debt at floating rate	3,082,177
Fixed-rate debt converted to floating rate	498,000
Gross debt at floating rate after conversion of debt to floating rate	3,580,177
Fixed-rate payer swaps	(2,480,515)
Gross debt at floating rate not swapped	1,099,662
Puts & calls	(1,456,000)
UNHEDGED FLOATING-RATE DEBT	(356,338)

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

€ thousands	12/31/2011	12/31/2010
Non-current assets	4,445	43,361
Current assets	850	0
Non-current liabilities	(257,306)	(171,378)
Current liabilities	(25)	(4,984)
TOTAL	**(252,036)**	**(133,001)**

The value adjustment on derivative instruments for 119 million euros reflects the restructuring of derivative instruments for 22 million euros, resulting in an 11 million euro loss, and the negative value adjustment for 141 million euros linked to changes in rates since the end of 2010.

3.5.5.12. Provisions

€ thousands	12/31/2010	Allocations	Write-backs	Uses	12/31/2011
Tax litigations	12,291	471	(6,676)	0	6,086
Employee benefit commitments	10,160	1,497	(493)	(3,504)	7,659
Spain commitments	25,000	9,403	0	0	34,403
Other disputes	1,464	1,902	(390)	(220)	2,756
TOTAL	**48,915**	**13,273**	**(7,559)**	**(3,724)**	**50,904**

Within the consolidation, some companies 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 are to date no unaccrued risks, the impact of which would be likely to significantly affect the Group's income or financial position Thus, during the financial year, the write-back of the €6.7 million provision reflects the favorable change in tax risk, specifically the abandonment of a number of reassessment issues in the Logistics division.

Employee benefit commitments concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. These commitments are calculated by independent experts. The change can be primarily explained by the effect of Gecina's subscription of a hedging asset to cover part of the Group's pension liabilities. This subscription led to a cash outflow of €3.6 million to the insurance company.

Gecina's 20 million euro guarantee (issued in 2010), counter-guaranteeing the SIF Espagne subsidiary's 20 million euro guarantee in connection with the restructuring of financing facilities for Bami Newco (with Eurohypo bank as the lead underwriter), in which Gecina has a 49% interest, and the 5 million euro joint and several guarantee granted to FCC Construccion relating to Bami Newco's development of a headquarters building in Madrid, are still provisioned in view of Bami Newco's financial position.

In 2012, the Company was informed about the existence of guarantees granted by SIF Espagne, represented by Mr. Joaquín Rivero, as described in Note 3.5.8.3., guaranteeing Bami Newco's repayment of various loans. In view of Bami Newco's financial position, Gecina has booked €9.4 million in provisions, corresponding to its estimation of the risk as of today.

3.5.5.13. Pensions and other benefits granted to employees

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

€ thousands	2011	2010
Discounted value of the liability	13,596	13,652
Fair value of hedging assets	(5,937)	(3,492)
DISCOUNTED NET VALUE OF THE LIABILITY	**7,659**	**10,160**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	0	0
NET LIABILITY ON THE BALANCE SHEET	**7,659**	**10,160**

The actuarial variances booked in shareholders' equity amounted to €0.2 million as of December 31, 2011.

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

	2011	2010
Expected yield rate of hedging assets	4.50%	4.50%
Wage increase rate (net of inflation)	0.50%	0.50%
Discount rate	4.50%-5.00%	3.85%-4.75%
Inflation rate	2.00%	2.00%

3.5.5.14. Trade payables

The amounts recognized in the balance sheet at December 31, are as follows. They specifically include earnout debts calculated according to the procedures set up during the acquisition of equity interests in Beaugrenelle and Montbrossol.

€ thousands	12/31/2011	12/31/2010
Trade payables	6,114	12,172
Trade payables (invoices not received)	21,219	18,985
Fixed asset trade payables	31,988	12,880
Fixed asset trade payables (invoices not received)	93,857	96,053
TRADE PAYABLES	**153,178**	**140,089**

3.5.5.15. Tax and social security payables

€ thousands	12/31/2011	12/31/2010
Social security liabilities (short term)	22,003	21,238
Exit tax	5,991	11,136
Other tax liabilities (representing VAT payable and local taxes)	36,660	31,273
TAX AND SOCIAL SECURITY PAYABLES	**64,654**	**63,647**
of which non-current liabilities	*3,994*	*5,991*
of which current liabilities	*60,660*	*57,656*

3.5.5.16. Other payables

€ thousands	12/31/2011	12/31/2010
Client credit balances	39,066	30,694
Other payables [1]	14,390	21,237
Deferred income	3,351	1,577
OTHER PAYABLES	**56,807**	**53,508**
(1) Of which:		
Blocked account of absorbed companies (Simco, Sefimeg)	*3,841*	*3,848*
External agents and managers	*930*	*1,611*
Receipt of Vinci claim	*3,262*	*3,259*
Dividends payable	*899*	*877*
Tenant compensations (Beaugrenelle center)	*1,690*	*2,491*

3.5.5.17. Off balance sheet commitments

€ thousands	Details	12/31/2011	12/31/2010
Commitments given			
Off balance sheet commitments given related to operating activities			
Deposits and guarantees (in favor of subsidiaries and equity investments)		16,627	52,495
Asset-backed liabilities (1)		1,833,072	1,592,956
Promises or options for acquisition of properties (including those in state of future completion)		1,047,591	877,407
TOTAL COMMITMENTS GIVEN		**2 897 291**	**2 522 858**
Off balance sheet commitments received linked to financing			
Unused lines of credit	Note 3.5.5.11	1,360,000	850,000
Off balance sheet commitments received linked to operating activities			
Promises or options for acquisition of properties (including those in state of future completion)		1,047,591	877,407
Mortgage-backed receivable		5,586	6,098
Financial guarantees for management and transactions activities		7,030	7,030
Other (2)		85,080	4,000
TOTAL COMMITMENTS RECEIVED		**2,505,287**	**1,744,535**

(1) List of main mortgaged properties:
4 cours de l'Ile Seguin Boulogne Billancourt
16 rue des Capucines, Paris II
3-5 rue Paul Dautier 78 Vélizy Villacoublay
148 et 152 Rue de Lourmel 75015 Paris
4-16, av Léon Gaumont. 93 Montreuil
Zac Charles de Gaulle Colombes (Hautes Seine)
334 342 Rue de Vaugirard et 159 169 Rue Blomet 75015 Paris
418-432 Rue Estienne d'Orves et 25-27 et 33 rue de Metz à Colombes (92 Hauts de Seine)
10/12 place Vendôme, Paris II
9 à 11bis avenue Matignon, 2 rue de Ponthieu, 12 à 14 rue Jean Mermoz, Paris VIII
5b-7 rue Voney, Paris II
37 rue du Louvre, 25 rue d'Aboukir, Paris II
4 cours de l'ile Seguin, Boulogne Billancourt
2-4, quai Michelet, Levallois Perret
ZAC Danton, 34 avenue Léonard de Vinci Courbevoie (Hauts-de-Seine)
101 Avenue des Champs Elysées 75 008 PARIS
8 avenue Delcassé 75008 PARIS
Clinics located throughout the country
505 Rue Iréne Joliot Curie 76 Le Havre

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

Gecina's guarantees granted to Bami Newco were written down (see Note 3.5.5.12).

Gecina and SCI Pont de Grenelle have made 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.

In conjunction with the law on employees' entitlement to training (*droit individuel à la formation* – DIF), at December 31, 2011, the Group's employees earned 54,737 aggregate hours (after deduction of hours used since the establishment of the DIF).

3.5.5.18. Recognition of financial assets and liabilities

€ thousands	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 investments	0	7,478	0	5,586	0	994	0	14,058	14,058
Equity-accounted investments	0	0	0	0	0	5,835	0	5,835	9,774
Liquid assets	42,921	0	0	0	0	0	0	42,921	42,921
Financial instruments	5,295	0	0	0	0	0	0	5,295	5,295
Other assets	0	0	0	0	0	126,620	0	126,620	126,620
TOTAL FINANCIAL ASSETS	**48,216**	**7,478**	**0**	**5,586**	**0**	**133,449**	**0**	**194,729**	**198,668**
Non-current debt	291,040	2,783,146	0	0	989,580	0	0	4,063,766	4,063,766
Financial instruments	258,402	0	0	0	0	0	(1,071)	257,331	257,331
Current debt	0	499,956	0	0	496,202	0	0	996,158	996,158
Other liabilities	0	0	0	0	0	333,269	0	333,269	333,269
TOTAL FINANCIAL LIABILITIES	**549,442**	**3,283,102**	**0**	**0**	**1,485,782**	**333,269**	**(1,071)**	**5,650,524**	**5,650,524**

3.5.6. Notes to the consolidated income statement

3.5.6.1. Gross rental revenues

In its revenues, Gecina distinguishes rental revenues by nature while the analysis by sector (Note 3.5.7) is based on the Group's internal management.

Minimum future rents receivable until the next possible termination date under the operating leases of commercial and other properties (hotels and logistics) are as follows:

€ thousands	**12/31/2011**	12/31/2010
Less than 1 year	368,233	387,744
1 to 5 years	1,271,796	1,337,689
Over 5 years	513,527	581,422
TOTAL	**2,153,557**	**2,306,855**

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 posted under "net impairments and provisions" as of December 31, 2010 is now included in property expenses as of the 2011 reporting date. This cost amounts to €6.0 million for the year ending December 31, 2011, the equivalent in 2010 would have been revenue of €1.7 million.

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

€ thousands	12/31/2011	12/31/2010
Other external expenses	(82,191)	(91,151)
Taxes and duties	(59,441)	(53,822)
Salaries and fringe benefits	(8,125)	(8,747)
Other expenses	(6,865)	(1,749)
Property expenses	**(156,623)**	**(155,470)**
Rental charges to be settled	9,529	9,416
Vacancy expenses for the year	(5,731)	(5,977)
Reconciliation of settled charges	(1,244)	768
Provisions for charges	56,792	62,846
Lease right	1,130	1,191
Miscellaneous recoveries	34,247	26,427
Recharges to tenants	**94,723**	**94,671**
NET DIRECT OPERATING EXPENSES	**(61,900)**	**(60,799)**

3.5.6.3. Services and other income

These largely comprise the following items:

€ thousands	12/31/2011	12/31/2010
Income from service activities	4,206	4,131
Insurance claims	571	1,235
Reversals of investment subsidies	274	201
Other income	2,966	2,074
GROSS TOTAL	**8,017**	**7,641**
Expenses	(677)	(1,406)
NET TOTAL	**7,340**	**6,235**

3.5.6.4. Overheads

Overheads break down as follows:

€ thousands	12/31/2011	12/31/2010
Salaries and fringe benefits (*)	(49,829)	(53,657)
Net management costs	(26,089)	(26,160)
TOTAL	**(75,918)**	**(79,817)**
(*) Of which impact of IFRS 2	*(3,815)*	*(3,400)*

The increase in net commitment pertaining to benefits granted to employees (excluding share-based compensation) is now recorded in payroll costs and reported under Overheads and no longer under Impairments and net provisions. The expense booked for the year ending December 31, 2011 was €1.2 million and would have been €0.5 million for 2010.

Changes in the presentation of payroll costs and management costs (to a lesser extent), directly attributable to disposals, ongoing studies, marketing actions and development projects are as follows:

- €2.5 million of costs were reported in profit or loss on disposal for the year ending December 31, 2011, the equivalent in 2010 would have been €2.0 million;
- €2.4 million of costs were capitalized in 2011, the equivalent in 2010 would have been €2.3 million;
- €0.5 million of costs were booked under liability accruals in 2011, the equivalent in 2010 would have been €0.4 million.

3.5.6.5. Gains or losses on disposals

The proceeds represented:

€ thousands	12/31/2011	12/31/2010
Block sales	773,266	272,410
Units sales	152,535	209,531
Disposal of inventory	0	0
Proceeds from disposal	**925,800**	**481,941**
Block sales	(764,039)	(263,708)
Units sales	(124,534)	(168,763)
Disposal of inventory	0	0
Net book value	**(888,573)**	**(432,471)**
Block sales	(18,433)	(3,427)
Units sales	(3,254)	(2,223)
Disposal of inventory	0	0
Cost of sales	**(21,686)**	**(5,650)**
Block sales	(9,205)	5,275
Units sales	24,746	38,545
Disposal of inventory	0	0
CAPITAL GAINS ON DISPOSAL	**15,541**	**43,820**
Tax capital gains	242,162	151,436

At the sale of an asset, the balance of the receivable arising from the straight-line recognition of benefits granted to tenants previously written back in gross rental income is now posted in Gains or losses from disposals.

The balance written back is €4.4 million for the year ending December 31, 2011; it would have been €1.5 million for 2010.

Payroll costs and to a lesser extent management fees directly attributable to disposals and recorded under Gains or losses on disposals for the year ending December 31, 2011 amounted to €2.5 million. The equivalent in 2010 would have been €2.0 million.

3.5.6.6. Change in value of properties

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

€ millions	12/31/2010	12/31/2011	Change	%
Offices	5,136	5,137	1	0.0%
Logistics	297	240	(58)	-19.2%
Hotels	273	272	(1)	-0.2%
Residential	2,613	2,859	246	9.4%
Healthcare	726	743	18	2.3%
Investment properties - like for like	**9,045**	**9,252**	**206**	**2.3%**
Change in the value of projects delivered and 2011 acquisitions			(35)	
Change in value of projects in progress			(28)	
Change in the value of acquisition commitments				
Change in value of assets on sale			38	
Change in value			**181**	
Capitalized works			(42)	
Capitalized salaries and fringe benefits			(1)	
Acquisition costs, goodwill and other			(4)	
CHANGE IN VALUE RECORDED IN 2011 INCOME STATEMENT			**142**	

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 8.0% 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 €950 million based on the block valuation of appraised assets as of December 31, 2011 and would have a similar unfavorable impact on Gecina's consolidated earnings.

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 securities 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 facilities:

€ thousands	**12/31/2011**	12/31/2010
Expense net of debt	(191,511)	(157,872)
Gains (losses) from translation	(929)	(309)
Income from investments	503	2,010
Other income (expense)	320	1,153
TOTAL	**(191,617)**	**(155,018)**

The average cost of debt amounted to 4.14% in 2011.

Based on the existing portfolio of hedges and taking account of the contractual conditions at December 31, 2011, a 0.5% increase in the interest rate would generate an additional expense in 2012 of €3.1 million. A 0.5% fall in interest rates would result in a reduction in interest expense in 2012 of €3.0 million.

The depreciation of premiums on derivatives, now recorded under financial expenses, came to 3.5 million euros at year-end 2011. The equivalent in 2010 would have been 5.8 million euros.

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 €109 million decrease in fair value of financial instruments as of December 31, 2011 includes:

- a loss of €11 million due to the restructuring of hedge transactions,
- a €130 million decrease in fair value of non-asset backed derivative instruments,
- a €32 million increase in the fair value of Ornane bonds.

The €130 million decrease in fair value of derivative instruments mainly comprises:

- a reduction in the fair value of fixed-rate payer comprehensive hedging instruments of €115 million;
- a reduction in the fair value of floating-rate payer comprehensive hedging instruments of €15 million.

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, 2011, the fair value of the derivatives portfolio following a 0.5% rise in interest rates would increase income by €74 million and shareholders' equity by 0.2 million. The fair value following a 0.5% decrease in rates would reduce income by €76 million and shareholders' equity by €0.2 million.

3.5.6.9. Tax

€ thousands	**12/31/2011**	12/31/2010
Income tax	43,009	28,390
Exit tax	0	(7,988)
Deferred taxes	17,017	21,118
TOTAL	**60,026**	**41,520**

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 business tax (mainly pertaining to head office) in operating charges and will continue to do so for the CFE. 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 taxes mainly include a tax income received from the tax administration of €45.4 million (of which €11.7 million of interests), as settlement for a dispute linked to provisions for impairment of properties.

The deferred tax income of €17.0 million recognized for the year include a revenue of €22 million booked as loss carry-forwards available at the reporting date and whose expected to be used in the short term.

€ thousands	**12/31/2011**	12/31/2010
Income before tax	**350,697**	**995,639**
Theoretical tax rate of 34.43%	120,756	342,828
Impact of tax rate differences between France and other countries	826	1,730
Impact of permanent and timing differences	(13,151)	(9,728)
Companies accounted for by the equity method	(678)	(7,343)
Impact of the SIIC regime	(122,539)	(337,703)
Tax disputes	(46,111)	(31,303)
CVAE	871	
TOTAL	**(180,782)**	**(384,347)**
Effective tax charge per income statement	(60,026)	(41,520)
EFFECTIVE TAX RATE	**–17.12%**	**–4.17%**

3.5.6.10. Earnings per share

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year. Diluted earnings per share are calculated by dividing net income for the year attributable to shareholders by the weighted average number of ordinary shares in circulation during the year, adjusted for the impact of equity instruments to be issued when the issue conditions or conversion (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 bonus shares.

	12/31/2011	12/31/2010
Net income, Group share *(€ thousands)*	411,225	998,245
Weighted average number of shares before dilution	61,032,886	60,911,312
UNDILUTED EARNINGS PER SHARE, GROUP SHARE *(€)*	**6.74**	**16.39**
Net income Group share after effect of dilutive securities *(€ thousands)*	411,964	998,987
Weighted average number of shares after dilution	61,584,950	61,481,701
DILUTED EARNINGS PER SHARE (GROUP SHARE) *(€)*	**6.69**	**16.25**

	12/31/2011	12/31/2010
Net income, Group share before dilution (€ thousands)	411,225	998,245
Impact of dilution on net income (securities allocations effect)	739	742
NET INCOME GROUP SHARE AFTER EFFECT OF DILUTIVE SECURITIES (€ THOUSANDS)	**411,964**	**998,987**
Weighted average number of shares before dilution	61,032,886	60,911,312
Impact of dilution on weighted number of shares	552,064	570,389
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**61,584,950**	**61,481,701**

3.5.6.11. Note on consolidated statement of cash flows

The cash impact of acquisitions and sales of consolidated subsidiaries breaks down as follows:

€ thousands	12/31/2011	12/31/2010
Acquisition price of shares	86,602	78,154
Cash acquired	(2,865)	1,572
NET CASH ACQUIRED	**83,737**	**79,726**
Net sales price of shares	0	0
Cash transferred	0	0
NET DISPOSALS OF TRANSFERRED CASH	**0**	**0**
IMPACT OF CHANGES IN CONSOLIDATION	**83,737**	**79,726**

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 (comprising six major segments) and one ancillary segment:

- economic division comprising the commercial segment (offices and retail outlets), the portfolio of logistics properties and the portfolio of hotel buildings;
- demographic division composed of traditional Residential property (housing assets), student residences and healthcare assets;
- ancillary segment of real estate services (Locare and CFG).

Income statement for business lines at 12/31/2011

€ thousands	Economic division: Commercial	Economic division: Logistics	Economic division: Hotels	Demographic division: Residential	Demographic division: Healthcare	Demographic division: Student residences	Services	Total segments
Operating income								
Rental revenues on commercial 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**	**171,072**	**58,242**	**7,404**	**0**	**632,468**
Operating expenses	74,939	15,999	658	54,161	8,604	2,261		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**	**871**	**1,486**	**0**	**61,899**
Net rental income	**330,623**	**15,380**	**19,709**	**141,569**	**57,371**	**5,918**	**0**	**570,568**
Other transferred expenses	373				(104)		(677)	(408)
Other income	741	783		777	849	392	4,206	7,748
Net income from properties and services	**331,737**	**16,163**	**19,709**	**142,346**	**58,116**	**6,310**	**3,529**	**577,908**
Margin on rents	94.43%	59.19%	100.42%	82.75%	98.50%	79.93%		90.21%
Operating margin	94.74%	62.21%	100.42%	83.21%	99.78%	85.22%	83.90%	91.37%
Salaries and fringe benefits								(49,829)
Net management costs								(26,089)
EBITDA								**501,990**
Gains from inventory disposals								0
Net gains on sale of properties	2,469	(5,317)	1	18,404	(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 provisions and amortization								(513)
Change in value of financial instruments								(108,950)
Net income from equity-accounted investments								1,969
Pre-tax income and minority interests								**351,569**
Tax								60,026
Minority interests								(370)
CONSOLIDATED NET INCOME (GROUP SHARE)								**411,225**
Assets and liabilities by segments as at December 31, 2011								
Investment properties	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)	0	(68)	(100)	(18,093)
Security deposits received from tenants	39,204	3,149		18,082	691	855		61,981

Income statement for business lines at December 31, 2010

	Economic division			Demographic division				
€ thousands	Commercial	Logistics	Hotels	Residential	Healthcare	Student residences	Services	Total segments
Operating income								
Rental revenues on commercial properties	329,787			15,047				344,834
Rental revenues on residential properties	5,204			162,955				168,159
Logistics rents		32,055						32,055
Hotels rents			19,405					19,405
Healthcare rents					47,031			47,031
Student residences rents						5,286		5,286
Gross rental income	334,991	32,055	19,405	178,002	47,031	5,286	0	616,770
Operating expenses	72,164	13,666	924	60,252	6,878	1,587		155,470
Recharges to tenants	(53,602)	(5,988)	(507)	(27,922)	(6,100)	(553)	0	(94,671)
Total net direct operating expenses	**18,562**	**7,678**	**417**	**32,330**	**778**	**1,034**	**0**	**60,799**
Net rental income	316,429	24,377	18,988	145,672	46,253	4,252	0	555,971
Other transferred expenses	38	0	0	0	0	0	(1,408)	(1,370)
Other income	1,350	720	254	740	128	280	4,133	7,605
Net income from properties and services	317,817	25,097	19,242	146,412	46,381	4,532	2,725	562,206
Margin on rents	94.46%	76.05%	97.85%	81.84%	98.34%	80.45%		90.14%
Operating margin	94,87%	78.29%	99.16%	82.25%	98.62%	85.75%	65.93%	91.15%
Salaries and fringe benefits								(53,657)
Net management costs								(26,160)
EBITDA								482,389
Gains from inventory disposals								0
Net gains on sale of properties	4,817	(1,526)	570	39,530	(86)	0		43,820
Change in value of properties	470,474	(136,141)	10,228	372,800	38,914	6,903		763,178
Depreciation								(4,148)
Net impairments								4,206
Operating income								1,289,445
Net financial expenses								(155,018)
Financial provisions and amortization								(34,560)
Change in value of financial instruments								(104,226)
Net income from equity-accounted investments								(21,327)
Pre-tax income and minority interests								974,314
Tax								41,520
Minority interests								(17,589)
CONSOLIDATED NET INCOME (GROUP SHARE)								998,245
Assets and liabilities by segments as at December 31, 2010								
Investment properties	6,507,403	440,542	275,400	3,527,088	737,066	111,795		11,599,294
of which acquisitions	423,734			2,399	11,379			437,512
of which properties for sale	125,566	119,163		405,455				650,184
Amounts due from tenants	49,806	10,726	9	15,892	2,027	90	640	79,190
Tenant Provisions	(3,127)	(1,441)	0	(8,902)	0	(32.71)	(100)	(13,603)
Security deposits received from tenants	41,453	4,224	0	19,646	13	644		65,979

3.5.8. Other information

3.5.8.1. Shareholding structure of the Group

At December 31, 2011, the shareholding structure of Gecina was as follows:

Shareholding structure

	Number of shares	%
Metrovacesa	16,809,610	26.83%
Rivero Group	10,094,735	16.11%
Soler Group	9,568,641	15.27%
Predica	5,145,738	8.21%
Non-resident shareholders	14,048,335	22.42%
Individual shareholders	3,011,851	4.81%
Other resident institutional shareholders	2,350,062	3.75%
Treasury shares	1,621,476	2.59%
TOTAL	**62,650,448**	**100.00%**

Since January 1, 2009, Metrovacesa, a company incorporated under Spanish law, uses the equity method to consolidate the financial statements of Gecina in which it holds 26.83% of the capital and 27.54% of the voting rights.

3.5.8.2. Dividends distributed during the year

For 2010, the Group distributed a single dividend of €4.40 for a total amount of €268,515,000 paid out on May 30, 2011.

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, 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 was €2,685,000 as at December 31, 2011. Furthermore, Bami invoiced €26,000 for the first half-year of 2011 under the operational and administrative management contract for SIF Espagne, a subsidiary. This contract was terminated with effect from October 31, 2011. A new contract pertaining exclusively to the rental and technical management of a property belonging to SIF Espagne was signed with Bami Newco on November 1, 2011. The General Meeting of May 24, 2011 also approved the granting of a first demand guarantee of €20 million (see Note 3.5.5.12.).

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 (see Note 3.5.5.12.).

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 €9.4 million, alongside Inmopark 92, also a shareholder in Bami Newco and controlled by Mr. Joaquín Rivero.
- On November 13, 2009, concerning Bami Newco's repayment of two loans taken out with Banco Popular for €3.3 million and €1.5 million in capital, both due on November 13, 2019.

3.5.8.4. Group employees

Average headcount	12/31/2011	12/31/2010
Managers	204	201
Employees	191	184
Building staff	172	202
TOTAL	**567**	**587**

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 31 Dec 2010	Plan adjustments	Options granted in 2011	Options exerci-sed in 2011	Options canceled, expired or transfor-med	Total to exercise at 31 Dec 2011	Residual life *(in years)*
9/26/2001	9/27/2005	129,460	36.81 €	0					0	0.0
11/25/2003	11/25/2005	278,168	48.70 €	14,887			14,887		0	0.0
10/12/2004	12/12/2006	316,763	61.02 €	52,420			8,210		44,210	2.8
3/14/2006	3/14/2008	251,249	96.48 €	236,749					236,749	4.2
12/12/2006	12/12/2008	272,608	104.04 €	254,008					254,008	5.0
12/13/2007	12/13/2009	230,260	104.72 €	200,260					200,260	6.0
12/18/2008	12/18/2010	331,875	37.23 €	329,457			26,073		303,384	7.0
4/16/2010	4/16/2012	241,100	78.98 €	251,913					251,913	8.3
12/27/2010	12/27/2012	210,650	84.51 €	210,650					210,650	9.0

Grant date	Acquisition date	Number of shares advanced	Stock price when granted	Total at 12/31/2010	Shares obtained in 2011	Canceled shares in 2011	Total at 12/31/2011
12/13/2007	12/13/2009	74,650	€118.99	17,000	17,000		0
12/18/2008	12/18/2010	109,000	€47.50	47,000			47,000
04/16/2010	04/16/2012	48,875	€83.17	48,775		300	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

3.5.8.6.Compensation for executive and management bodies

The Gecina Board of Directors meeting of December 18, 2008, acting in accordance with the recommendations of its Appointments and Compensations Committee, acknowledged the Afep/Medef guidelines of October 6, 2008 (revised in April 2010) regarding compensation of executive directors of listed companies. Gecina's Board of 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 of Directors 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.

Mr. Christophe Clamageran was Chief Executive Officer from November 16, 2009, when Mr. Antonio Truan resigned, to October 4, 2011.

Compensation paid	B. Michel (*)	B. Michel (**)		C. Clamageran		J. Rivero
(€ thousands)	2011	2011	2010	2011	2010	2010
Fixed compensation	226	160	260	379	500	50
Compensation for non-competition clause				86		
Variable compensation for 2010				475	See below	
Variable compensation for 2011		See below		See below		
Contractual indemnity						
Severance benefits				975		
Attendance allowance	67	50	115			109
Value of benefits in kind (new technologies)				0		
Value of benefits in kind (company car)				5	6	
TOTAL	**293**	**210**	**375**	**1,921**	**506**	**159**

(*) As Chairman of the Board of Directors.
(**) As Chairman and Chief Executive Officer.

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:

Recurrent income (actual / budget)	Variable compensation	EBITDA (actual/budget)	Variable compensation
> 102	%	> 101	%
> 98	Target 25%	> 99	Target 40%
> 96	15%	> 98	30%
> 94	10%	> 97	20%
< 94	0%	< 97	0%

The Board of Directors decided that, for 2011, the variable compensation would be guaranteed at a minimum level of 100% of the fixed compensation on an accruals basis for 2011.

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 Chief Executive Officer

Following an opinion from the governance, appointments and compensations committee, the Gecina Board of Directors decided, at its meeting of December 14, 2011, to define the terms of the compensation 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 gross pay (fixed and variable) for the position of Chairman and Chief Executive Officer. The amount will be prorated over the time spent in office.
  Considering the context, the payment of this compensation will not be subject to the achievement of performance criteria,
- in office between six months and one year: 100% of gross pay (fixed and variable) for the position of Chairman and CEO. The amount will be prorated over the time spent in office.
  Payment of this compensation will be contingent on the achievement of the performance criteria (see below),
- seniority between one year and end of term: once the gross total compensation (fixed and variable) for his CEO functions, for the previous calendar year.
  Payment of this compensation will be contingent on the achievement of the performance criteria (see below).

Performance criteria

The compensation will only be paid if operating income in the previous fiscal year (N) closed prior to the severance is greater than the average of operating income in 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 change in value > average recurring income of years N-1 and 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 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.

Mr. Christophe Clamageran

1. Variable compensation

The performance criteria used to set Mr. Christophe Clamageran's variable compensation for 2011 were approved by the Board of Directors on February 23, 2011.

The target variable compensation is set at 100% of fixed pay, with the possibility to reach 120% in the event of the quantitative or qualitative performance criteria being exceeded. 35% of this compensation is subject to qualitative criteria and 65% to two quantitative criteria, namely:

- achievement of recurring income in relation to the target budget (for 25% of the variable pay that may be awarded to the Chief Executive Officer); and
- achievement of EBITDA in relation to the target budget (for 40% of the variable pay that may be awarded to the Chief Executive Officer).

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	%	> 101	%
> 98	Target 25%	> 99	Target 40%
> 96	15%	> 98	30%
> 94	10%	> 97	20%
< 94	0%	< 97	0%

Share-based compensation

No performance share or stock options were granted during 2011.

2. Conditions regarding the end of the CEO's appointment

The Gecina Board of Directors, at its October 4, 2011 meeting, decided to terminate the appointment of Mr. Christophe Clamageran as Chief Executive Officer following an opinion from the Governance, appointments and remunerations committee, based on the following conditions:

- payment of the severance compensation that could be claimed by Mr. Christophe Clamageran (see Chapter 5 "Corporate governance", paragraph 5.2.4), namely one year of his gross compensation (fixed and variable) for 2010, or €975,000 gross, and, following an opinion from the Governance, appointments and compensations committee, after the Board of Directors has recognized achievement of performance criteria to which this payment is subject;
- Mr. Christophe Clamageran may retain stock options granted to him at the Board of Directors meeting of March 22, 2010 and December 9, 2010 as well as performance shares granted at the Board of Directors meeting of December 9, 2010. Mr. Christophe Clamageran is 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;
- implementation of a non-compete clause amounting to €30,000 gross a month for a period of six months as from October 4, 2011.

Furthermore, the variable portion of the remuneration of Mr. Christophe Clamageran for 2011 was determined on an accruals basis on the quantitative performance criteria only during the Board of Directors meeting of February 22, 2012. To this end, a provision of €250,000 was recognized in the accounts.

Other factors

Messrs Bernard Michel and Christophe Clamageran, as their respective predecessors, do 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. Post-balance sheet events

In addition, in mid-January 2012, Gecina signed a preliminary sale agreement for a record amount of €444 million regarding the block sale of residential assets representing the bulk of its goal to complete a block sale of €500 million of residential assets and 55% of its overall asset sale goal for 2012.

ANNUAL FINANCIAL STATEMENTS

4.1. Balance sheet at December 31, 2011

Assets

	12/31/2011			12/31/2010
€ thousands	Gross	Depreciations and impairments	Net	Net
Fixed assets				
Intangible fixed assets	**250,178**	**12,950**	**237,228**	**184,103**
Concessions, patents, licenses	8,049	3,558	4,491	3,819
Intangible assets	242,129	9,392	232,737	180,284
Tangible fixed assets	**4,497,004**	**462,287**	**4,034,717**	**4,112,263**
Land	2,534,481	112,762	2,421,719	2,554,406
Buildings	1,727,492	334,044	1,393,448	1,349,226
Buildings on third party land	36,078	12,624	23,454	28,433
Other	5,101	2,857	2,244	2,299
Construction in progress	193,755		193,755	177,802
Advances and instalments	97		97	97
Financial investments	**4,307,768**	**809,985**	**3,497,783**	**3,535,948**
Equity investments and related receivables	4,013,912	741,337	3,272,575	3,340,545
Other equity investments	37,583	8,562	29,021	37,351
Loans	188,652		188,652	150,800
Other financial investments	2,101	153	1,948	1,153
Advances on property acquisitions	65,520	59,933	5,587	6,099
TOTAL I	**9,054,950**	**1,285,222**	**7,769,728**	**7,832,314**
Current assets				
Advances and instalments	1,211		1,211	95
Receivables				
Rent due	17,427	9,443	7,984	8,281
Other	65,373	6,807	58,566	93,397
Investment securities	86,710	11,234	75,476	86,246
Liquid assets	29,564		29,564	263
Asset accruals				
Prepaid expenses	21,181		21,181	32,212
TOTAL II	**221,466**	**27,484**	**193,982**	**220,494**
Bond redemption premiums	4,021		4,021	2,067
TOTAL III	**4,021**	**0**	**4,021**	**2,067**
GRAND TOTAL (I+II+III)	**9,280,437**	**1,312,706**	**7,967,731**	**8,054,875**

Liabilities and equity

€ thousands	Before allocation of income 12/31/2011	12/31/2010
Equity		
Capital	469,878	469,615
Issue, merger and contribution premiums	1,870,443	1,868,106
Revaluation gain	620,991	656,661
Reserves:		
Legal reserve	45,692	45,666
Legal reserve from long-term capital gains	1,296	1,296
Regulatory reserves	24,220	24,220
Distributable reserves	389,762	354,092
Retained earnings	6,522	0
Net income for the year	272,801	275,037
Investment subsidies	781	973
TOTAL I	**3,702,386**	**3,695,666**
Provisions		
Provisions for contingencies	2,280	914
Provisions for liabilities	17,283	19,907
TOTAL II	**19,563**	**20,821**
Payables and debt		
Bonds	1,862,842	1,343,447
Loans and debt	2,214,954	2,843,104
Security deposits	30,875	33,598
Advances and instalments received	18,584	14,477
Trade payables	17,280	13,927
Tax and social security payables	47,265	39,231
Fixed asset payables	45,615	32,120
Other payables	6,634	9,084
Accruals		
Deferred income	1,733	9,400
TOTAL III	**4,245,782**	**4,338,388**
GRAND TOTAL (I+II+III)	**7,967,731**	**8,054,875**

4.2. Income statement as at December 31, 2011

€ thousands	2011	2010
Operating revenues		
Rental income	302,248	294,411
Write-backs on impairment and provisions	9,897	93,083
Recharges to tenants	48,946	53,082
Other transferred expenses	561	4,217
Other income	23,560	24,897
Total	**385,212**	**469,690**
Operating expenses		
Purchases	13,956	13,849
Other external expenses	78,833	73,104
Taxes and duties	34,522	31,187
Salaries and fringe benefits	50,681	54,705
Depreciation	61,072	53,106
Impairment on current assets	1,994	2,636
Provisions	2,609	4,636
Other charges	3,446	3,183
Total	**247,113**	**236,406**
OPERATING INCOME	**138,099**	**233,284**
Financial income		
Interest and related income	72,346	86,968
Net gains on sale of marketable securities	486	342
Write-backs on impairment and provisions, transferred expenses	3,942	77,716
Income from investment securities and receivables	207,980	287,003
Income from equity investments	42,897	6,682
Total	**327,651**	**458,711**
Financial costs		
Interest and related expenses	198,034	288,541
Impairment and provisions	222,964	237,939
Total	**420,998**	**526,480**
NET FINANCIAL ITEMS	**(93,347)**	**(67,769)**
INCOME BEFORE TAX AND EXCEPTIONAL ITEMS	**44,752**	**165,515**
Exceptional items		
Capital gains on mergers, disposals and exchange of securities		(5,632)
Net gains on sale of properties	213,311	122,761
Provisions for property impairments	(24,830)	19,242
Subsidies	272	199
Exceptional income and expenses	(3,199)	(2,392)
EXCEPTIONAL ITEMS	**185,554**	**134,178**
INCOME BEFORE TAX	**230,306**	**299,693**
Income tax	42,495	(24,656)
RESULT	**272,801**	**275,037**

4.3. Notes to the 2011 financial statements

4.3.1. Highlights

Fiscal year 2011

On January 25, 2011, Gecina successfully completed a 5-year bond issue for €500 million maturing February 3, 2016, with a spread of 168 bps over the mid-swap rate, and offering a coupon of 4.25%. The issue was launched on January 25, 2011, and was oversubscribed more than six times, reflecting renewed interest from European investors.

As part of its asset base optimization policy, Gecina has made significant asset sales. For example, it sold the Origami building (34-36 avenue de Friedland, Paris, 8th *arrondissement*) in June 2011. The building comprises 4,900 sqm of office floor space, for an amount of €86 million, generating a net rate of return of 4.7%. Furthermore, Gecina made a block sale of its residential assets in Lyons to a private equity fund for a total of €172 million.

At the same time, Gecina acquired in June 2011 100% of the shares of SAS Horizons, the company that owns the Horizons asset in Boulogne-Billancourt for a total amount of €59 million. This building, designed by Jean Nouvel and built to HQE Construction standards, provides a usable area of 38,600 sqm of which 15,560 sqm have been let to Laboratoire Roche on a firm lease of 9 years. The net yield of this investment is around 5.9%.

AON, the company leasing La Défense Ouest building in Colombes (92), informed Gecina of its wish to leave the building before the end of its lease (March 2017). In the wake of the agreement reached on this lease termination, and AON having vacated the premises as at June 30, 2011, Gecina recognized in rental income €12.7 million for the compensation paid by AON corresponding to the settlement itself, representing two years of rent (€11 million) and €1.7 million of operation compensation.

Gecina, which held 98.6% of Gecimed, submitted to the AMF on May 31, 2011, a proposed buyout offer, followed by a squeeze out targeted at the shares of Gecimed. Gecina considered that it was no longer appropriate to retain Gecimed as a listed entity. The buyout offer for Gecimed's shares was closed on July 7, 2011. Gecimed shares were consequently delisted from the Stock Exchange.

On June 28, 2011, Gecina also updated its €2 billion EMTN program, which was created in July 2010, with the AMF and has increased it to €2.5 billion in september 2011.

Gecina outsourced part of its squeeze-out commitments to former staff members by paying out €3.6 million to an insurance company.

In conjunction with its €1 billion asset sale program planned for 2011, in December 2011 Gecina completed the sale of four office buildings in Paris, representing nearly 27,000 sqm. These assets were previously covered by preliminary sale agreements. The total value of these four asset sales amounted to €209 million excluding transfer duties, slightly above the appraisal values of these assets at the end of 2011 and reflecting a net exit capitalization rate of 5.5%.

Gecina was also involved in various restructuring transactions for its organization:

(i) Merger-absorption of its subsidiary SAS Horizons into Gecina with effect from July 1, 2011;

(ii) Conversion with effect from January 1, 2012 of a number of French subsidiaries subject to tax on partnerships

Contribution with effect from January 1, 2012 of the rental and technical management activity of the office buildings to Compagnie Foncière de Gestion, also converted into a partnership then renamed Gecina Management.

Fiscal year 2010

In 2010, Gecina acquired the shares of Anthos, owner of an office property located in Boulogne, and delivered in March 2010.

Gecina also raised its stake in Beaugrenelle from 50 to 75% on July 12, 2010 and acquired 10% of SARL Montbrossol, with a commitment to purchase the additional 90% at completion of the building currently under construction in Montrouge.

The increase in Gecina's investment in these two companies corresponded to an earnout calculated according to specific procedures.

Foncigef, SGIL, Paris Saint-Michel, GEC 3 were wound up or absorbed by Gecina, while Gecimed and Geciter, fully-owned subsidiaries of Gecina respectively absorbed GEC 6 and SP1.

On December 31, 2010, Parigest distributed €141.5 million of Geciter shares as dividends. These Geciter shares stem from the compensation for the €141.5 million transfer of Parigest to Geciter of three office properties.

After repaying the two bonds totaling €533 million in February 2010, Gecina issued €320 million of Ornane bonds (redeemable in cash and/or in new and/or existing shares) in February 2010 and in September 2010, another €500 million bond (see note 4.3.4.8).

Gecina has also considerably restructured its portfolio of financial instruments, terminating 11 transactions for a nominal total of €3,713 million with payment of a balance of €100.7 million. In return, new transactions were subscribed amounting to a nominal value of €1,350 million.

4.3.2. Accounting rules and principles

The financial statements were prepared in accordance with the generally accepted accounting principles of the French General Chart of Accounts:

- going concern concept;
- consistency of accounting principles from one year to the next;
- accruals concept ;
- prudence concept.

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. Gross value of 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.

4.3.3.1.2. 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 experts (at December 31, 2011 these were BNPP Real Estate, CB Richard Ellis Bourdais, Foncier Expertise, Jones Lang LaSalle, Catella Valuation) is more than 15% below the property'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 are written down 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 expense of a tangible asset is booked under extra-ordinary 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 and 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 in line with the asset on the balance sheet and amortized under the straight-line method over the term of the bonds.

4.3.3.7. Financial 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.

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 covered by insurance policies and 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

€ thousands	Gross brought forward	Mergers	Transfers between items	Acquisitions	Decreases	Gross carried forward
Intangible fixed assets	**185,929**	**61,845**	**0**	**2,409**	**5**	**250,178**
Concessions, licenses	5,645			2,409	5	8,049
Intangible assets	180,284	61,845				242,129
Tangible fixed assets	**4,555,140**	**241,443**	**0**	**139,210**	**438,789**	**4,497,004**
Land	2,660,618	75,818	7,042	3,197	212,194	2,534,481
Buildings	1,671,063	165,625	62,597	49,689	221,482	1,727,492
Buildings on third party land	41,269		(111)	10	5,090	36,078
Other tangible fixed assets	4,291			833	23	5,101
Fixed assets in progress	177,802		(69,528)	85,481		193,755
Advances and instalments	97					97
Financial investments	**4,136,627**	**(300,293)**	**0**	**920,366**	**448,932**	**4,307,768**
Equity investments	2,432,739	(59,031)	40	142,214	79,546	2,436,416
Receivables related to equity investments	1,448,911	(241,262)		681,918	312,071	1,577,496
Other financial investments [(1)]	37,351			238	6	37,583
Loans	150,800		(40)	38,034	142	188,652
Other financial investments	1,306			57,962	57,167	2,101
Advances on property acquisitions	65,520					65,520
TOTAL	**8,877,696**	**2,995**	**0**	**1,061,985**	**887,726**	**9,054,950**

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

Following the merger with Horizons, a subsidiary, the amount of the intangible asset increased by €61.8 million to €242.1 million. This amount was recognized in 2007, after the merger with SIF, another subsidiary. It is written down if it is greater than the sum of unrealized capital gains from the property holding tendered by SIF, its subsidiaries and Horizons.

Changes in equity investments mainly concern:

- subscription of shares in the capital increase of the subsidiary GEC 4 totaling €70 million;
- the Gecimed public buyout offer for €2.6 million, making it now a wholly-owned Gecina subsidiary;
- subscription of shares in the capital increase of Anthos for €4.5 million;
- €5.6 million of compensation in GEC 7 shares for the contribution of a building;
- €59.0 million for the acquisition of securities from Horizons; the company acquired in June 2011 was taken over by Gecina on July 1.

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 Geciter for €294.7 million, GEC 4 for €280 million, Beaugrenelle for €247.3 million, GEC 9 for €163.6 million and the subsidiary SIF Espagne for €78.5 million and €150 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

€ thousands	Balance brought forward	Transfers between items	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	**1,826**	**0**	**1,735**	**3**	**3,558**
Concessions, licenses	1,826		1,735	3	3,568
Tangible fixed assets	**330,554**	**0**	**59,337**	**55,365**	**334,526**
Buildings	315,726	1	56,967	53,649	319,045
Buildings on third party land	12,836	(1)	1,483	1,694	12,624
Other tangible fixed assets	1,992		887	22	2,857
TOTAL	**332,380**	**0**	**61,072**	**55,368**	**338,084**

Impairments

€ thousands	Balance brought forward	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	**0**	**9,392**	**0**	**9,392**
Intangible assets	0	9,392		9,392
Tangible fixed assets	**112,323**	**16,673**	**1,235**	**127,761**
Land	106,212	7,585	1,035	112,762
Buildings	6,111	9,088	200	14,999
Financial investments	**600,679**	**213,248**	**3,942**	**809,985**
Equity investments and related receivables	541,105	204,174	3,942	741,357
Other equity investments	0	8,562		8,562
Other financial investments	153			153
Advances on property acquisitions	59,421	512		59,933
TOTAL	**713,002**	**239,313**	**5,177**	**947,138**

Impairment of investments and receivables mainly concerns shares in Parigest for €39.2 million, those in Monttessuy for €20.3 million and the shares and receivables of GEC 4 for €78 million and receivables from SIF Espagne for €61.1 million.

Impairments of other financial investments solely concern treasury shares.

4.3.4.2. Operating receivables

Net receivables

€ thousands	12/31/2011	12/31/2010
Rent due	17,426	17,864
Impairment of rent due	(9,442)	(9,583)
TOTAL RENT DUE AND RELATED RECEIVABLES	**7,984**	**8,281**
Receivables on fixed asset disposals	298	16,243
Group receivables (interest-bearing cash advances) (1)	26,511	60,247
Accrued income		3,818
Group income due	15,162	6,560
Miscellaneous income due	836	589
French state – income tax receivables	7,426	6,906
French state – VAT	11,134	3,227
Equity swap receivable		
Management agencies, co-ownerships and external managers	2,488	3,008
Miscellaneous other receivables	1,518	4,155
Impairment of Group receivables		
Impairment of other receivables	(6,807)	(11,356)
TOTAL OTHER RECEIVABLES	**58,566**	**93,397**

(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

€ thousands	**12/31/2011**	12/31/2010
Investment securities (money market UCITS) (1)	2,452	8,379
Treasury shares reserved for employees (2)	75,733	80,769
Treasury shares (liquidity contract)	4,503	
Cash instruments	4,022	
TOTAL GROSS AMOUNTS	**86,710**	**89,148**
Impairment	(11,234)	(2,902)
TOTAL INVESTMENT SECURITIES	**75,476**	**86,246**

(1) The transferable securities portfolio is composed of units of money market UCITS.
(2) Treasury shares include, for a gross total of €75,733,000, the 1,082,473 Gecina shares held to cover the bonus shares and stock options awarded to employees and company officers.

4.3.4.4. Changes in treasury shares

	Number of shares	*€ thousands*
Balance at 01/01/2011	475,050	37,351
Restatement of entitlements to treasury shares set aside for allocation to employees and company officers	3,056	232
BALANCE AT 12/31/2011 (1)	**478,106**	**37,583**

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

4.3.4.5. Bond redemption premiums

At December 31, 2011, this line comprised premiums related to non-convertible bonds issued in 2004, 2010 and 2011 and amortized on a straight-line over the term of the debt (€1.3 million amortized in 2011).

4.3.4.6. Change in share capital and shareholders' equity

At the end of 2011, share capital was composed of 62,650,448 shares with a par value of €7.50:

€ thousands	Capital	Issue, merger and conversion premiums	Reserves	Revaluation gain	Retained earnings	Net shareholders' equity excluding earnings for the year and subsidies
12/31/2009	**469,367**	**1,866,334**	**589,966**	**712,508**	**207,365**	**3,845,540**
Capital increase (employees)	248	1,772	25			2,045
Account transfers			55,847	(55,847)		0
2009 Income appropriation			(220,564)		(207,365)	(427,929)
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**

4.3.4.7. Provisions

€ thousands	Values at 12/31/2010	Allocations	Write-backs	12/31/2011
Provisions for tax audits	2,271	343		2,614
Provision for employee benefits (1)	10,160	587	3,088	7,659
Provision for share buyback plans for employees	7,476		466	7,010
Other provisions	914	1,757	391	2,280
TOTAL	**20,821**	**2,687**	**3,945**	**19,563**

(1) €3.3 million concern provisions accrued to supplement payments made to insurance companies for complementary pension liabilities totaling €7.5 million, with a 5% discount.

4.3.4.8. Loans and debt

€ thousands	Less than 1 year	1 to 5 years	Over 5 years	12/31/2011	Total 12/31/2010
Non-convertible bonds	542,842	1,000,000		1,542,842	1,023,447
Ornane bond		320,000		320,000	320,000
Loans and debt (excluding Group)	360,684	750,355	537,075	1,648,114	2,364,030
Group debt	566,840			566,840	479,074
TOTAL	**1,470,366**	**2,070,355**	**537,075**	**4,077,796**	**4,186,551**

During the year, the company issued a new bond loan of €500 million at 4.25% maturing in February 2016.

Bank covenants

The company's main credit facilities are accompanied by contractual provisions relating to compliance with certain financial ratios (calculated based on consolidated figures), determining interest rates charged and early repayment clauses, the most restrictive of which are summarized below:

	Benchmark standard	Balance at 12/31/2011	Balance at 12/31/2010
Net debt/Revalued block value of property holding	maximum 50% (1)	42.64%	44.35%
EBITDA (excluding disposals)/Financial expenses	minimum 2.00/2.25 (1)	2.62	3.09
Value of guarantees/Value of property holding (block)	maximum 20%	18.65%	16.94%
Minimum block value of property holding (€ millions)	minimum €8,000 million	11,834	11,662

(1) Except for temporary exceptions (the items mentioned are the most restrictive).

Change of control clauses

- Bond issue of €494 million due in January 2012: a change of control leading to the downgrading of Gecina's rating to "Non investment grade", not raised to "Investment Grade" within 270 days, can lead to early repayment of the loan.
- Bond debt of €500 million due in September 2014: a change of control leading to the downgrading of Gecina's 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 rating to "Non investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.
- €320 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

€ thousands	**Debt before hedging at Dec. 31, 2011**	**Effect of hedging at Dec. 31, 2011**		**Debt after hedging at Dec. 31, 2011**	Debt after hedging at Dec. 31, 2020
Floating rate financial debt	1,638,808	-3,430,829	498,000	-1,294,021	-247,325
Fixed rate financial debt	1,814,636	3,430,829	-498,000	4,747,465	3,903,468
INTEREST-BEARING FINANCIAL DEBT (1)	**3,453,444**	**0**	**0**	**3,453,444**	**3,656,143**

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

Derivative portfolio

€ thousands	**12/31/2011**	12/31/2010
Derivatives in effect at year-end		
Fixed-floating rate swaps	2,117,829	985,642
Caps, floors, and collars	1,313,000	2,100,000
Swaps floating rates versus floating rates	250,000	
Fixed-floating rate swaps	498,000	498,000
Subtotal	**4,178,829**	**3,583,642**
Derivatives with deferred impact (1)		
Fixed-floating rate swaps	491,000	1,683,000
Caps, floors, and collars	600,000	1,163,000
Floating rate swaps versus floating rates		250,000
Swaptions	117,000	
Subtotal	**1,208,000**	**3,096,000**
TOTAL	**5,386,829**	**6,679,642**

(1) Including par value changes on derivatives in portfolio at year end.

The fair value of the derivatives portfolio as of December 31, 2011 shows an unrealized termination loss of €229.9 million.

Two financial instrument transactions were restructured during the year leading to financial expenses for termination of €19.2 million.

Based on the existing portfolio of hedges and existing debts and taking account of the contractual conditions at December 31, 2011, a 1% increase in the interest rate would lead to €12.5 million lower interest expenses in 2012. A 1% fall in interest rates would result in an increase in interest expense of €12.5 million.

4.3.4.10. Accrued expenses and income, deferred income and prepaid expenses

These are included in the following balance sheet items:

€ thousands	12/31/2011	12/31/2010
Bonds	48,206	28,811
Financial debt	9,305	15,706
Trade payables	12,199	9,897
Tax and social security payables	17,822	16,872
Fixed asset payables	42,807	26,133
Miscellaneous	907	578
Total accrued liabilities	**131,246**	**97,997**
Deferred income	**1,733**	**9,400**
TOTAL LIABILITIES	**132,979**	**107,397**
Financial investments	6,303	6,303
Trade receivables	3,949	3,871
Other receivables	16,113	11,057
Total accrued income	**26,365**	**21,231**
Prepaid expenses	**21,181**	**32,212**
TOTAL ASSETS	**47,546**	**53,443**

The reduction in deferred income concerns the termination or non-exercise of matured swaptions; the increase stems from the leasehold rights paid by tenants and deferred over the lease term.

The option premiums previously recognized in prepaid expenses, are not posted under "cash instruments" and the balance of this account primarily concerns the loan issues of €18.8 million. Income receivables recognized under "other receivables" correspond for €15.2 million to revenues from inter-company recharges.

4.3.4.11. Deposits and guarantees received

This item, for a total of €30.9 million, primarily represents deposits paid by lessees to guarantee their rent payments.

4.3.4.12. Other liabilities

All other liabilities are due in less than 1 year.

4.3.4.13. Off balance sheet commitments

€ thousands	12/31/2011	12/31/2010
Commitments received		
Swaps	3,356,829	3,682,642
Caps	1,913,000	3,263,000
Unused lines of credit	1,360,000	850,000
Commitments or options to acquire of properties (including sales of property for future completion) or shares	647,817	529,902
Mortgage-backed receivable	5,585	6,099
Other	14,480	
TOTAL	**7,297,711**	**8,331,643**
Commitments given		
Guarantees granted [1]	800,348	828,508
Guarantees given on differentials for subsidiaries' swap transaction (notional amounts)	25,685	34,321
Swaps	3,356,829	3,682,642
Floors	1,350,000	1,900,000
Swaptions	117,000	0
Payables secured by collateral	670,410	542,450
Commitments or options to acquire of properties (including sales of property for future completion)	647,817	529,902
Earnouts on share aquisitions	7,258	
TOTAL	**6,975,347**	**7,517,823**

(1) Including guarantees granted at 12/31/2011 by Gecina to Group companies for €826 million.

The comfort letter issued by Gecina in 2009 for the Eurohypo AG bank and counter guaranteeing the commitments taken by SIF Espagne for this bank (in the context of the restructuring of financing for its 49% equity stake in Barni Newco) was replaced by a first demand standby guarantee of €20 million in March 2010.

A provision was accrued for this commitment in the accounts of SIF Espagne.

Gecina and SCI Pont de Grenelle have made 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.

In conjunction with the law on employees' entitlement to training (*droit individuel à la formation* – DIF), at December 31, 2011, the company's employees had earned 48,350 aggregate hours (after deduction of hours used since the establishment of the DIF).

The company believes it has not omitted any material commitments from those presented in this note.

4.3.5. Notes on the income statement

4.3.5.1. Operating revenues

€ thousands	**2011**	2010
Rental revenues:		
Rental revenues on residential properties	154,508	160,990
Rental revenues on commercial properties	147,740	133,421
TOTAL RENTAL REVENUES	**302,248**	**294,411**

4.3.5.2. Operating expenses

Operating expenses (excluding depreciation and provisions) mainly include property rental expenses to recharge to tenants for €50.9 million.

4.3.5.3. Allocations and write-backs for depreciation and impairment

	2011		2010	
€ thousands	Allocations	Write-backs	Allocations	Write-backs
Fixed assets depreciation (1)	61,072		53,106	
Intangible fixed assets impairment (1)	9,392			1,080
Tangible fixed assets impairment (1)	16,673	1,235	158	18,319
Impairment of financial investments and investment securities	221,580	3,942	237,506	77,716
Receivables impairment (2)	1,994	5,952	2,636	6,841
Provisions for risks and charges (3)	2,686	3,945	4,636	86,243
Amortization of bond redemption premiums (4)	1,306		433	
TOTAL	**314,703**	**15,074**	**298,475**	**190,199**
of which:				
operating	65,675	9,897	60,378	93,083
financial	222,964	3,942	237,939	77,716
non-recurring and tax	26,064	1,235	158	19,400

(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.

4.3.5.4. Net financial items

€ thousands	2011 Expenses	2011 Income	2010 Expenses	2010 Income
Interest and related expenses or income	198,034	72,346	288,541	86,968
Net gains on sale of marketable securities		486		342
Dividends of subsidiaries and income from equity investments (1)		250,877		293,685
Depreciation, impairment and provision charges and write-backs				
• amortization of bond redemption premiums	1,306		433	
• impairment of investment in subsidiaries, related receivables or treasury shares	221,658	3,942	237,506	77,716
TOTAL	**420,998**	**327,651**	**526,480**	**458,711**

(1) Including in 2011 a share of €36.5 million in Monttessuy earnings following the sale of its building, and in 2010 an exceptional dividend of €141,5 million from Parigest.

4.3.5.5. Exceptional items

€ thousands	2011	2010
Net gains on sale of properties	213,311	122,761
Provisions for impairment of fixed assets	(24,830)	19,242
Capital gains or losses on disposals of securities or mergers		(5,632)
Loss on purchase of treasury shares	(3,199)	(2,392)
Other non-recurring income and expenses	272	199
EXCEPTIONAL ITEMS	**185,554**	**134,178**

Block sales of 26 buildings in 2011 generated a gain of €137.7 million, the balance of €75.6 million having been generated by the sale of units.

In 2010, the block sales of 11 buildings generated income of €35 million.

The losses on the sale of shares in 2010 stemmed from the liquidations of SGIL, PSM and Foncigef.

4.3.5.6. Operations with affiliated companies

€ thousands

Assets *(gross values)*		Liabilities and equity		Net financial items	
Financial investments	4,163,842	Financial debts	566,798	Financial costs	203,096
Trade receivables	0	Trade payables	475		
Other receivables	41,673	Other payables	0	Financial income	317,736
Securities granted by Gecina on behalf of related companies			826,033		

At December 31, 2011, 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 (€23 million in 2011) 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.

4.3.6.2. Workforce

Average headcount	2011	2010
Managers	186	184
Employees	163	165
Operatives and building staff	151	170
TOTAL	**500**	**519**

4.3.6.3. Compensation for executive and management bodies

Attendance allowances allocated to members of Gecina's Board of Directors for 2011 amounted to €1.75 million. No loans or guarantees were granted or arranged for members of the executive and management boards.

4.3.6.4. Consolidating company

As at December 31, 2011, Metrovacesa, a Spanish registered company recognizes its 26.83% stake in Gecina's share capital and 27.54% of its voting rights through consolidation under the equity method.

4.3.6.5. Stock options and performance share plans

Performance shares allocation plans

(Data adjusted for the January 2, 2004 2-for-1 share split of Gecina shares)	Performance shares	Performance shares	Performance shares	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
Date of Board of Directors' meeting	10/23/2007	13/12/2007	12/18/2008	03/22/2010	12/092010	12/14/2011
Effective allocation date				04/16/2010	12/27/2010	12/14/2011
Vesting date	10/23/2009	12/13/2009	12/18/2008	04/16/2012	12/28/2012	12/15/2013
Number of rights	18,610	74,650	109,000	48,875	60,850	48,145
Withdrawal of rights	2,336	400	0	400		0
	52					
Cancellation	52					
Share price on day of allocation (after adjustment)	€117.20	€118.99	€47.50	€83.17	€82.48	€55.88
Number of registered shares (after adjustment)	16,378	74,250	62,000	0	0	0
Number of shares to be exercised	**0**	**0**	**47,000**	**48,475**	**60,850**	**48,145**
Performance conditions	no	yes	yes	yes	yes	yes
Internal		Improvement in consolidated current income	Change in rate of operating margin	no	no	Improvement *Total Return*
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

(1) Shares to be issued.

Stock option and share plans

							(1)	(1)
Meeting date	06/06/2001	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	11/25/2003	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	03/22/2010	12/09/2010
Effective allocation date	11/25/2003	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	11/252005	12/12/2006	03/14/2008	12/12/2008	12/13/2009	12/18/2010	04/16/2012	12/27/2012
Expiration date	11/24/2011	10/11/2014	03/15/2016	12/13/2016	12/142017	12/19/2018	04/17/2020	12/28/2020
Number of rights	278,168	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	
Subscription or purchase price (after adjustment)	€48.70	€61.02	€96.48	€104.04	€104.72	€37.23	€78.98	€84.51
Number of shares bought or subscribed (after adjustment)	278,168	272,553	0	0	0	28,491	0	
Number of shares to be exercised	**0**	**44,210**	**236,749**	**252,439**	**198,691**	**303,384**	**250,344**	**210,650**
Performance conditions	no	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

In mid-January 2012, Gecina (and to a lesser extend its subsidiaries) signed a preliminary sale agreement for record sale of €444 million from the block sale of residential assets representing the bulk of its goal to complete a block sale of €500 million of residential assets and 55% of its overall asset sale goal for 2012.

4.3.6.7. Statement of cash flows

€ thousands	**12/31/2011**	12/31/2010
Operating cash flows		
Net income	272,801	275,037
Elimination of income and expenses with no impact on cash flow		
Depreciation, impairment and provisions	295,255	115,765
Investment subsidies accounted for as income	(272)	(198)
Capital gains on disposal	(225,779)	(125,022)
GROSS CASH FLOW FROM OPERATIONS	**342,005**	**265,582**
Change in operating working capital requirements:		
Operating receivables	(589)	13,080
Operating payables excluding SIIC option liabilities	5,332	(2,386)
Non recurring or operating flows (financing)	22,355	100,676
NET CASH FLOW FROM OPERATIONS	**369,103**	**376,952**
Cash flows from investment activities		
Acquisitions of fixed assets	(1,055,554)	(1,111,759)
Disposals of fixed assets	625,150	303,109
Reductions in financial investments	448,932	419,680
Impact of changes in consolidation	2,298	19,624
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**20,826**	**(369,346)**
Cash flows from financing activities		
Dividends paid	(268,515)	(267,857)
Capital increase in cash	2,626	2,045
Loan issues	1,198,228	1,522,748
Repayment of loans	(1,396,070)	(1,374,567)
Other cash flows from financing activities	(22,355)	(100,676)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(486,086)**	**(218,307)**
CHANGE IN CASH AND EQUIVALENTS	**(96,157)**	**(210,696)**
Cash and cash equivalents at beginning of period	**(339,133)**	**(128,437)**
Cash and cash equivalents at end of period	**(435,290)**	**(339,133)**

4.3.6.8. List of subsidiaries and equity investments

Financial information *€ thousands*	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	853,270	100.00%	782,018	782,018
SAS PARIGEST	14,469	169,177	100.00%	414,800	335,078
SA GECIMED	167,914	73,929	100.00%	249,407	249,407
SAS HOTEL D'ALBE	2,261	93,128	100.00%	216,096	216,096
SAS GEC 4	1,819	(80,197)	100.00%	270,121	
SCI CAPUCINES	14,273	2,739	100.00%	26,188	26,188
SNC MICHELET LEVALLOIS	50,000	23,573	100.00%	70,965	70,965
SAS GECIOTEL	50,038	(2,020)	100.00%	50,038	50,038
SCI MONTESSUY	19,508	36,372	100.00%	49,236	19,508
SAS KHAPA	37	33,822	100.00%	36,659	36,659
SCI 55 RUE D'AMSTERDAM	18,015	2,675	100.00%	36,420	36,420
SAS GEC 7	1032	38,386	100.00%	39,553	39,553
SIF Espagne	32,961	(245,926)	100.00%	33,161	
SARL Colvel Windsor	2,000	2,161	100.00%	28,016	5,125
SAS SPIPM	1,226	25,418	100.00%	26,890	26,890
SAS SPL	22,898	1,950	100.00%	25,435	25,435
SAS SADIA	90	20,998	100.00%	24,928	24,928
SCI ST AUGUSTIN MARSOLLIER	10,515	1,112	100.00%	23,204	23,204
SAS LE PYRAMIDION COURBEVOIE	37	21,003	100.00%	22,363	22,363
SAS L'ANGLE	37	16,482	100.00%	21,434	21,434
SCI 5 BD MONTMARTRE	10,515	5,406	100.00%	18,697	18,697
SAS ANTHOS	37	(2,244)	100.00%	20,953	6268
SAS INVESTIBAIL TRANSACTIONS	16,515	2,036	100.00%	15,900	15,900
SCI BEAUGRENELLE	22	(25,436)	75.00%	15,048	15,048
SAS TOUR H15	1,038	723	100.00%	8,261	1,760
SA CFG	763	566	100.00%	6,715	1,328
B - General information on other subsidiaries or equity investments with gross value not exceeding 1% of Gecina's share capital					
a. French subsidiaries (Total)				9,900	8,111
b. Foreign subsidiaries (Total)				–	–
c. Equity investments in French companies (Total)				97	97
d. Equity investments in foreign companies (Total)				–	–

(1) Amount of technical losses on merger assigned to shares contributed by SIF (unrealized capital gains).
(2) Amount of provisions on loans and advances.

Outstanding loans and advances granted by the Company	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
297,247	292,468	92,334	102,528	64,853	
		15,502	3,822	82,600	
545		47,251	5,343	28,330	
	224,000	19,371	15,050	12,566	69,873 (1)
288,793		21,664	(79,990)		73,707 (2)
		3,915	2,739		4,702 (1)
24		12,737	7,224	7,500	
52,180		19,377	4,952		
24,000		4,319	36,372		9,392 (1)
9,139	110,000	10,922	4,681		
20,199		4,886	2,675		4,255 (1)
66,637		4,876	(154)	321	
228,528		3,411	(92,612)		203,634 (2)
29,000	73,500	5,412	(3,036)		
1,000		2,141	1,629	1,471	4,075 (1)
		3,257	1,062	1,397	
12,131		2,564	2,026	1,775	5,870 (1)
12,170		2,872	1,112		4,537
	51,000	5,107	2,883		
2,548	60,000	3,826	818		
21,000		3,158	1,331	1,612	3,462 (1)
59,643		2,327	(4,075)		
		249	219	345	
256,820		2,070	(1,030)		
61		937	(787)		
		341	169	1,100	
62,669	15,065	29,723	4,458	4,110	
–	–	–	–	–	
48		1,473	150		
–	–	–	–	–	

CORPORATE GOVERNANCE

5.1. Directors and Executive Management Team

5.1.1. Directors and officers

As at December 31, 2011, the members of the Board of Directors were as follows:

- Mr. Bernard Michel (Chairman and CEO);
- Mr. Jean-Jacques Dayries;
- 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. Helena Rivero;
- Mr. Joaquín Rivero;
- Ms. Victoria Soler;
- Mr. Antonio Trueba.

Changes in the Board of Directors during 2011 are detailed in paragraph 5.2 (Chairman's report on corporate governance and internal control).

The Board of Directors comprises 14 members including five independent directors: Messrs Jean-Jacques Dayries, Philippe Donnet, Rafael Gonzalez de la Cueva, Jacques-Yves Nicol and Predica, represented by Mr. Jean-Jacques Duchamp.

During fiscal 2011, the Board of Directors met twelve times and the different Committees have held thirty-four meetings in total, which demonstrates the importance of the work accomplished and the subjects treated.

5.1.2. Remuneration and benefits

Table summarizing the compensations and stock options and shares granted to each corporate officer (table No. 1, AMF recommendation – AFEP-MEDEF Code)

	12/31/2010	12/31/2011
Bernard Michel – Chairman of the Board of Directors		
Compensation due for the period (details in table 2)	375	293
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)	0	404
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
Christophe Clamageran – Chief Executive Officer		
Compensation due for the period (details in table 2)	506	2,166
Valuation of stock options allocated during the period (details in table 4)	712	0
Valuation of performance-related shares allocated during the period (details in table 6)	464	0

Summary of the compensations of each corporate officer (table No. 2 AMF recommendation – AFEP-MEDEF Code)

	2010		2011	
En milliers d'euros	Amounts due	Amounts paid	Amounts due	Amounts paid
Bernard Michel – Chairman of the Board of Directors				
Fixed compensation	260	260	226	226
Variable compensation				
Exceptional compensation				
Attendance allowance	115	115	67	67
Benefits in kind				
Bernard Michel – Chairman and CEO				
Fixed compensation			160	160
Variable compensation			192	
Exceptional compensation				
Attendance allowance			50	50
Benefits in kind			2	
TOTAL	**375**	**375**	**697**	**503**
Christophe Clamageran – Chief Executive Officer				
Fixed compensation	500	500	379	379
Non-competition clause compensation			86	86
Variable compensation	500		721	475
Severance benefits			975	975
Exceptional compensation				
Attendance allowance	0	0		
Benefits in kind (new technologies)			0	0
Benefits in kind (company car)	6	6	5	5
TOTAL	**1,006**	**506**	**2,166**	**1,921**

(*) the variable compensation for 2011 paid in 2012 and included in the amount due will depend on whether the performance targets have been met.

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, Appointments and Compensation Committee.

The company accrued a €413,000 provision for officers' compensation and benefits. The Board of Directors of February 22,2012 fixed variable compensation of Mr. Bernard Michel to 120% of his fixed compensation 2011 prorata temporis from 4th October to 31 December 2011, representing €192,000. The variable compensation of Mr. Christophe Clamageran has been fixed to 65% of his fixed compensation from 1st January to 4 October 2011, representing €246 249,58.

Stock options for existing or new shares during the year to each corporate officer by the issuer and by any Group company (table No. 4 AMF guidelines – AFEP-MEDEF Code)

No stock option for new or existing shares was granted to corporate officers in 2011.

Stock options for old or new shares exercised by each corporate officer (table No. 5 AMF guidelines – AFEP-MEDEF Code)

No corporate officer exercised stock options for new or existing shares in 2011.

Performance shares allocated to each corporate officer (table No. 6 AMF guideline – AFEP-MEDEF Code)

No performance share was granted to any corporate officers in 2011.

Performance shares became available for each corporate officer (table No. 7 AMF guideline – AFEP-MEDEF Code)

No performance share became available for corporate officers in 2011.

Other information (table No.10 AMF guideline – AFEP-MEDEF Code)

	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due after the company officer leaves the position or changes functions		Compensation arising from a non-competition clause	
Company officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Bernard Michel		x		x		x		x
Chairman of the Board								
Date of appointment to the Board	02/16/2010							
Date of expiry of term (1)	AGM 2014							
Bernard Michel		x		x	x			x
Chairman and Chief Executive Officer								
Date of appointment to the Board	10/04/2011							
Date of expiry of term (1)	AGM 2014							
Christophe Clamageran		x		x	x		x	
Chief Executive Officer								
Date of appointment to the Board	11/16/2009							
Date of expiry of term	10/04/2011							

(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.

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 guidelines – AFEP-MEDEF Code)

Non-executive corporate officers	Amounts paid out in 2010	Amounts paid out in 2011
Arcadi Calzada		
Attendance allowance	51,187	34,795
Other compensation		
Aldo Cardoso		
Attendance allowance	127,555	64,589
Other compensation		
Jean-Jacques Dayries		
Attendance allowance	123,214	133,354
Other compensation		
Nicolas Diaz		
Attendance allowance	131,246	151,984
Other compensation		
Philippe Donnet		
Attendance allowance	75,066	117,866
Other compensation		
Vicente Fons		
Attendance allowance	90,001	93,151
Other compensation		
Philippe Geslin		
Attendance allowance	75,646	20,548
Other compensation		
Rafael Gonzalez de la Cueva		
Attendance allowance	0	68,946
Other compensation		
José Gracia		
Attendance allowance	111,274	46,795
Other compensation		
Sixto Jimenez		
Attendance allowance	106,933	104,428
Other compensation		
Metrovacesa		
Attendance allowance	99,118	112,762
Other compensation		
Pierre-Marie Meynadier		
Attendance allowance	109,104	44,295
Other compensation		
Bernard Michel (1)		
Attendance allowance	114,748	116,684
Other compensation		
Jacques-Yves Nicol		
Attendance allowance	59,870	93,151
Other compensation		
Predica, represented by Jean-Jacques Duchamp		
Attendance allowance	103,460	116,194
Other compensation		

Non-executive corporate officers	Amounts paid out in 2010	Amounts paid out in 2011
Helena Rivero		
Attendance allowance	57,699	73,541
Other compensation		
Joaquín Rivero		
Attendance allowance	109,104	136,294
Other compensation		
Victoria Soler		
Attendance allowance	134,719	151,984
Other compensation		
Antonio Trueba		
Attendance allowance	66,556	68,638
Other compensation		
Former directors		
Attendance allowance	3,500	
Other compensation		
TOTAL	**1,750,500**	**1,750,000**

(1) Mr. Bernard Michel was appointed Chairman of the Board of Directors on February 16, 2010, a function that he held together with that of Chief Executive Officer as from October 4, 2011.

The company did not recognize any provision to cover the compensations and benefits of directors.

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 recommendation – AFEP-MEDEF Code)

None.

Stock options granted to the top 10 non-corporate officer employee beneficiaries and options exercised by the latter (table No. 9 AMF – AFEP-MEDEF Code recommendation)

	Total number of options granted/shares subscribed or bought	Weighted average price	2001 ex-SIMCO stock options	November 25, 2003 stockoptions	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 plan 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)	22,856	€40.75	0	7,012	0	15,844

Corporate officers and directors

The detailed compensations of the corporate officers (Mr. Bernard Michel, Chairman and Chief Executive Officer, replacing Mr. Christophe Clamageran, Chief Executive Officer, on October 4, 2011, as Mr. Bernard Michel replaced Mr. Joaquín Rivero in his duties as Chairman of the Board of Directors on February 16, 2010 and Mr. Christophe Clamageran replaced Mr. Antonio Truan in his duties as Chief Executive Officer as from November 16, 2009) are presented in Note 3.5.8.6. to the consolidated financial statements. They are set by the Board of Directors, on the proposal of the Governance, Appointments and Compensation Committee.

The company accrued a €413,000 provision for officers' compensation and benefits.

Mr. Bernard Michel does not have an employment contract in the Group.

Directors receive no other forms of payment than allowances paid for attendance at each Board of Directors 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 General Meeting of May 10, 2010 set the overall annual attendance allowances allotted to members of the Board at €1,750,000.

The table below details the number of shares held for each director as at December 31, 2011.

Directors	Number of shares held as at 12/31/2011
Arcadi Calzada (*)	N/A
Aldo Cardoso (*)	N/A
Gonzalez de la Cueva	40
Jean-Jacques Dayries	206
Nicolas Diaz	40
Philippe Donnet	40
Vicente Fons	400
Philippe Geslin (**)	N/A
José Gracia (*)	N/A
Sixto Jimenez	60
Metrovacesa	16,809,610
Pierre-Marie Meynadier (*)	N/A
Bernard Michel	40
Jacques-Yves Nicol	40
Predica	5,145,738
Helena Rivero	40
Joaquín Rivero	10,094,735
Victoria Soler	400
Antonio Trueba	1,460
TOTAL	**32,052,849**

(*) Term of office expired on May 24, 2011.
(**) Term of office expired on March 24, 2011.

The company recorded no provision for Directors' compensation and benefits.

5.1.3. List of offices held by members of the Board of Directors and the Chairman and Chief Executive Officer as at December 31, 2011

The table below describes the offices of members of the Board of Directors and the company's Chairman and CEO at December 31, 2011.

Surname and first name	Age	Position held in the company	Duration of term	Other offices and functions exercised outside the company	Business address
Chairman and Chief Executive Officer					
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 at the General Meeting of October 4, 2011 Term of office expiring at the General Meeting convened to approve the 2013 financial statements	• Chairman of the Board of Directors of Grands crus SAS • Vice-Chairman of Emporiki Life Insurance • Observer for SOPRA Group • Chairman of the Gecina Corporate Foundation • Director of the company Holding La Sécurité Nouvelle S.A. • Member of the Supervisory Board of UNOFI SAS • Chairman of the Supervisory Board of FINOGEST S.A. • Company officer in most Gecina subsidiaries	14/16, rue des Capucines 75002 Paris
Directors					
Jean-Jacques Dayries French national	65 years	Director	First appointed at the General Meeting of June 15, 2009 Term of office expiring at the General Meeting convened to approve the 2011 financial statements	• Ombudsman (Centre de Médiation et d'Arbitrage de Paris) • Chairman of Supervisory Board de Rivoli Avenir Patrimoine • Chairman of Photofort 2009 SAS • Chairman of Photofort 2010 SAS • Chairman of Sylvofort GF	52, rue de Varenne 75007 Paris
Nicolas Diaz Spanish national	48 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	• Chief Executive Officer of Metrovacesa France • Chief Executive Officer of Metrovacesa Méditerranée • Chief Executive Officer of Metrovacesa Deutschland GmbH	54-56 avenue Hoche 75008 Paris
Philippe Donnet French national	51 years	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2011 financial statements	• Member of the Supervisory Board of: Vivendi(*), Financière Miro, • Director of Pastel et Associés	La Goronniere 45240 La Ferté-Saint-Aubin
Vicente Fons Spanish national	57 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 gestion de suelo, S.L. Bami Newco S.A.	Calle Colón, 23-3a 46004 Valencia
Rafael Gonzalez de la Cueva Spanish national	46 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.	
Sixto Jimenez Spanish national	61 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 (independent) Riberebro SA Argenol SA Interesa SA Innoliva SA Nestoria Spain SL. Advanced Search SL. Olivos Naturales SA • Chairman of the Board of Directors of Tuttipasta SA • Vice-Chairman of Société des Études Basques in Navarre	P.E. Metrovacesa Vía Norte Quintanavides 13 28050 Madrid

Surname and first 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	50 years	Director	First appointed at the General Meeting of May 23, 2006 Term of office expiring at the General Meeting convened to approve the 2011 financial statements	Offices and functions of Mr. Paraja: • Chief Executive Officer of Metrovacesa (*) • Director - Prosegur	P.E. Metrovacesa Vía Norte Quintanavides 13 28050 Madrid
Jacques-Yves Nicol French national	61 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	57 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	Offices and functions of Mr. Duchamp: • 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 (*) Korian (*) CA- IMMO CPR- AM Dolcea Vie SPIRICA Lifeside Patrimoine BES VIDA CA Vita PACIFICA • Member of the office of the economic and Financial commission of FFSA	16-18, Boulevard de Vaugirard 75015 Paris
Helena Rivero Spanish national	41 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
Joaquín Rivero Spanish national	68 years	Director	First appointed at the General Meeting of June 29, 2005 Term of office expiring at the General Meeting convened to approve the 2014 financial statements	• Sole Director of Alteco Gestión y Promoción de Marcas, SL • Chairman of Bami Newco	Avda. de Manoteros, 20. Ed. B 6e Planta 28050 Madrid
Victoria Soler Spanish national	52 years	Director	First appointed at the General Meeting of May 23, 2006 Term of office expiring at the General Meeting convened to approve the 2011 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
Antonio Trueba Spanish national	69 years	Director	First appointed at the General Meeting of May 10, 2011 Term of office expiring at the General Meeting convened to approve the 2012 financial statements	• Chairman of: Solaris 2006 World Trade Centre Madrid World Trade Centre Seville Fundación Más Familia EFYASA • Vice-Chairman of the International Committee of the World Trade Centres Association and Vice-Chairman of the WTCA Executive Committee • Vice-Chairman of the Applied Medicine Centre of the University of Navarra • Director of TINSA • Member of the NGO CODESPA	Calle Moscatelar, 1-N Edificio Edisa 28043 Madrid

(*) Listed company.

5.1.4. Summary of offices held by the members of the Board of Directors in all companies over the last five 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 administrative, executive 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)
Jean-Jacques Dayries	CEO and Director of Ixis AEW Europe
Nicolas Diaz	CEO of BBVA Benelux CEO of BBVA Frankfurt CEO of Médéa
Philippe Donnet	Chairman of the Board of AXA Japan. Director of: • Winvest Conseil International • Wendel Japan KK • AXA Asia Pacific Holding
Jean-Jacques Duchamp, Permanent Representative of Predica	Director of Foncière des Régions (*)
Vicente Fons	Chairman of the Board of: • Promofein S.L. • CEO of Planea Gestion de Suelo, S.L Director of: • Acinelav Inversiones 2006, S.L. • Noubiourbanisme, S.A. • Comercio de Amarres, SL
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 of Caja Navarra Chairman of NGO Properú Member of the Modernization Committee of Navarre

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 Vice-Chairman of Pacifica Vice-Chairman of the Supervisory Board of CP Or Devise, 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(*), member of Medef Director of: Predica, Pacifica, CAAGIS SAS Chairman of the Supervisory Board of SAS Système 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, moderator of Siparex(*) Member of the bureau of Fédération Française des Sociétés d’Assurance (FFSA) Vice-Chairman of la 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
Eduardo Paraja, Permanent Representative of Metrovacesa	Director - Service Point Solutions
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
Joaquín Rivero	Chairman of the Board of Directors and the Executive Committee of Metrovacesa(*) Chairman and CEO of Société des Immeubles de France Chairman of Gecina(*) Chairman of the Gecina Board of Directors(*) Chairman and CEO of Gecina(*) Chairman of Gecimed
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	Chairman of Inmobiliaria Urbis(*) Director of Grupo San José Member of the Executive Committee of EPRA

(*) Listed company.

5.1.5. Management expertise and experience of Board Members and the CEO

Bernard Michel

Former student 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 in 2009. 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 centre, 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 centre, and Vice-Chairman of Predica before being appointed CEO of Predica, Director of the Crédit Agricole Assurance centre.

Jean-Jacques Dayries

Holder of an MBA from INSEAD and an Engineering Degree from the *École Spéciale des Travaux-Publics*, Jean-Jacques Dayries began his career in 1973 at At Kearny as a consultant in their Paris office. He was Vice-Chairman of Pechiney Asia-Pacific from 1980 to 1988, then Director of Compagnie de Suez from 1988 to 1994, where he managed a portfolio of European equity investments in services and industry. From 1994 to 2003 he was CEO in charge of the real-estate financing and investment banking activities at Crédit Lyonnais before becoming the CEO and director of IXIS AEW Europe, a real-estate management company affiliated to the Caisse des Dépôts et Consignations and the Caisses d'Épargne group. Jean-Jacques Dayries is also the accredited Ombudsman of the Paris Mediation and Arbitration Centre (CCIP) and the correspondent of the Centre for Effective Dispute Resolution (London).

Nicolas Diaz

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 has been CEO of Metrovacesa France since 2008, and CEO of Metrovacesa Méditerranée since 2009.

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 Managing Director for the Mediterranean region, Latin America and Canada in 2001. In March 2002 he was also appointed Chairman and Managing Director of Axa Re and Chairman of Axa Corporate Solutions. In March 2003, Mr. Philippe Donnet was appointed Managing Director of Axa Japan. In October 2006, he was appointed Chairman of Axa Japan and Managing Director of the Asia-Pacific region. In April 2007, he joined Wendel as CEO for Asia-Pacific.

Vicente Fons

A graduate in General Management from IESE, he is a director of real estate, urban planning and tourism companies.

Rafael Gonzalez de la Cueva

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 Immobiliaria 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

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*".

Metrovacesa, represented by Eduardo Paraja

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 and completed a third cycle in economic science. He is now Managing Director of the ESSEC Group Alumni Association, having risen to 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 reponsible successively for overseeing life-insurance activities in Asia-Pacific and the European/Middle East area of AXA.

Predica, represented by Jean-Jacques Duchamp

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 Groupe Crédit Agricole 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 Groupe Crédit Agricole S.A. 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.

Helena Rivero

Madame Helena Rivero, lawyer, graduated from Complutense University, Madrid, specialized in Anglo-Saxon law at Columbia (New York), and is currently Chairman of Bodegas Tradición S.L.

Joaquín Rivero

Founder of the construction company Riobra, partner in Edinco and Patron Inmobiliario, and shareholder in other real estate development firms developing over 25,000 housing units in the United States, Costa Rica, Belgium, the Netherlands and Germany.

Since 1997, after becoming the majority shareholder in the real estate company Bami, he has focused on Bami's real estate activities, acquiring various regional companies. In just a few years, and especially with the acquisition of Zabalburu, Bami has grown to become the fourth-largest real estate company listed on the Spanish stock exchange.

In 2002, Mr. Rivero also became Chairman of Metrovacesa, which, after its merger with Bami, is now Spain's leading real estate firm and one of the ten largest in Europe.

In 2005, Metrovacesa was successful in its takeover bid for Gecina and the new group became one of the five largest listed real estate companies in Europe. In 2007, Gecina no longer had any shares in Metrovacesa and Mr. Rivero elected to continue with the development of Gecina.

Victoria Soler

Holder of a degree in law from the University of Valence, Victoria Soler is a member of the Valencia Bar Association.

She began her professional activities in the sector of marketing and construction of housing. She later extended her activities to other sectors, such as setting up and operating cinemas, and the construction 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

Holder of a doctorate in physics from Complutense University in Madrid and research fellow at the *École Supérieure de Chimie* in Paris, Antonio Trueba then became Professor 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 Centres Association and is currently its Vice-Chairman and the Vice-Chairman of its Executive Committee.

5.1.6. Conflicts of interest in administrative or executive bodies or among corporate officers

To Gecina's knowledge, Mr Joaquín Rivero is under investigation by Mr. Van Ruymbeke, examining magistrate in Paris, in connection with the judicial inquiry opened in 2010 following the claim filed by in 2009 by the *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. M. Rivero has appealed this decision.

To Gecina's knowledge, subject, where appropriate, to the disclosures mentioned in the two foregoing 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 (iii) between 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.

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 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 Divisions to discuss this report.

This report was presented to the Governance, Appointments and Compensations 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 of Directors at their meeting of February 22, 2012.

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 of Directors at the 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).

5.2.2. Members of the Board of Directors

Under the by-laws, the Board of Directors must be made up of a minimum of three and maximum of 18 members. As at December 31, 2011, Gecina had fourteen members on its Board of Directors.

- Bernard Michel, Chairman and Chief Executive Officer;
- Jean-Jacques Dayries;
- Nicolas Diaz;
- Philippe Donnet;
- Vicente Fons;
- Rafael Gonzalez de la Cueva;
- Sixto Jimenez;
- Metrovacesa, represented by Eduardo Paraja;
- Jacques-Yves Nicol;
- Predica, represented by Jean-Jacques Duchamp;
- Helena Rivero;
- Joaquín Rivero;
- Victoria Soler;
- Antonio Trueba.

Gecina changed the structure of its Board of Directors in 2011. It has reduced the number of directors on the Board from 18 to 14 and introduced a staggered system for the renewal of directorships which have been extended from the previous 3 years to 4 years.

The meeting of the Board of Directors of March 24, 2011 coopted Rafael Gonzalez de la Cueva as a Director to replace Philippe Geslin, who had resigned and whose appointment was to expire at the Shareholders' General Meeting convened to rule on the 2010 financial statements.

At the Annual General Meeting of May 24, 2011, the appointments of fourteen directors expired: Bernard Michel, Joaquín Rivero, José Gracia, Predica, Aldo Cardoso, Vicente Fons, Pierre-Marie Meynadier, Nicolas Diaz, Sixto Jimenez, Antonio Trueba, Arcadi Calzada, Helena Rivero, Jacques-Yves Nicol and Rafael Gonzalez de la Cueva.

The Meeting ratified the cooptation of Rafael Gonzalez de la Cueva. It also renewed the directorships of Bernard Michel, Joaquín Rivero, Vicente Fons, Nicolas Diaz, Sixto Jimenez, Antonio Trueba, Jacques-Yves Nicol, Rafael Gonzalez de la Cueva, Helena Rivero and Predica. The General Meeting further decided not to renew the directorships of Messrs. Arcadi Calzada, Also Cardoso, José Gracia and Pierre-Marie Meynadier

The directorships were renewed for a term of three year, subject to the adoption of the twenty-fourth motion amending the term of directorships, which was extended from three to four years, and providing for the possibility of exceptionally setting different terms for appointments, in order to establish a harmonious renewal of directors, in accordance with the provisions of the AFEP-MEDEF Code.

As a result, as the corresponding motions were approved by the General Meeting:

- the appointments of Messrs Antonio Trueba and Gonzalez de la Cueva were renewed for a period of two years;
- the appointments of Messrs Nicolas Diaz, Bernard Michel, Jacques-Yves Nicol and Ms. Helena Rivero were renewed for three years; and
- the appointments of Messrs Vicente Fons, Sixto Jimenez, Joaquín Rivero and the company Predica were renewed for four years.

The General Meeting further noted that the term of the appointment (three years) for the other members of the Board of Directors whose appointments were not up for renewal remained unchanged.

Independent directors

With regard to the qualification of independent directors, on December 12, 2006 the Board of Directors adopted the proposal of the Appointments and Compensation Committee and 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.

As a result, the independence principles 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 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 Appointments and Compensation Committee, must systematically investigate compliance with the independence criteria, taking account of the shareholder structure and the existence of any potential conflicts of interest.

Pursuant to the foregoing criteria, the Board of Directors has five out of the fourteen directors can be classified 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 eight directors on the Board of Directors and among the six other directors, five are independent, the sixth director being the Chairman and Chief Executive Officer.

As at December 2011, the independent directors were: Messrs Jacques-Yves Nicol, Philippe Donnet, Jean-Jacques Dayries, Rafael Gonzalez de la Cueva and the company Predica, represented by Mr. Jean-Jacques Duchamp.

Shares held by directors

As stated in the rules of procedure for the Board of Directors, each Director must own 40 shares with a par value of €7.50 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 of Directors meeting of March 22, 2010 defined the rules for the allocation of the total attendance allowances of €1,750,000 and decided that they would be paid to each Director as follows:

- fixed annual compensation of €25,000 per director;
- variable compensation of €5,000 for attending a Board of Directors' meeting (€2,500 in case of participation through videoconferencing, telecommunication);
- 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;
- variable compensation of €4,000 for attending a Committee meeting (€2,000 in case of participation through videoconferencing, telecommunication);
- in an exceptional Committee meeting is convened (i) during an interruption in a Board of Directors session, (ii) or immediately before, (iii) or immediately after, only the Board of Directors meeting will be awarded compensation;
- in case several Board of Directors' meetings are held on the same day, especially on the day of the Annual General Meeting, the attendance of these meetings by a director shall be considered as one;
- 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.

The Board of Directors reconfirmed the distribution rules on February 23, 2011.

5.2.3. Conditions for the preparation and organization of the Board's work

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 rules of internal procedure of the Board of Directors. The Board of Directors adopted these rules of internal procedure 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 rules of internal procedure were amended by decision of the Board of Directors on 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 rules of internal procedure of the Governance, Appointments and Compensation Committee, the Audit, Risks and Sustainable Development Committee, as well as the Strategic Committee are attached to these regulations.

Corporate governance procedures

Combination of the duties of Chairman of the Board of Directors and Chief Executive Officer

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 Mr. Christophe Clamageran's appointment termination 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.

Limitations of power

The Chief Executive Officer or the Chairman and Chief Executive Officer, 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 rules of internal procedure of the Board of Directors.

The Board of Directors 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 rules of internal procedure of the Board of Directors.

Pursuant to article 4.1.2 of the rules of internal procedure of the Board of Directors, the Chairman and Chief Executive Officer 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.

Delegations relative to guarantees, endorsements and deposits – Article L. 225-35 of the French Commercial Code

The Board of Directors meeting of March 24, 2011 renewed the authorization given to the 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.

Following the termination of the appointment of Mr. Clamageran as the CEO, the Board of Directors on October 4, 2011 renewed as necessary, for the Chairman and CEO, and on the same terms, the authorization granted on March 24, 2011 to the CEO.

The commitments assumed by Gecina in previous years, which were still in effect as at December 31, 2011, 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 proper operation of the company and through its deliberations resolves any issues 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 Regulation (cf. *Limitations of power* paragraph).

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 the 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 managers of the company in the presence or not of the Chairman and Chief Executive Officer, after previously informing the latter thereof.

Directors can organize work meetings on specific subjects in order to prepare, if necessary, Board of Directors meetings including outside the presence of the Chairman and CEO. In this case, the Chairman and CEO shall be informed in advance thereof.

Board 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 separating the duties of Chairman of the Board of Directors and CEO, may also ask the Chairman to convene the Board of Directors on a determined 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 by-laws and Article 6 of the Board rules of internal procedure 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 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 a consultative 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 membership of these Committees was changed by the Board of Directors of May 24, 2011, following the changes in the membership of the Board of Directors after the General Meeting of that same day.

The rules of internal procedure 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, Mr. Joaquín Rivero, Mr. Nicolas Diaz, Predica, represented by Mr. Jean-Jacques Duchamp and Metrovacesa, represented by Mr. Eduardo Paraja. It is chaired by Mr. Bernard Michel, Chairman and CEO.

On May 24, 2011, the Board of Directors appointed Mr. Bernard Michel, Ms. Victoria Soler, Mr. Joaquín Rivero, Mr. Nicolas Diaz, Metrovacesa, previously members of this Committee, as well as Predica.

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.

Its rules of internal procedure were amended by the Board of Directors 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.

It met twelve times in 2011, with an attendance rate of 98.5%.

At these meetings, the Committee mainly took stock of budget achievements in 2011 and studied the 2011 budget. It also gave its opinion on asset acquisition and disposal projects, the merger-absorption of SAS Horizons by Gecina, the contribution by Gecina to the Compagnie Foncière de Gestion (now Gecina Management) of its office rental and technical management activity and on the Group's participation in its subsidiaries. It also studied the company's bond issue launch project, the procedures for monitoring the property sales, the dividend distribution rate, stock market trends, debt reduction in addition to its financing strategy.

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. Jean-Jacques Dayries, Predica, represented by Mr. Jean-Jacques Duchamp, Mr. Jacques-Yves Nicol, Mr. Sixto Jimenez and Mr. Joaquín Rivero. It is chaired by Mr. Jean-Jacques Dayries, independent director, who has the casting vote in case of a tie. There is no company officer on this Committee.

Messrs José Gracia and Pierre-Marie Meynadier no longer sit on this Committee since May 24, 2011.

As the Committee comprises five members, independent directors represent 60% of its members (compared to 66% as recommended by the AFEP-MEDEF Code). This membership structure is justified by the company's shareholding organization and the expertise of the members of the Committee.

Most of the members of the Audit, Risk and Sustainable Development Committee have specific qualifications in financial or accounting issues. 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.

It met ten times in 2011, with an attendance rate of 96%.

During these meetings, the Committee examined the results of property appraisals as at December 31, 2010 and at June 30, 2011, the annual and consolidated financial statements for 2010 and the consolidated financial statements as at June 30, 2011, financial reporting as at March 31 and September 30, 2011, the financial department's report on the preparation of financial reporting, financing and hedging policies. It also studied the Chairman's report on governance and internal control as well as the sustainable development report, the risks linked to sustinable development and reviewed the internal audit report on the process for monitoring disputes. It examined its work on compliance with block asset sale procedures, the internal audit work load and the mapping of risks. It also examined the accounts of Gecimed, the Beaugrenelle project, the financial models and the investment criteria implemented by the economic division and reviewed the delegations of power and signature rules, in addition to examining crisis management tools. Internal audit also submitted a presentation on its review of off-balance sheet commitments at these meetings.

Furthermore, the Committee interviewed the financial department and the statutory auditors, who systematically attend the Committee's meetings, especially those related to 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, Appointments and Compensation Committee comprises four directors, two of whom are independent directors: Mr. Philippe Donnet, Chairman, Mrs. Victoria Soler, Messrs Nicolas Diaz, and Rafael Gonzalez de la Cueva. It is chaired by Mr. Philippe Donnet, independent director, who has the casting vote in case of a tie.

The membership structure of the Committee changed in 2011. Messrs Vicente Fons and Aldo Cardoso left the Committee on May 24, 2011. On that same day, the Board of Directors decided to appoint Mr. Philippe Donnet, Ms. Victoria Soler and Mr. Nicolas Diaz, previously members of that Committee, together with Mr. Rafael Gonzalez de la Cueva. These changes raised the percentage of independent directors on the Committee from 40% to 50%.

The Board of Directors of February 22, 2012 replaced Mr. Nicolas Diaz by Mr. Antonio Trueba. This replacement has not modified the proportion of independent directors represented in this Commitee

Now, 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 granted to the chairman of the Committee, who is an independent director.

In 2011, the Committee amended its rules of internal procedure twice to reduce the number of its members from five to four directors and the minimum number of annual meetings from six to four.

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 of corporate officers and directors;
- it makes proposals to the Board on all aspects of executive compensation.

It met twelve times in 2011, with an attendance rate of 98%.

At these meetings, it mainly discussed the compensation of the Chairman of the Board of Directors, the compensation of the CEO and the performance criteria for its variable compensation for 2011, the compensation structure of the members of the Executive Committee and the Management Committee, the structure of the Board of Directors and of Board Committees, the decrease in the number of directors and the staggering of their appointments. The Committee examined the departure conditions of the former CEO, Christophe Clamageran and then decided on the combination by Bernard Michel of the duties of Chairman of the Board of Directors and Chief Executive Officer. It studied in this context the compensation conditions of Mr. Bernard Michel and the limitations to his powers. Furthermore, the Committee reviewed the conditions for granting stock options and performance shares. It examined the draft ethical charter and the compliance of Gecina's practices with the guidelines of the AFEP-MEDEF and the AMF. It supervised the evaluation works of the Board of Directors. It also indicated, to reflect the AMF's guidelines, that the director's charter and the charter of the works council representative required amendment, to clarify that the "blackout periods" correspond to thirty days before the publication of annual and half-yearly accounts and no longer fifteen days as it used to be.

It finally prepared a work program on the general compensation and professional gender equality program.

Activities of the Board of Directors during the year

The Board of Directors met twelve times in 2011, with an attendance rate of 97.8%. At each meeting, the Executive Management presents a review of the Group's activity (rental activity, disposals and financing, investment especially) to the Board.

During 2011, the Board of Directors examined in particular the Group's 2010 annual and consolidated financial statements together with the consolidated financial statements for the period ended June 30, 2011 and financial reporting at March 31 and September 30, 2011. It reviewed management forecasts and the 2010 and 2011 budgets. It gave its opinion on the financial communication policy.

It further gave its opinion on the various investment and disposal operations, on "reconstruction" operations such as the merger-absorbtion of SAS Horizons by Gecina or the contribution in kind by Gecina to Compagnie Foncière de Gestion (now Gecina Management) of its office rental and technical management activity. It gave its opinion on Gecina's mandatory takeover and squeeze-out project for Gecimed shares and its subsequent delisting. It also gave its opinion on the financial and risk management policy. It coopted one director to the Board of Directors, appointed new Committee members and listened to the reports of their activities. It renewed the appointment of the Chairman of the Board of Directors. It terminated the appointment of the CEO, decided to combine the positions of Chairman of the Board of Directors and CEO and appointed Mr. Bernard Michel to that position. It decided on the issue of bonds or any other debt securities, and the exercise of mortgage loans. The Board gave its opinion on all the compensation items of the Chairman of the Board of Directors and the CEO. It determined the list of independent directors and the directors were called to carry out the annual assessment of the Board's work. The Board of Directors participated in a seminar that allowed it to improve its knowledge of the company's environment and of the management team. It also examined the themes relative to risk and financial balances against the backdrop of the currency economy and identified the strategic guidelines that the Board will have to subject to further scrutiny.

The Board of Directors lastly recognized the capital increase stemming from subscriptions by members of the company's Group savings plan and renewed the authorization given to the CEO to grant deposits, endorsements and guarantees on behalf of the company.

Evaluation of the Board of Director's work

The rules for evaluating the Board's work are defined in its rules of internal procedure:

- 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, Appointments 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 of Directors meeting of February 23, 2011, the annual evaluation of the Board's work, launched by the Bord of Directors on November 4, 2010 and carried out with the assistance of the Spencer & Stuart specialized firm, that the directors were satisfied with the new measures set up, concerning the operation of committees, the creation and operation of the Board's secretariat and the preparation of regulations and charters. Most of the directors expressed their desire to receive documentation from the Committee and Boards ahead of meetings. Some directors recalled the need to increase the number of women on the Board of Directors to comply with AFEP-MEDEF guidelines and legal requirements and to reduce the overall number of directors on the Board of Directors.

The Board of Directors meeting of December 14, 2011 launched the annual procedure for assessing the Board of Directors' work for 2011.

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 the chapter (and in the 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, Appointments and Compensations Committee.

The company accrued a €413 thousand provision for officers' compensation and benefits for 2011.

Mr. Bernard Michel and Mr. Christophe Clamageran do not have an employment contract with the Group.

Conditions behind the departure of the Chief Executive Officer during the year

The Board of Directors meeting of November 4, 2010 set the conditions for the CEO's severance compensation in the event of termination of his position after the first year of his appointment. These conditions are described below.

In the event of termination of duties following a forced departure and due to the company's change of control or strategy, the maximum amount of this compensation is determined as follows:

- between 1 and 2 years of service: severance benefit corresponding to the gross total compensation (fixed and variable) as CEO, for the previous calendar year;
- for more than 2 years of service: severance benefit corresponding to twice the gross total compensation (fixed and variable) as CEO for the previous calendar year.

Payment of this compensation is subject to performance criteria, namely achievement of an operating income excluding changes in value for the last fiscal year (N) ended before the termination of duties compared to the average of the two previous years' (N-1 and N-2) operating income excluding changes in value preceding the termination of duties, noting however that the operating incomes is compared by taking into account changes in property holdings during the years in question. The payment of the severance benefit according to this performance criterion will be as follows:

Performance criteria	Severance compensation
Operating income year N excluding change in value > average operating income of years N-1 and N-2	100%
Operating income year N excluding change in value > from 4% to the average operating income of years N-1 and N-2	80%
Operating income year N excluding change in value > from 8% to the average operating income of years N-1 and N-2	50%
Operating income year N excluding change in value > from 12% to the average operating income of years N-1 and N-2	No severance compensation

As the duties of CEO ended on October 4, 2011, the Board of Directors acknowledged that Mr. Clamageran had met the performance criteria that determines the payment his severance benefit. The payment of the total severance benefit that he could claim was decided and set out in the transaction signed between the company and Mr. Christophe Clamageran, after approval by the Board of Directors.

This transaction specifically stipulates:

- payment of the severance compensation that could be claimed by Mr. Christophe Clamageran, namely one year of his gross compensation (fixed and variable) for 2010, or €975,000 gross, and after the Board of Directors had recognized, after the opinion of the Governance, Appointments and Compensations Committee, the achievement of the performance criteria conditional for this payment;
- conservation by Mr. Christophe Clamageran of the benefit of the stock options, granted to him at the Board of Directors meeting of March 22, 2010 and December 9, 2010 as well as the performance shares granted at the Board of Directors meeting of December 9, 2010. Mr. Christophe Clamageran is 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 the Mr. Christophe Clamageran's compensation for 2011, determined on a *prorata temporis* basis on the performance criteria only, shall be published at the recognition by the Board of Directors of the achievement of these performance criteria.

The Board of Directors meeting of February 22, 2012, after having reviewed these performance quantitative criteria and received the opinion of the Governance, Appointments and Compensations Committee, set this compensation to 65% of fixed compensation of Mr. Christophe Clamageran from 1st January to 4th October 2011, representing €246,249.58.

Benefits in the event of termination of the duties of Chairman and CEO

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. Those conditions may be summarized as follows:

1. Should a decision be made to change the company's governance mode by separating the duties of Chairman and Chief Executive Officer and that at the same time Mr. Bernard Michel would be appointed as Chairman of the Board of Directors and on financial terms identical to those previously prevailing at its appointment as CEO, then no severance pay would 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, Monsieur Bernard Michel will receive a 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. The amount will be calculated on a *prorata temporis* basis. Considering the context, the payment of this compensation will not be subject to the achievement of performance conditions;
   - in office between six months and one year:100% of the gross comprehensive compensation (fixed and variable) for the position as Chairman and CEO. The amount will be calculated on a *prorata temporis* basis. The payment of this compensation will be subject to the achievement of performance conditions (see below);

– 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 2 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 and 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

The Board of Directors will be responsible for recognizing the achievement of these performance criteria, on the understanding that where applicable, it may take account of the exceptional items that occurred during the year.

5.2.5. Internal control and risk management

For the present 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 local group set up under the auspices of the AMF. It is however recalled that these systems, as 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 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 "Risks" department with respect to risks linked to the safety and environment of properties, and by internal audit with respect to general risksThe risks fall under the responsibility of the Group's various Group Committees, depending on the nature of the risks.

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 rules of internal procedure;
- assets are protected, and more generally, prevent and effectively manage any risks resulting from the company's activities;
- 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, Apppointments and Compensations Committee, the Board of Directors appointed Mr. Bernard Michel as the Chairman and Chief Executive Officer. That same Board meeting set limitations to the powers of the Chairman and CEO. These limitations are mentioned in paragraph 5.2.3.

Company organization

Gecina's organization was changed at the beginning of 2011 to make it more efficient, simpler to understand and more consistent with its strategy:This organization now hinges on the principles below:

- organization by operational business divisions: a demographic division comprising within the same Department "residential", "student's residential" and "healthcare" activities, and an economic division comprising within the Commercial Real Estate Department, the activities of "Commercial Real Estate", "Hotels" and "Logistics". These Operational Departments are autonomous and encompass the trading, development, rental management and marketing functions;
- 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 working for all business lines;
- a "Sustainable Development and Performance" function, autonomous and exclusively dedicated to the preparation and implementation of the Sustainable Development action plan, a critical goal for the company.

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" activity, at the end of 2011, Gecina centralized its "office" rental and technical management activity within a special structure: CFG is now Gecina Management.

The General Secretariat includes the Legal, Human Resources, Information Systems and Group Communications functions, as well as the Gecina Foundation.The Finance Department has a traditional organization specific to finance.

Executive Structure

The Gecina group's executive structure comprises:

- an Executive Committee, which regroups 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 principal 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 Transaction Committee which meets to review ongoing acquisition or disposal projects presented by the Operational Departments.

Lastly, communication between Executive Committee and the entire Group is handled by the Management Committee, which meets regularly and represents a venue for information and sharing.

Group organization

The Group consists of the parent company and the subsidiaries included in the consolidation. Group management is organized on a centralized basis 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 made are subject to review by various parties. 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 are taken into account in the annual training plan, itemized according to collective and individual needs.

Furthermore, 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 are primarily structured around real estate and transaction management applications, while being linked to the various functional applications. Business applications are developed on the basis of user requirements and tailored to suit each business line.These systems and their architecture all have specific documentation.

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 at specialized service providers. IT facilities are centralized in a protected room with secure access. Their operational continuity is guaranteed by formalized contingency plans. In addition, a back-up contract with an external service provider guarantees the company's continued operations 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.

Durable Quality and Sustainable Development indicators

Gecina has introduced a system for measuring Quality and Sustainable Development based on a scorecard consisting of summary indicators. This reporting system was developed subsequent to a review process carried out at all the Departments and resulting in the selection of the most relevant indicators.These indicators allow the long-term monitoring 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, common systems such as intranet, email and internet, etc. 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. Lastly, secure access to information from remote computers (roaming) has been set up for the functions that need it.

Risk management

Gecina's internal control system relies on the risk management system to identify the major risks requiring 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: property holding valuation, rental management, production and processing of accounting and financial information, and shared functions.

Property holding valuation

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 investment (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 CEO's powers established by Gecina's Board of Directors, the investment projects are reviewed by the Board whenever necessary, on the opinion of the Strategic Committee.

Lastly, deeds relating to acquisitions are also secured by involving 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-based disposals. The transaction budgets defined in this way are validated by Management Accounting. 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 CEO's powers defined by Gecina's Board of Directors, investment projects are also reviewed by Gecina's Board of Directors, on the opinion of the Strategic Committee.

The implementation of assets 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 work required for the preparation of notarial deeds or deeds of conveyance validated by law firms, as appropriate.

Unit-based sales

Unit-based sales of residential properties are handled by a specific department reporting to the Residential Property Division. Within this Division, under the authority of the Director of Sales, the property managers in charge of programs coordinate the internal and external parties (notaries, quantity surveyors, property managers, sales agents, etc.).

Unit-based 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. This department is responsible for monitoring development transactions and provides advice before 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 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 divisions concerned. Budgetary monitoring of commitments and actual achievements is subsequently carried out. The cost effectiveness of investments 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 approval and referencing suppliers;

- suppliers are selected based on a review of estimates submitted for projects valued at under €45,000 and a tendering procedure with strictly defined rules for projects over €45,000;
- 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. Requests for tenders and certain consultations 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 follow-up meetings for this purpose.

Lastly, operators of healthcare and hotel properties continue to be responsible for the management of building security and work, and they provide the Operational healthcare Department with regular updates. The division concerned then ensures compliance of any work being considered and, if relevant, any construction contracts.

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 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 Real Estate Division's commercial lease renewals are also monitored by a quarterly committee. Annual rent increases are subject to explicit procedures including several levels of prior controls.

Marketing (re-letting)

For commercial properties, 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. For logistics properties, marketing is through external sales agents, acting under the supervision of the operational director. The marketing of residential properties is systematically entrusted to teams at Locare and, depending on the type of unit, sub-delegated to external agents.

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.

New tenants for commercial and logistics properties are selected after a credit 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. 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 real estate, the "Quality" function performs or continuously oversees the performance of an ongoing satisfaction survey 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 at their request specific surveys and has developed through a club dubbed "Gecina Lab" a special relationship with major accounts tenants, especially on issues related to Sustainable Development.

Production and processing of accounting and financial information

Accounting work for the Group's companies is performed within a single department using the same information system in all cases. This centralization enables better control over accounting and consolidation practices, in accordance with the principles and standards defined at Group level.

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 collecting 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.

Year-end closure is based on a specific schedule, distributed to all parties involved and including the tasks of centralization, reconciliation and analysis that are required for the accuracy of the financial and accounting information. This procedure includes a hierarchical review of the work involved in carrying out year-end accounting tasks for all Group companies. Furthermore, the budgetary monitoring system based on the Group's chart of accounts and the comparative analyses developed by Management Accounting 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.

Finally and more specifically related to the reliability of any portfolio valuation included in accounting and financial information, such value determination is based on biannual property appraisals; the Valuations and Appraisals department is responsible for coordinating and supervising these real estate appraisals, performed by independent appraisers at least twice a year as part of half year close. 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 Securities Regulator (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.

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" division. 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.

Actions carried out by the IT department during the year specifically concerned strengthening 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 the 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 departments.

Annual legal requirements for professional real-estate agent cards (*Loi Hoguet*) 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 also monitors the legal affairs of the Group subsidiaries. For its part, the parent company's legal supervision is performed internally with the collaboration of specialized legal advisors.

The Legal Department keeps an eye on 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) regime 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 are managed by the Cash Management and Financing 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 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 Cash and financing department receives assistance from external advisers in this area. The Group's hedging policy is managed under a formalised framework that specifically defines hedge limits, decision-making channels, authorized insturments and reporting procedures.

Liquidity risk is managed by constantly monitoring the maturity of loans, maintaining available credit lines and diversifying finance sources.

Payments are secured by the procedure of organizing bank signatures, 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 "Risks", Management accounting and Internal audit department. These organizations report to the Architecture and Construction Department for matters related to "Risks", to the Financial Department for Management accounting issues and report to the Chairman and Chief Executive Officer for Internal audit matters. They present reports of their activities and in particular to the Audit, Risks and Sustainable Development Committee.

The "Risks" function

Supporting the Operational and Functional Departments, the "Risks" 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 divisions, 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 and 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 accounting

Through its budgetary activities and analyses, the Group management accounting department significantly contributes to the effective management and supervision of risks, notably with regard to property valuation, rental management and the production of accounting and financial information.

To monitor operations more effectively, Gecina's management control is carried out at two levels: on an operational level of each of the Divisions and at a centralized level through the Group management accounting function, which therefore relies on a network of management accountants within the Operational Departments.

The Group accounting management 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 activity 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 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.

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 accounting, 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 or decide on their future status within the portfolio.

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 Divisions 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. Lastly, Internal audit regularly monitors implementation of its recommendations.

In 2011, Internal Audit further initiated the structuring of a Compliance function. The first actions in this respect specifically focused on the drafting of a Group ethics charter.

Guarantee commitments granted in Spain

Guarantee commitments, presented in Notes 3.5.5.12 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 moving forward with the procedures required to protect its interests.

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5.2.6. Regulated agreements

Agreements authorized during the year

The Board of Directors of September, 28 2011 authorized the following operations:

- contribution in kind by Gecina to GEC 11 of a plot of land, valued at €350,000, located at 4 rue de Chambéry, in Paris 15th arrondissement;
- 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;
- disposal by Gecina to GEC 10 of an asset located by 20 rue de la Ronce, in Ville-d'Avray, for an amount of €2,500,000.

The Board of Directors of October 4, 2011 authorized the signature of a transaction with Mr. Christophe Clamageran, consecutively to the termination of his duties as CEO of the company. The details of this transaction are presented in 5.2.4 (Compensations and benefits granted to corporate officers) of this report.

The Board of Directors of October 21, 2011 authorized the contribution in kind by Gecina to the Compagnie Foncière de Gestion (now Gecina Management) of its office rental and technical management, the net asset contributed amounted to €5,500,000.

The Board of Directors of December 14, 2011 defined the severance benefits in the event of the termination of the duties of the 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.

Agreements authorized in prior years, which remained in force in 2011

The Board of Directors meeting 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. This agreement continued during 2011.

The Board of Directors meeting of November 4, 2010 set the conditions for the CEO's severance compensation in the event of termination of his position after the first year of his appointment. The details of this transaction are presented in 5.2.4 (Compensations and benefits granted to corporate officers) of this report.

As the duties of CEO ended on October 4, 2011, the Board of Directors acknowledged that Mr. Clamageran had achieved the performance criteria that determines the payment of his severance benefit. The payment of the total severance benefit that he could claim was decided and set out in the transaction signed between the company and Mr. Clamageran, after approval by the Board of Directors.

Lastly, at the Board meeting on December 9, 2010, the Directors approved GECINA's transfer of an office asset, located at 53 rue Auguste Lançon, 75013 Paris, and intended to be redeveloped as a student residence, to GEC 7. The transfer agreement was signed on February 18, 2011.

No other agreements were concluded or continued in 2011.

5.2.7. Special conditions on shareholders' attendance at General Meetings

The conditions governing shareholders' attendance at General meetings are specified in Article 20 of the by-laws and are restated in Section 9.3 of the reference document, in the chapter on Legal Information. To ensure the consistency of the by-laws with the new provisions of Article R. 225-79 of the French Commercial Code and to allow the Board of Directors to decide on the introduction of an electronic voting system, the Combined General Meeting of May 24, 2011 completed article 20 paragraph 4 of the by-laws by incorporating the possibility for shareholders to send their powers of attorney or mail votes by any and all means of remote transmission, including electronically. The electronic signature may take the form of a process that meets the terms defined in the second paragraph of article 1316-4 of the French Civil Code.

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 resources".

DISTRIBUTION, SHARE CAPITAL AND SHARES

6.1. Distribution

6.1.1. Distribution and appropriation of income

Pursuant to the provisions concerning the regime of French listed real estate investment trusts (SIIC), the regime selected by Gecina, a proposal has been made for the payment of a dividend of €4.40 per share.

Pursuant to article 158 of the French general Tax Code and article L. 221-3 of the French Monetary and Financial Code, the dividends distributed by listed real estate investment trusts (REITs) 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 rate introduced by Article 208C-II *ter* of the French General Tax Code is described in section 6.1.2 below.

Consequently, a proposal will be put to the General Meeting of Shareholders to appropriate 2011 net income for the year as follows, and to decide, after taking into account:

- earnings for the year of €272,801,132.80;
- plus retained earnings of €6,522,162.00;
- representing distributable earnings of €279,323,294.80;
- to distribute a dividend per share of €4.40 under the SIIC system, representing a maximum amount of €275,661,971.20.

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 and the amount deducted from the premium will be adjusted accordingly.

The dividend per share of €4.40 will be paid on April 24, 2012.

As required by law, details of dividends distributed in the previous three fiscal years are set out below:

Dividends distributed in the previous three years

Fiscal year	Total distribution	Dividend per share
2008	€355,934,516	€5.70 (1)
2009	€275,361,856	€4.40 (1)
2010	€275,507,619	€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 Shareholders' General Meeting will also be asked to decide on the transfer to a specific reserve account of the revaluation difference on assets sold during the year and the additional impairment resulting from the revaluation amounting to €85,841,609.83.

6.1.2. Composition of profits (Article 23 of the by-laws)

As required by law, the appropriation of the profit for the year is decided by the General Meeting of Shareholders.

Distributable earnings are composed of the year's profit, minus losses from previous years and the sums required by law to be taken to reserves, plus retained earnings.

After approval of the financial statements and recognition of the distributable earnings, the General Meeting of Shareholders determines the portion to be distributed to Shareholders in the form of a dividend.

The General Meeting of Shareholders ruling on the financial statements for the year may grant 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 "Deduction") (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 Deduction 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 Deduction") 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 deduction 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 deduction for which the Daughter SIIC Trust has become liable, since the previous Distribution by the company, at the rate of a Distribution to the company multiplied by the percentage of the company's dividend rights in the Daughter SIIC Trust,

  such that the other Shareholders do not have to bear any part whatsoever of the Deduction paid by any of the SIICs in the chain of equity investments as a result of the Deduction Shareholder.

If there are several Deduction Shareholders, each Deduction Shareholder will be liable to the company for the portion of the Deduction and the Daughter SIIC Trust Deduction resulting from his direct or indirect interest. The status of Deduction Shareholder is recognized on the date of payment of the Distribution.

Unless information to the contrary is provided, as required by Article 9 of the bylaws, any Shareholder other than an individual investor holding or coming to hold directly or indirectly at least 10% of the rights to the company dividend will be presumed to be a Deduction Shareholder.

The amount of any debt owned by a Deduction Shareholder will be calculated in such a way that the company is placed, after payment of the deduction and taking account of any tax that may apply to it, in the same situation as if the Deduction had not been required.

Payment of any Distribution to a Deduction Shareholder will be made by registration in an individual (non-interest-bearing) current account for that Shareholder, the repayment of the current account being made within five business days of the registration after payment with the sums payable by the Deduction Shareholder to the company, pursuant to the above provisions. If the Distribution is made in a form other than cash, the amount must be paid by the Deduction Shareholder before the payment of the Distribution.

In the event that:

- it turns out, after a Distribution by the company or a Daughter SIIC Trust, that a Shareholder was a Deduction Shareholder on the date of payment of the Distribution; and if
- the company or the Daughter SIIC Trust had to make the payment of the Deduction 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 that he owed the company under the provisions of this article but also an amount equal to any late payment penalties and interest that may be owed by the company or a Daughter SIIC Trust as a result of the late payment of the Deduction.

If necessary, the company will be entitled to offset the full amount between its receivable in this respect and any sums that may be subsequently payable to the Deduction Shareholder.

The General Meeting of Shareholders shall decide on the allocation of the balance which may either be carried forward as retained earnings or transferred to one or more reserve accounts.

The time, method and place of dividend payments are set by the Annual General Meeting of Shareholders, and failing this, by the Board of Directors.

6.1.3. Dividends in the last five years

The dividend is paid on the dates and at the places determined by the General Meeting of Shareholders, or failing this, by the Board of Directors, in a maximum of nine months after the close of the year.

If payment of the dividend in shares is offered to Shareholders, the option must be selected within a maximum period of three months after the date of the General Meeting of Shareholders.

Dividends in the last five years

Year		Distribution	Number of shares	Dividend
2006	Dividend under the SIIC system	€261,532,614	62,269,670	€4.20
2007	Dividend under the SIIC system	€312,746,970	62,424,545	€5.01
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 (1)**	**€275,661,971**	**62,650,448**	**€4.40**

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2011.

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 62,650,448 shares at a par value of €7.50, totaled €469,878,360 at the end of fiscal year 2011.

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, 2011, the breakdown of share capital and voting rights, to the company's knowledge, is as follows:

Breakdown of share capital and voting rights

Shareholders	Number of shares	% of capital	% of voting rights
Metrovacesa	16,809,610	26.83%	27.54%
Rivero Group	10,094,735	16.11%	16.54%
Soler Group	9,568,641	15.27%	15.68%
Predica	5,145,738	8.21%	8.43%
Other resident institutional shareholders	2,350,062	3.75%	3.85%
Non resident shareholders	14,048,335	22.42%	23.02%
Individual shareholders	3,011,851	4.81%	4.94%
Treasury shares	1,621,476	2.59%	
TOTAL	**62,650,448**	**100.00%**	**100.00%**

To the company's knowledge, no other shareholder owns more than 5% of the capital or voting rights. There are no shareholders' pacts.

The percentages of capital and voting rights held by the members of the Board of Directors and the Executive Committee as a whole are respectively 66.43% and 68.20%.

At December 31, 2011, Group employees held 333,340 Gecina shares directly and 155,890 Gecina shares indirectly *via* the Gecina share-holding mutual fund ("FCPE Gecina actionnariat"), representing a total of 0.78% of the capital.

To the company's knowledge, 8,839 shares held in pure registered form by Mr. Rivero, 9,778,531 shares held by Alteco Gestion y Promocion 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 Februray 2010 at the request of Mr. Van Ruymbeke in connection with the legal investigation mentioned in paragraph 1.6.2.

The shares held by Alteco Gestion y Promocion de Marcas S.L. and by Mag Import S.L. are pledged in favor of various financial institutions.

16,809,610 shares held by Metrovacesa are pledged.

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.
- Stock options: at December 31, 2011, the potential number of shares to be created by the exercise of stock options amounted to 618,464.
- 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 %	12/31/2009	12/31/2010	**12/31/2011**
Metrovacesa	26.86%	26.85%	26.83%
Rivero Group	16.11%	16.11%	16.11%
Soler Group	15.29%	15.28%	15.27%
Predica	8.22%	8.22%	8.21%
Non resident shareholders	22.65%	21.94%	22.42%
Individual shareholders	5.03%	4.08%	4.81%
Other resident institutional shareholders	3.11%	4.92%	3.75%
Treasury shares	2.73%	2.60%	2.59%
TOTAL	**100.00%**	**100.00%**	**100.00%**

6.2.4. Change in share capital and results over the last five years

Year	Transactions	Number of shares	Capital *(in €)*	Share issue or merger premium *(in €)*
2007	Balance at January 1, 2007	62,269,670	467,022,525	
	Suscription under the Company's savings plan	7,651	57,383	811,618
	Merger absorption of Société des Immeubles de France	126,405	948,038	4,560,294
	Exercise of stock options	20,819	156,143	662,588
	Balance at December 31, 2007	62,424,545	468,184,087	
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	
	Exercise of stock options			
	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	

In 2011, 35,080 shares in the company were created with entitlement to dividends from January 1, 2011, resulting from subscription under the company savings plan.

	2007	2008	2009	2010	2011
I - CLOSING SHARE CAPITAL					
Share capital *(€ thousands)*	468,184	468,335	469,367	469,615	469,878
Number of ordinary shares outstanding	62,424,545	62,444,652	62,582,240	62,615,368	62,650,448
Maximum number of future shares to be issued by converting bonds and exercising stock options	11,852	12,059	2,589	572,188	618,464
II - OPERATIONS AND EARNINGS FOR THE YEAR *(€ thousands)*					
Net revenues	288,458	324,233	323,217	294,411	302,248
Income before tax, depreciation, impairment and provisions	677,149	460,302	243,032	407,970	529,936
Income tax		(1,636)	(153)	24,656	42,495
Earnings after tax, depreciation, impairment and provisions	579,663	196,618	(160,072)	275,037	272,801
Distributed profits (*)	312,477	355,935	275,362	275,508	275,662
III – EARNINGS PER SHARE *(€)*					
Earnings after tax but before depreciation, impairment and provisions	10.87	7.35	3.88	6.12	9.14
Earnings after tax, depreciation impairment and provisions	9.31	3.15	(2.56)	4.39	4.35
Total net dividend per share (*)	5.01	5.70	4.40	4.40	4.40
IV - WORKFORCE					
Average headcount during the year	607	610	563	519	499
Annual payroll *(€ thousands)*	31,537	35,116	35,870	36,311	33,827
Annual employee benefits including social security and other social charges *(€ thousands)*	15,137	18,924	15,825	18,394	16,854

(*) For 2011, subject to approval by the Shareholders' General Meeting

6.2.5. Conditions for changes to share capital and the respective rights of various classes of shares

The Extraordinary General Meeting of Shareholders is able to delegate to the Board of Directors the powers or authority necessary to change the company's share capital and number of shares, especially in the event of a capital increase or reduction.

6.2.6. Amount of authorized share capital not issued

1. The Combined General Meeting of May 24, 2011 delegated its power to the Board of Directors to issue, in one or more installments, in the proportions and at the times of its choosing, in France and/or abroad, either in euros or another currency, company shares and any other marketable securities of any kind, giving access immediately and/or in the future, at any time or on a fixed date, to company shares; the marketable securities thus issued could consist of bonds or be related to the issue of bonds, or could enable their issue as intermediary securities. The total amount of share capital increases, that could be conducted immediately and/or in the future by virtue of the above delegation, may not be greater than €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 Shareholders 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 Shareholders 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 Shareholders of May 24, 2011, has not been used.

4. The General Meeting of Shareholders 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 meeting of December 14, 2011 used this authorization to award 48,145 shares. This award to Group employees and officers account for less than 0.08% of Gecina's capital.

6.2.7. Summary of financial authorizations

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**	**None**
GM of May 24 2011– 26th resolution	€100 million	
(up to 26 months, ending 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, expiry 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, expiry 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, expiry on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) +(J) limited to €400 million	
Capital increase as remuneration for 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, expiry 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, expiry on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €400 million	
Capital increase by issue of shares reserved for members of the company savings plan (G)	**Maximum amount of capital increase**	**35,080 shares issued in 2011**
GM of May 24, 2011– 33rd resolution	€5 million	
(up to 26 months, expiry on July 25, 2013)	(A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) +(J) limited to €400 million	
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 by the Board of Directors	
GM of May 24, 2011 – 34th resolution	(H1) + (H2) limited to 1.5% of share capital on the day of the decision by the Board of Directors	
(up to 26 months, expiry 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 the share capital on the day of the decision by the Board of Directors	
(up to 26 months, expiry on July 25, 2013)	(G1) + (G2) limited to 1.5% of the share capital on the day of the decision by the Board of Directors	
	Maximum amount of share capital increase	
	(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
Performance shares (I) GM of May 24, 2011 – 35th resolution (up to 26 months, expiry on July 25, 2013)	**Maximum number of existing or yet-to-be-issued new shares** 1.5% of share capital on the day of the decision by the Board of Directors **Maximum amount of capital increase** (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) +(J) limited to €400 million	**Grant of 48,145 shares to be issued on December 14, 2011**
3. Issue with or without pre-emptive subcription rights		
Increase of the number of shares to issue in case of capital increase (J) GM of May 24, 2011 – 29th resolution (up to 26 months, expiry on July 25, 2013)	**Maximum amount of capital increase** 15% of initial issue (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) +(J) limited to € 400 million	**None**
4. Share buyback		
Share buyback transactions GM of May 24, 2011 – 23rd resolution (up to 18 months, expiry on November 24, 2012)	**Maximum number of shares that can be purchased** 10% of adjusted share capital or 5% in the event of share buybacks for external growth acquisitions **Maximum number of shares that can be held by the company** 10% of share capital Maximum price of share buybacks: €150 per share **Maximum total amount of the share buyback program** €940,000,000	**In 2011, 428,917 shares acquired at the average price of €89.49 and 422,020 shares sold at the average price of €90.33 in connection with the liquidity contract**
Capital reduction by cancelation of treasury shares GM of May 24, 2011 – 37th resolution (up to 26 months, expiry on July 25, 2013)	**Maximum number of shares that can be canceled during 24 months** 10% of shares comprising the adjusted share capital	**None**

6.3. Operations on share capital

6.3.1. Company transactions on treasury shares

The General Meeting of Shareholders of May 24, 2011 renewed the authorization given to the company to purchase treasury shares on the stock market for a period of 18 months. The maximum purchase price was set at €150. The number of shares purchased by the company during the duration of the buyback program cannot exceed, at any time whatsoever, 10% of the shares comprising the company's share capital, and 5% in the event of share buybacks aimed at external growth projects at the time of the transaction. The maximum number of shares that can be held, at any time whatsoever, is set at 10% of shares comprising the share capital. Given that the Shareholders' General Meeting of May 24, 2011 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 2011.

In 2011, Gecina used the authorization given to the Board of Directors by the Shareholders' General Meeting of May 10, 2010, then by the Shareholders' General Meeting of May 24, 2011, to purchase treasury shares.

In 2012, Gecina has purchased 317,393 treasury shares for a total amount of €20,240,543.

Liquidity agreement

Under the liquidity contract granted to Rothschild & Cie Banque, Gecina purchased 428,917 shares for an amount of €43,215,451.76 and sold 422,020 shares for a total of €38,120,321.71.

At December 31, 2011, the liquidity account had a total of €3,372,853 and 60,897 Gecina shares.

In 2011, all shares purchased were for the purpose of creating liquidity.

At December 31, 2011, 1,621,476 treasury shares were held, *i.e.* 2.59% of share capital. These represent a total investment of €117.8 million, at an average price per share of €72.66.

Company transactions on its own shares

Aggregate information 2011		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2011	62,650,448	
Number of treasury shares at December 31, 2010	1,626,831	2.60%
Options exercised in the year	(49,170)	
Shares transferred to allocation plans	(17,082)	
Liquidity contract	60,897	
Number of shares purchased	482,917	
Number of shares sold	(422,020)	
Average purchase price including transaction fees	€89,49	
Average sale price including transaction fees	€90,33	
Number of treasury shares at December 31, 2011	1,621,476	2.59%

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, the 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

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 influence in the event of a takeover bid for the company

Under Article L. 225-100-3 of the French Commercial Code, the company is required to identify factors that could have an influence in the event of a takeover bid. Among these factors are agreements made by the company that would be amended or terminated in the event of a change in control of the company. In this respect, the company has disclosed the clauses of change of control contained in the financing contracts (see the "Financial Resources" Section in Chapter 2).

6.3.4. Transactions in company shares conducted by directors, senior managers or persons to whom they are closely connected

In 2011, the declarations made by directors and by the persons covered by Article L. 621-18-2 of the French Monetary and Finance Code to the AMF pursuant to the provisions of Articles 223-24 *et seq.* of the AMF's General Regulations are as follows:

Summary of transactions performed

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
Philippe VALADE, member of the Executive Committee	Shares	Exercise of stock options	January 24, 2011	January 24, 2011	Euronext Paris	€37.23	€198,584.82
Jean-Jacques DAYRIES, Director	Shares	Disposal	March 25, 2011	March 30, 2011	Euronext Paris	€96.58	€19,316.00
Francis VASSEUR, Expertises Director	Shares	Disposal	April 1, 2011	April 4, 2011	Euronext Paris	€97.81	€24,476.59
Francis VASSEUR, Expertises Director	Shares	Disposal	April 4, 2011	April 4, 2011	Euronext Paris	€99.60	€34,860.00
Éric MAURICE, member of the Executive Commitee	Shares	Exercise of stock options	May 12, 2011	May 16, 2011	Euronext Paris	€37.23	€35,070.66
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	October 27, 2011	October 28, 2011	Euronext Paris	€72.17	€505,178.80

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	October 28. 2011	November 3, 2011	Euronext Paris	€72.80	€728,004.00
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	October 31, 2011	November 3, 2011	Euronext Paris	€71.81	€718,074.00
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	November 4, 2011	November 7, 2011	Euronext Paris	€69.06	€690,488.88
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	November 8, 2011	November 10, 2011	Euronext Paris	€69.00	€8,901.00
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	November 11, 2011	November 16, 2011	Euronext Paris	€65.31	€435,675.00
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	November 14, 2011	November 16, 2011	Euronext Paris	€66.12	€179,856.74
La Médicale de France, a legal entity related to PREDICA S.A., member of the Board of Directors	Shares	Disposal	November 17, 2011	November 23, 2011	Euronext Paris	€61.21	€445,598.61
Florence FLAGEUL, Head of Information Systems and Communication, member of the Executive Committee	Shares	Exercise of stock options	November 24, 2011	November 28, 2011	Euronext Paris	€48.70	€287,232.60
Florence FLAGEUL, Information Systems and Communication Director, member of the Executive Committee	Shares	Disposal	November 28, 2011	November 28, 2011	Euronext Paris	€57.03	€228,122.00
Gilles BONNIER, Financial Director, member of the Executive Committee	Other type of financial instruments	Other type of operation (Purchase of units of the fund dedicated to the Plan d'Épargne d'Entreprise)	December 5, 2011	December 5, 2011	OTC	€18.25	€35,000.00

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 2011.

The report below shows the number and main terms of the stock options awarded between 2001 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 2011 for the purchase or subscription of new or existing shares to members of staff of the company or affiliated companies or groups as specified in Articles L. 225-177 to L. 225-186 of the French Commercial Code.

Stock options

Date of shareholder meeting	6/6/2001	6/2/2004	6/2/2004	6/2/2004	6/19/2007	6/19/2007	6/15/2009	6/15/2009
Date of Board of Directors' meeting	11/25/2003	10/12/2004	3/14/2006	12/12/2006	12/13/2007	12/18/2008	3/22/2010 (1)	12/09/2010 (1)
Date of options allocation	11/25/2003	10/12/2004	3/14/2006	12/12/2006	12/13/2007	12/18/2008	4/16/2010	12/27/2010
Expiry date	11/24/2011	10/11/2014	3/15/2016	12/13/2016	12/14/2017	12/19/2018	4/17/2020	12/28/2020
Number of options awarded	**278,168**	**316,763**	**236,749**	**254,008**	**200,260**	**331,875**	**251,913**	**210,650**
of which number of options awarded to company officers	60,650	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	128,957	143,665	130,336	123,393	110,320	157,376	144,293	117,000
Subscription or purchase price (€)	48.7	61.02	96.48	104.04	104.72	37.23	78.98	84.51
Number of shares subscribed or purchased to date	**278,168**	**272,553**	**0**	**0**	**0**	**28,491**	**0**	**0**
of which number of options awarded to company officers	60,650	66,466	0	0	0	0	0	0
of which number of options awarded to top ten employee beneficiaries	128,957	108,100	0	0	0	15,844	0	0
Number of options that may be exercised	**0**	**44,210**	**236,749**	**252,439**	**198,691**	**303,384**	**250,344**	**210,650**
of which number of options awarded to company officers	0	0	57,450	60,648	31,370	73,198	31,368	30,000
of which number of options awarded to top ten employee beneficiaries	0	29,105	130,336	123,393	110,320	141,532	144,293	117,000

(1) Stock options plan.

Options granted in 2011

None.

Options Granted to Officers of Gecina

None.

Options granted to the ten employees (not corporate officers) of Gecina who received the greatest number of options in 2011

None.

Options exercised by corporate officers and employees of Gecina in 2011

The Gecina options exercised by all Group employees in 2011 were as follows:

Plans	Options exercise price	Number of options exercised in 2011
Stock options November 25, 2003	€48.70	14,887
Stock options October 2004	€61.02	8,210
Stock options December 2008	€37.23	26,073
TOTAL		**49,170**

Information concerning options exercised by the ten employee stock option holders who exercised the highest number of options during 2011

Plans	Exercise price of the options	Number of options exercised in 2011
Stock options November 25, 2003	€48.70	7,012
Stock options October 2004	€61.02	0
Stock options December 2008	€37.23	15,844
TOTAL		**22,856**

No option was exercised by corporate officers and employee directors of Gecina during 2011.

6.4.2. Award of performance shares

By virtue of the authorization conferred by the thirty-fifth resolution of Gecina's Ordinary Shareholders' General Meeting dated May 24, 2011, Gecina's Board of Directors adopted the regulations for Gecina's performance share plan on December 14, 2011. This plan provides 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.

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:

- 50% or first half, award (transfer of ownership) of:
  - 100% of the Performance shares if the average performance of the Gecina share in the 24 months preceding the Vesting Date (December 1, 2013 closing share price *versus* December 1, 2011 closing share price) exceeds by at least 5% the average performance of the Euronext IEIF "SIIC France" index, a basket of real estate company indices (Unibail, Klépierre, Foncière Lyonnaise, Foncière des Régions, Silic…) over the same period;
  - 80% of the Performance shares if, over the same period, the average performance ranges between 0 and 5% compared to the same benchmark;
  - 50% of Performance shares if the average share performance lags by 0 to 10% behind the benchmark;
  - 25% of Performance shares if the average share performance lags by 10 to 15% behind the benchmark;
  - no Performance shares if the average share performance lags by more than 15% behind the benchmark.
- 50% or second half, award (transfer of ownership) of:
  - 100% of Performance shares if Gecina's Total Return[1] over the period from June 30, 2013 *versus* June 30, 2011 exceeds 5% of the benchmark[2];
  - 80% of the Performance shares if, over the same period, the average performance ranges between 0 and +5% compared to the benchmark;
  - 50% of Performance shares if the performance lags by 0 to 10% behind the benchmark;
  - 25% of Performance shares if the performance lags by 10 to 15% behind the benchmark;
  - no Performance shares if the performance lags by more than 15% behind the benchmark.

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.

(1) Total Return comprises the NAV ("Net Asset Value, or the Triple Net") excluding undiluted rights and including special dividends.
(2) Benchmark: Unibail, Foncière des Régions, Icade, Silic, Tour Eiffel, SFL.

The Beneficiaries are subject to the applicable regulation on insider training at the time of selling Shares as reflected in the company's specific rules incorporating stock exchange ethical principles and the applicable laws and regulation.

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 accounts, or failing which the annual accounts, 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:

Award of performance shares

Date of Board of Directors' meeting	12/14/2011
Start date of vesting period	12/14/2011
Vesting date	12/15/2013
Number of shares awarded	48,145
of which number of shares awarded to company officers	0
of which number of shares awarded to top ten employee beneficiaries	27,360
Number of shares subscribed, purchased or canceled	0
of which number of shares subscribed, purchased or canceled by company officers	0
of which number of shares subscribed, purchased or canceled by top ten employee beneficiaries	0
Number of shares that may be awarded	48,145
of which number of shares that may be awarded to company officers	0
of which number of shares that may be awarded to top ten employee beneficiaries	0

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 2011 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, 2011

By virtue of the authorization conferred by the thirty-fifth resolution of the Combined Shareholders' General Meeting of May 24, 2011 and on the recommendation of the Remuneration Committee, the Board of Directors on December 14, 2011 awarded a performance share plan of a total of 48,145 company shares with a value of €55.88(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 plan of December 14, 2011, the above-described shares awarded by the Board of Directors will be completely vested at the end of a two-year period 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 free 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 2011

On December 14, 2011 the Board of Directors awarded 27,360 performance shares.

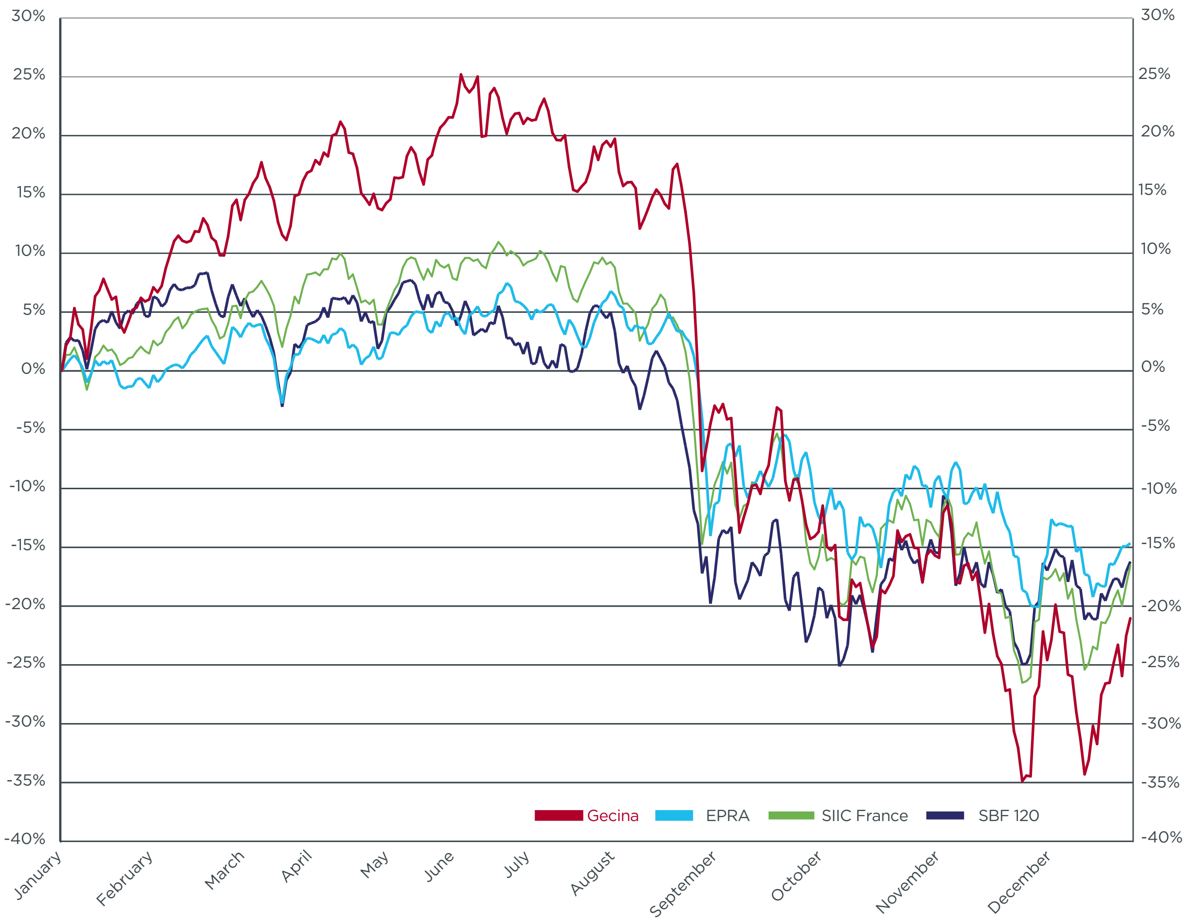
(1) Share price on the award day.

6.5. The Gecina share

6.5.1. The share price in 2011

The Gecina share price dropped 21.03% in 2011, falling from €82.31 on December 31, 2010 to €65 on December 30, 2011.

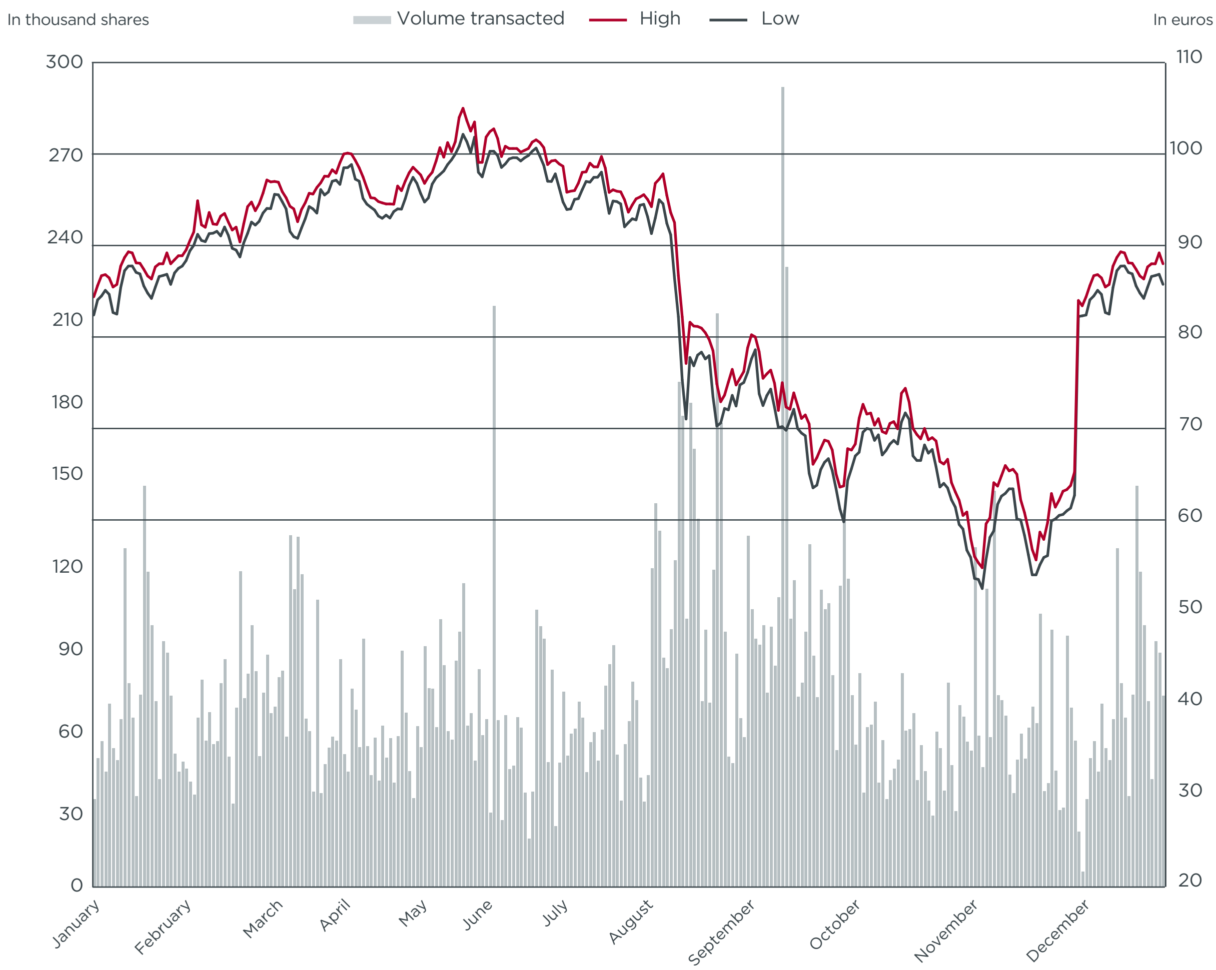
This price ranged between a low of €52.51 on November 25 and a high of €105 on May 19.



The table presented in section 6.5.1 below is a statistical summary of the Share performance in 2011. In all, 22,801,404 shares were traded in 2011 for a total capital amount of €1,970 million.

At year end 2011, the company's market capitalization amounted to €4,072 million.

Gecina 2011 – 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	Luxembourg Stock Exchange
Name and type of issue	Gecina 4.25% February 3, 2016 Euro Medium Term Notes	Gecina 2.125% January 2016 Bonds redeemed in cash and/or in new and/or existing shares (Ornane)	Gecina 4.50% September 2014 Euro Medium Term Notes	Gecina 4.875% 04-12 25/01/12 pe Euro Medium Term Notes
Issue date	02/03/2011	04/09/2010	09/20/2010	06/25/2004
Issue amount	€500 million	€500 million	€500 million	€500 million
Issue price	99.348% in respect of €500 million	€111,05	99.607% in respect of €500 million	99.656% in respect of €500 million
Maturity date	021/03/2016	01/01/2016	09/19/2014	01/25/2012
Annual interest	4.25%	2.12%	4.5%	4.875%
ISIN Code	FR0011001361	FR0010881573	FR0010943316	FR0010095422

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 (€ millions)	Price extremes high (€)	Price extremes low (€)
July 2010	1,208,409	92.63	82.99	69.70
August 2010	1,343,572	103.88	81.64	72.08
September 2010	1,508,554	124.40	88.00	77.81
October 2010	1,716,526	149.39	91.80	84.80
November 2010	1,346,127	113.01	88.04	79.50
December 2010	1,003,856	84.66	87.73	80.14
January 2011	1,487,121	128.66	89.31	82.40
February 2011	1,221,870	111.19	94.89	87.00
March 2011	1,698,763	160.38	98.28	90.78
April 2011	1,089,471	104.81	100.10	92.97
May 2011	5,718,708	578.11	105.00	94.75
June 2011	1,405,009	139.03	101.70	93.93
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

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
2007	20,524,026	251	150.50	101.56	107.32
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

FROM SOCIAL RESPONSIBILITY TO SUSTAINABLE PERFORMANCE

Foreword

Gecina intends to make its Corporate Social Responsibility (CSR) initiative a key factor of its activity, in its mission, economic model, products and services, strategic objectives and investment criteria.

To this end, Gecina has deployed a proactive and complete steering of all components of its CSR approach for which the progress or difficulties are assessed from the prism of a detailed and continuously upgraded reporting.

Gecina is deeply convinced of the need to radically change:

- the offering and practices of companies;
- their governance by replacing the company's expectations and the interest of stakeholders at the center of their strategy.

Indeed, although most standards are currently geared primarily towards environmental concerns, new societal challenges are emerging, which stem from gradual developments towards:

- the dematerialization of the economy;
- the priority given to use rather than to ownership;
- search for flexibility and modularity of real-estate programs;
- the establishment of a link between the building's environmental performance and employee productivity;
- the decline in urban spread and the search for proximity;
- adapting the housing portfolio to the aging population requiring long-term care;

These societal challenges, on top of the current and future very strict regulatory constraints (RT 2012, etc.), the progression of international standards (LEED, BREEAM), require that the players of the real-estate sector review their developments strategies by focusing on innovation and "green value";

In the short and medium term, **the valuation of appraisal of real-estate assets will increasingly include this "green value"**, thus the connection between environmental performance and appraisal of real-estate value is becoming increasingly more tangible.

7.1. Social responsibility and changes in the real-estate sector

7.1.1. The challenges of the sector

7.1.1.1. An industry at the heart of environmental concerns

In France, the real estate sector represents:

- **43% of energy consumption (and nearly 60% if we include indirect transport)**

  It's the economic sector with the highest level of energy consumption, with 70 million tons oil equivalent (toe) a year.

- **21% of greenhouse gas emissions**

  The energy used generates 120 million tons of CO_2 a year (*i.e.* roughly 32.5 million tons of carbon).

- **41% of waste**

  The overall activity generates around 360 million tons of waste a year.

- **18% of water consumption**

  Beyond its construction phase, buildings consume large quantities of water (consumption per person per day has increased from 7 to 150 liters in a century).

The real-estate sector represents the main potential for immediately exploitable energy savings, for which investments are identified as being the most profitable.

Buildings and the associated processes are also concerned by the conservation of eco-systems, improving the lifestyle of occupants and analyzing product life cycles.

7.1.1.2. A very demanding regulatory environment (Grenelle laws 1 and 2)

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.

So-called "Grenelle 1" law (No. 2009-967 of August 3, 2009)

This planning law defines for the existing portfolio the goal of 50 kWhep per sqm per year by 2050, with an intermediate stage of reducing energy consumption by 38% by 2020.

For new buildings by 2020, the law makes «positive energy» buildings (BEPOS in French) common place, *i.e.* buildings will produce more energy than they use.

New buildings: ground-breaking technologies

Primary energy consumption (PEC) imposed for new builds in kWh_{ep}/sqm/year

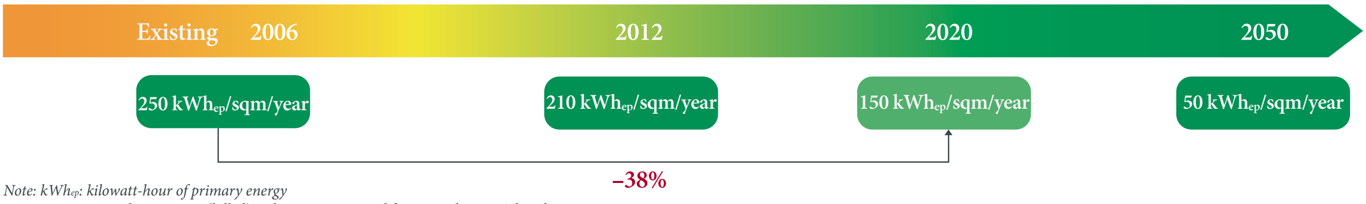
The Grenelle environment project set the goal of making low-energy buildings (*Bâtiments Basse Consommation*) common place in the new construction industry by 2012 for commercial buildings. The goal is to halve the energy consumption of new buildings by 2012 and thus to achieve, over a very short period, a greater "energy leap" than that made over the last thirty years. This target has been implemented with the adoption of a new energy consumption regulation (*régulation thermique* – RT 2012), which applies to building permits filed as from October 28, 2011 for new buildings in the service and public sectors as from 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 kWh_{ep}/sqm/year



Note: kWh_{ep}: kilowatt-hour of primary energy
Primary energy: end-use energy (billed) + the energy required for its production / distribution

So-called "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, supported by new and future obligations as stated 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 for ongoing leases, starting from July 14, 2013 (Decree published December 31, 2011).
- Work to improve energy efficiency for existing commercial buildings as from January 1, 2012, within a period of eight years (Decree pending publication).

The first two obligations will give a key boost to new customer relations, 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 year ended December 31, 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 a rapid decline in biodiversity.

As these goals affect the sustainable city, the real-estate sector is also very directly affected.

Strengthened Grenelle

In December 2011, the government 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 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 procurement contracts.**

7.1.2. Change in customer behavior

The inevitable depletion of fossil energy and risks of soaring energy prices, the obligation to publish (on and after 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 an increasingly decisive competitive advantage.

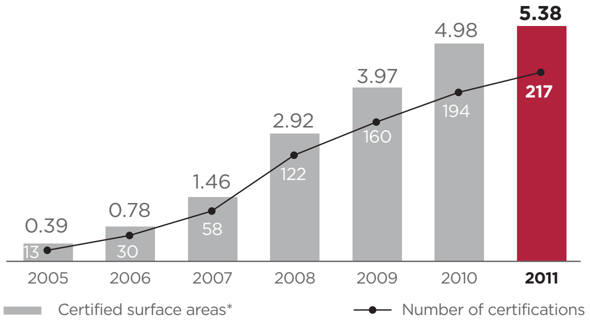
Offices reflect the image and values of a business. They must therefore integrate the theme of sustainable development. As a showcase of the know-how, proof of contribution to sustainable development of its territory, especially with partners such as local governments or clients, the quality of offices 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 represent a growing percentage of all commercial real estate and take-up.

About 10% of Ile de France office property is certified HQE® (source: JLL/Certivea – February 2011)

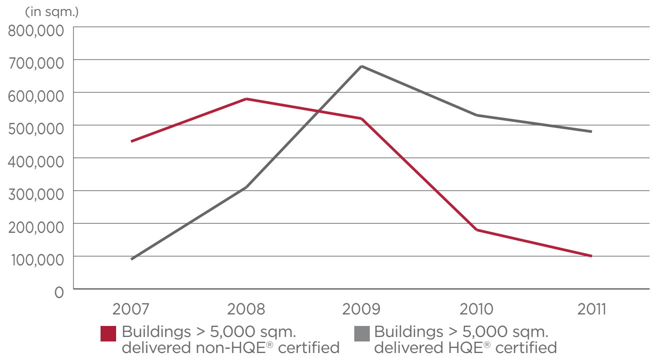
In 2010, the percentage of transactions of more than 5,000 sqm. signed on HQE® buildings was five times greater than four years ago. They represent 32% of the surface area of 5,000 sqm leased.

Cumulative change in number of HQE® certifications (office buildings of over 5,000 sqm in the Paris region)



Sources: Jones Lang LaSalle, Certivéa, as at Sept. 5, 2011. ** million sqm.*

Change in certified and non-certified HQE® construction square meters in the Paris Area



Source: Jones Lang LaSalle – 2012.

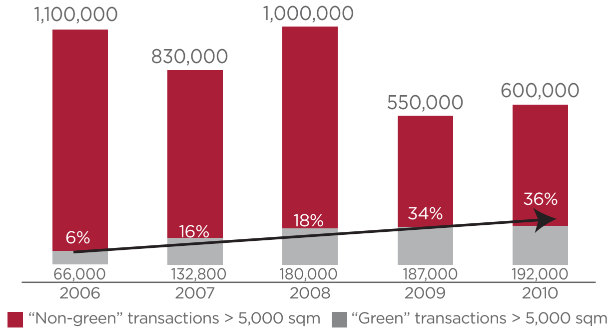
The relationship between owners and tenants will change, and according to the 3rd BNP Paribas Real Estate users barometer (2011 edition), 65% of users are happy to accept a "green lease".

Gecina was one of the first real-estate companies to implement a "green lease" long before the recent publication (on December 31, 2011) of the "green lease" application decree. Since 2010, Gecina has signed 13 commercial "green leases" with its user clients for a total of 122,266 sqm (*i.e.* 15.9% of office property). The full scope of Gecina's actions implemented to reinvent customer relations are presented in paragraph 7.5.2.

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 applying for the BBC Effinergie label amounts to 85% (*versus* 63% in 2010), in response to strong demand especially from investors.

Penetration of HQE® in take-up > 5,000 sqm in the Paris region



Source: Jones Lang LaSalle – April 2011.

7.1.3. An increasing number of non-financial assessments

As businesses are increasingly required to take responsibility for the consequences of their activities, non-financial assessments have become increasingly popular as a means of rating their policies on different aspects (environmental, economic and social) as well as on the system of governance.

To this end, numerous procedures and guidelines have been issued by specialized organizations:

- **commitment reporting standards** (the United Nations Global Compact, the OECD guidelines, and Principles of Responsible Investment – PRI);
- **European directives and French legislation**
  France developed a legislative mechanism on CSR in 2002. Article 116 of the NRE law introducing a social and environmental reporting obligation for listed companies. This will be completed (as from year ended December 31, 2012) by the application procedure of article 225 of the Grenelle 2 law;
- **certification reporting standards, standards, labels** (for the "players", ISO 9000, ISO 14000, ISO 26000, LUCIE label… and for the "products", HQE® Construction, HQE® Exploitation, BBC, BBC Rénovation, BREEAM®, LEED, Habitat & Environnement, etc.);
- **assessment reporting standards defined by social and environmental rating agencies** (VIGEO, SAM, EIRIS, SUSTAINALYTICS, TRUCOST, MSCI…);
- **reporting standards** (Global Reporting Initiative – GRI).

Other initiatives completing these procedures include:

- The NOVETHIC/ADEME annual barometer, Carbon Disclosure Project, Water Disclosure Project, specific stockmarket indices (FTSE 4 Good, DJSI, STOXX, Aspi, Ethibel, etc.), the Global Real Estate Sustainability Benchmark (GRESB), as well as studies, specific publications (Banque Sarasin, University of Maastricht, Jones Lang LaSalle, CBRE, Deloitte, Ernst & Young, Mazars, KPMG, etc.).

Stakeholders now expect businesses to communicate in a more transparent manner and report openly about their CSR performance.

How does Gecina respond to these demands for non-financial disclosures?

Gecina has developed its non-financial reporting to meet:

- regulatory expectations (Grenelle 2, art. 225, applicable as from 2012);
- questionnaires and requests from investors and non-financial rating agencies;

- disclosure requests from clients;

and following the guidelines from these known reporting standards (such as the GRI, ISO 26000 reporting standards), as well as the AMF guidelines (December 2010).

Gecina's «CSR» reporting is presented in § 7.3. and 7.6. and will be available in Q2 2012 on the website www.gecina.fr.

7.1.4. A deeper look at the concept of green value

The transformation that began with Grenelle 1 intensified with Grenelle 2 and has picked speed as awareness grows among stakeholders. The challenge launched to the real estate sector is invitably leading it to integrate "green value" into its businesses and practices.

The notion of green value has a dual impact on Gecina, both through the assessment of the value of the property, but also through the impact generated by the monetarization of environmental impacts on costs borne by the company.

Green value of the property holding?

The entire life cycle of buildings is affected by this technological revolution. It is critical to shorten, or completely remove, the "distance" between the design/construction (new constructions or refurbishment) and operation/use phases by establishing communication between them. It is the simultaneous action on all progress drivers, bioclimatic architecture of buildings, eco-responsible use and complete review of construction or operation sectors, "moving from a culture of precision of cm to mm", which guarantees the achievement of goals to make buildings more green: reducing energy, water and water consumptions, CO_2 emission, optimizing the selective sorting of waste, improving the comfort and wellbeing of users and the health quality of spaces, deploying positive biodiversity properties and control of real-estate risks.

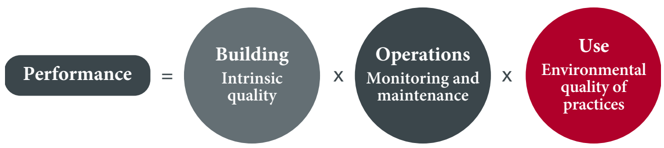
Energy transition, the central point of the Grenelle building plan, is an active component of real-estate going green. Thus, energy and indirect CO_2 emission, through Energy Performance Audits are the only criteria that can be identified to establish green value. Although numerous studies have tried to pinpoint the exact nature of green value, most of them have primarily focused on the energy aspect.

However, beyond this theme, ultimately buildings cannot be made greener without including the notions of comfort and health, which are all representative of the final expectations of users, the decisive factors for the environmental offtprint of buildings (grey energy, water, waste consumption of non-renewable 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 contribute to guarantee the desired quality (cf. feedback from the "Quality signs" task force) and therefore identify green value by incorporating it as an appraisal factor for buildings .

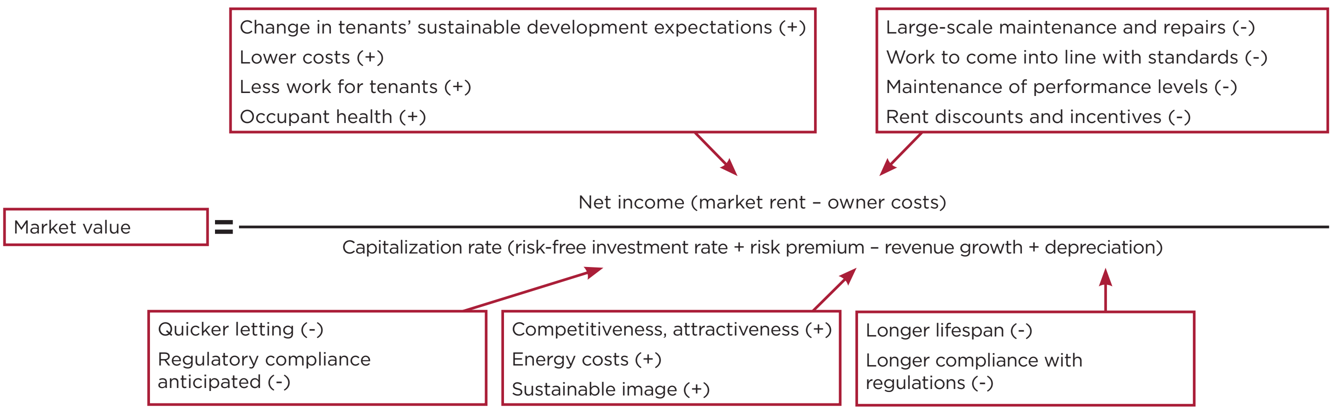
Several bodies have attempted to describe green value through its constituent components. However, instead of a higher value for green buildings, we are currently noticing a discount on buildings without the differentiating factors of environmental quality (certifications, energy label, etc.).

Denis François, Chairman of CB Richard Ellis Valuation and Raymond Gianno, Lawyer and partner AFFIRAE stress the fact that "obsolescence is in fact a permanent risk, but it affects old and heterogenous markets more (Europe) and is intensifying with the rapid change in the needs of final users (safety, technical, environment, environmental labels, EP value, environmental appendix to the lease and the green lease, mandatory financial reporting). In addition, the crisis delays, and then accelerates the effects of obsolescence, and that is why the transformation/reconstruction of obsolete buildings become preponderant" (From IEIF – members meeting of November 17 2011 – Real-estate obsolescence: Fake fear or real market?).



Sources: "Green Value: turning concept into practise" 2009.

Environmental factors that may influence market value:



Sources: Dr David Lorenz MRICS.

Excerpts from the economic study on the green value of CERQUAL real estate.

Gecina must factor in the evaluation of new risks linked to the challenges of the certification of new buildings and/or buildings in operation. Thus, what would be the impact on rental income of a new building that would be delivered without reaching the expected level of certification or what would be the impact of the deterioration of environmental performance of a building in use?

That is why Gecina has decided to make the "responsible" building a central focus of its sustainable development commitment (see section 7.4: developing a sustainable property holding) by working on efficient usage with its tenants (cf. part 7.5.2), specifically through Gecina Lab, a think-tank for exchanging and sharing with these major account clients on all sustainable development topics.

Investigating these new subjects, in 2011, Gecina launched with the company Goodwill Management/Goodwill Ecopolis a study on the connections between the greening of buildings (comfort treatment, health quality of workplaces, reduction of consumptions, etc.) and the productivity of the leasing company, for whom the first results were presented at the Gecina Lab workshop of November 04.

A telling sign of the increased importance of the green value concept was the excellent sale conditions 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, confirms Gecina in this major focus of its policy.

Monetarization of environmental impacts

Gecina has identified four subjects that can impact the value of companies:

- the creation of a carbon tax;
- the impact of risks linked to climate change and the shortage of natural resources;
- assessment of the disappearance of biodiversity;
- and the definition of a "universal" accounting system.

Principle of a carbon tax

The principle of a carbon tax is intended to encourage a change in the behavior of families and companies towards low energy and carbon ways of consuming and buying. The "Rocard" report published on July 28, 2010 concluded that the Climate-Energy Contribution (CCE) is a critical measure for fighting against the greenhouse gas effect. 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 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 consumptions of buildings and alternatives to polluting transports.

First of all and to stimulate the awareness of stakeholders on this issue, Gecina introduced the assessment of a CCE by retaining the value of €32/t of CO_2 emitted while performing sensitivity tests that could lead to a more significant appraisal. Considering these elements, the Group assesses the impact of this tax of nearly €1.8 million a year or 0.3% of gross rental income.

The impact of risks linked to climate change and the depletion of natural resources;

Gecina launched a study program in 2011 to identify and financially evaluate the risks linked to sustainable development based on several focuses.

"The energy focus" is aimed at analyzing and modeling the calculation of energy cost by varying the Group's energy mix and the unit prices of the different sources of energy. One of the scenarii is aimed at modeling the impact of a 20% increase in electricity cost on the energy bill by 2015 for example to finance the modernization and reinforcement of the security of the current production fleet.

Although already taken into account in risk mapping (cf. chapter 1.6.3.), Gecina also undertakes to develop the financial measurement of climate impacts through several scenarii such as risks of flood or natural disasters.

The impact of a proven risk of the depletion of natural resources other than energy is treated in chapter 7.4.1.2 .

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 the human society. The value of biodiversity can therefore be expressed through the costs aimed at limiting or repairing damages caused by the decisions or actions of an organization (urbanization, use of automobiles, excessive use of artificial resources in farming, etc.).

While aware of the limitationss of the exercice, 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[1]. This evaluation consists in giving an order of magnitude to biodiversity, considered as a "biological resource" and attributing an economic value to the latter, at the end. Without going back on the critical points of the method, the latter relies on the existing indicators of biodiveristy, prepared by countries in the framework of the commitments taken at the Johannesburg Summit (September 2002), themselves built from data and already existing collection networks.

In conclusion to this study, the Gaïa Domo agency imagines that one day it will be able to attach to the balance of an asset, the biodiversity assessed on the site's plots of land, as they correspond to a biological asset as defined by IAS 41. Thus, the monetary evaluation of biodiversity would appear as an adjustment of the value of an asset, already present within the meaning of IAS 8, being a variance allowance and could be accounted for in application of standard IAS 16.

The adjustment resulting from the revaluation of properties could then be done at the level of the consolidated accounts by recognition:

- on the asset side of the financial accounts, under the "non current asset" heading, "tangible fixed assets", in the "goodwill" item;
- in the liability side of the financial accounts, under the heading "equity" in the revaluation variance item;

(1) Enhancement and protection of the biodiversity present on the site of the OPIO holiday village – Gaïa Domo agency July 2011.

This accounting mechanism will affect the presentation of the companies financial statements through the increase of the company's equity that of assets through the value of its fixed assets.

However, it is important to stress that the BioCompta® tool is in a Research & Development phase and that other tools are in the process of preparation. In return, it would be necessary to evaluate all the company's externalities.

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 balance sheet phase" Task force

Towards "universal" accounting

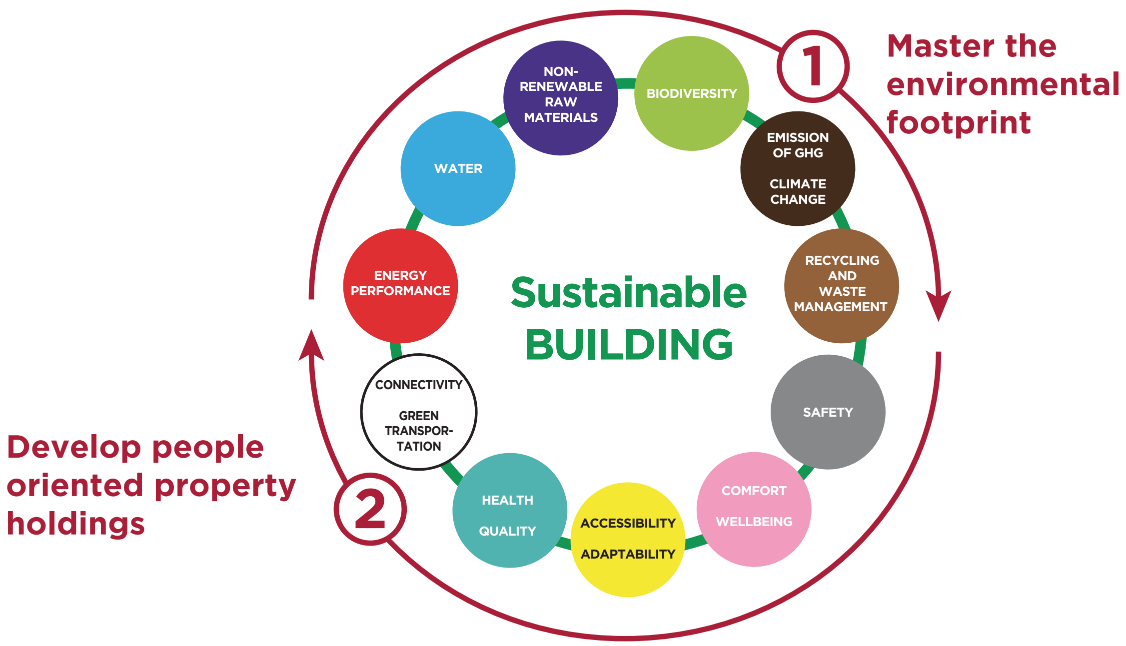
The aim is measuring the environmental, social, societal and governance externalities of a company's activity. The first step is aimed at defining the measuring resources for ultimately, enabling strategic management through the integration of all the aspects of sustainable development.– On this topic, Mc Donald'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, 211 and wishes to continue contributing to these works in 2012.

7.2. Sustainable development commitments

7.2.1. Sustainable development policy

Since 2008, Gecina has been implementing an ambitious Sustainable Development policy, structured around three major focuses:

1. Master the environmental footprint;
2. Develop people-oriented property holdings;
3. Adopt responsible behavior with stakeholders.



Initially comprised of six commitments, focuses 1 and 2 of the policy were significantly completed in 2011 to now include 11.

First of all, in the wake of 2010, declared the international year of the National Strategy for Biodiversity (SNB) 2011-2020, in 2011, the Group recorded two new commitments in 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 animal and plant communities).

Furthermore, Gecina has enlarged 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.

In 2011, Gecina 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:

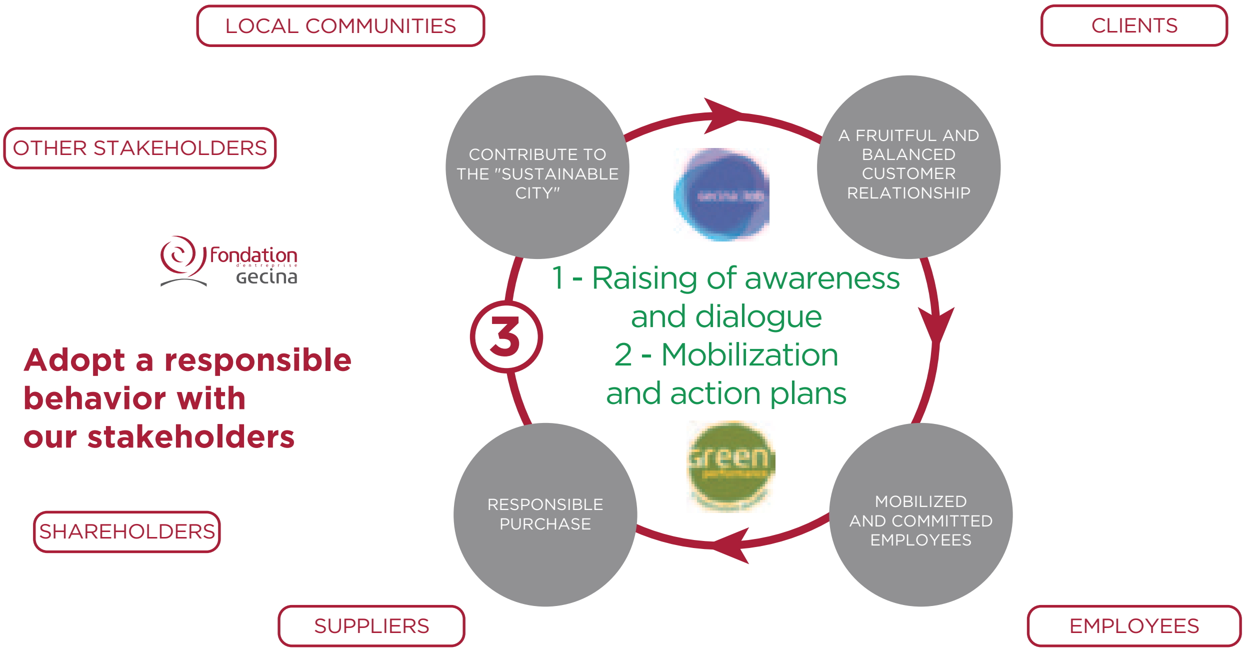
- health, namely the health quality of air, water and inhabited spaces;
- comfort and wellbeing, especially acoustic, olfactory and visual comfort.

With regard to ease of access to buildings, Gecina continues its efforts through two commitments:

- accessibility/adaptability;
- connectivity/clean transportation.

Gecina completed in 2011 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.

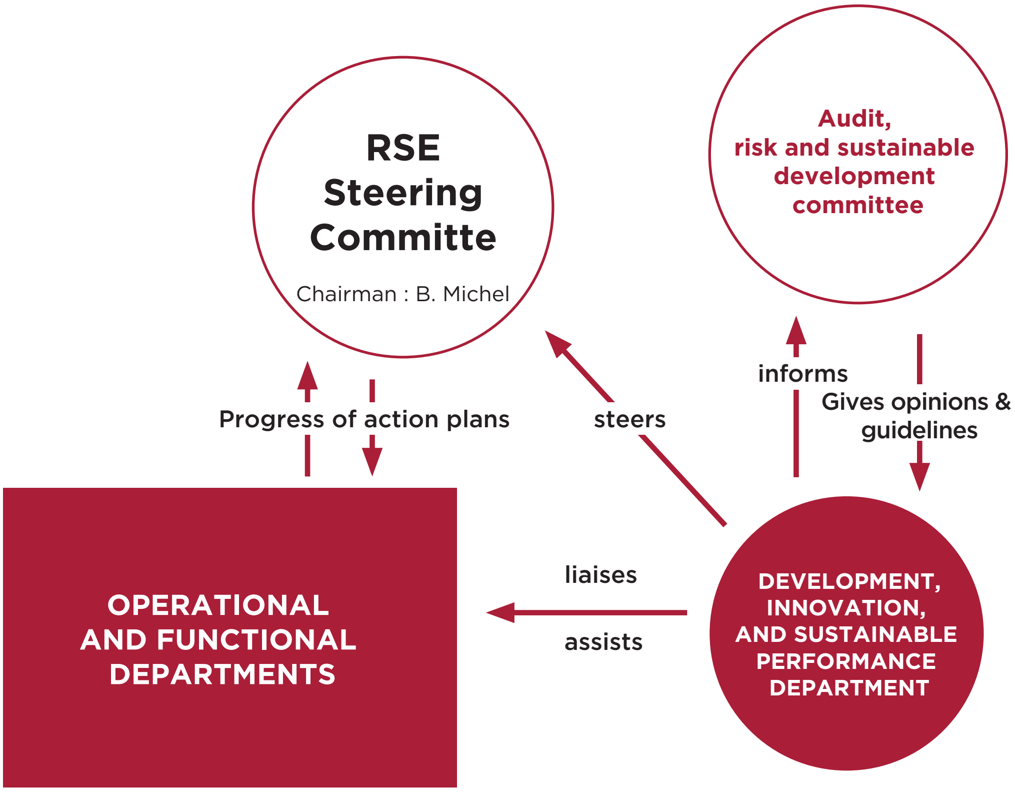
Lastly, the Group ensures that all its properties are close to public transport and promotes the use of clean transportation. With 92% of the properties in service located in Paris and in the Paris region, Gecina already takes account of the "Greater Paris" project in its investment choices and geographical repositioning.



The third focus of Gecina's sustainable development policy requires the Group to adopt responsible conduct with its stakeholders and has identified six 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 property 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 debates and related work on setting best practices and updating standards;
- extend social responsibility beyond Gecina thanks to its corporate Foundation.

7.2.2. Steering and coordination



The need for a shared ambition: a main steering committee for the CSR process

At the end of 2011, Bernard Michel, CEO decided to refocus the organization of Gecina's social responsibility. Organization is centered 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 realestate company in this matter;
- define and organize thematic committees dedicated to the principal points of action.

The implementation of the reporting process through 30 major indicators with the preparation of the associated protocol, will participate in the active steering of the process.

Chaired by Bernard Michel, it will meet every quarter, starting from February 2012.

7.2.3. 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, 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.

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…). 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 2011, as part of the first World Green Building Week in France, the Group hosted a conference and visit on its Mercure building: Spotlight on the complex, large-scale renovation that obtained the HQE construction certification and the THPE label.

SB Alliance

The Sustainable Building Alliance (SB Alliance) endeavors to develop common metrics that can be used to compare environmental performance internationally. Specifically for 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.

AFNOR Commission

In 2011 (and for several years now) within the AFNOR standardization commission – "Sustainable development – societal responsibility": ISO 2600. Gecina (Jérôme Schreiber) helped to prepare and monitor the implementation of the international standard which provides organizations with guidelines for social responsibility and its connection with sustainable development.

The goal of this commitment is to access the first projects and debates on the drafting of future standards, contribute to the development of new methods of implementing social responsibility, and anticipate the adoption of these benchmark tools.

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).

In 2011, Gecina hosted the Certivea annual seminar for auditors in its auditorium.

Association HQE

During the HQE summit at the end of 2011, Gecina demonstrated its involvement in development of the HQE® performance pilot operation (on five assets: Newside, Velum, Beaugrenelle shopping mall, Villafranca, and Chambéry).

Gecina has signed the HQE® performance charter.

IPD

Through indices and benchmarks, calculated over a constantly growing scope, IPD provides to the investment real-estate market every year in France information which helps to improve its transparency and its attractiveness. In 2011, Gecina participated in a "green index" technical committee.

Association Apogée

Gecina, active member of Apogée, participated in a morning program in 2011, on the "green lease" theme.

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 will deliver, 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 arrondissement and La Défense.

Agora for sustainable development directors

As member for several years, Gecina continued its participation in 2011 in the network life of Agora DD: visits, exchanges, and debates to discuss various subjects (emergence of the water footprint, the Greater Paris public transit network, change management – a major stake with respect to CSR, feedback on the introduction of carpooling and car sharing, sustainable economy, ISO 26 000, how to reduce the energy bill of buildings, etc.).

7.2.4. A recognized process: Gecina, benchmark property company

7.2.4.1. Gecina, leading property company for the 2011 Novethic/ADEME barometer

In 2011, and for the third consecutive year, Gecina ranks first in the league table of real-estate companies according to the Novethic/ADEME barometer on eco-performance reporting of buildings:

This study analyzes and measures the reporting of real-estate companies on the energy and CO_2 performance of properties in their asset portfolios. The methodology was strengthened for this fifth edition to reflect the gradual incorporation of carbon and energy challenges into this sector, and includes notions of grey energy and urban development challenges.

The results of the Novethic/ADEME barometer can be viewed at http://www.novethic.fr

7.2.4.2. Gecina member of the leading global "sustainable development" indices

Gecina is assessed by major non-financial rating agencies: SAM, EIRIS (EthiFinance), Sustainalytics, Vigeo…

The Group incorporates all these results into its progressive approach.

Gecina is therefore member of the DJSI world, FTSE4Good, STOXX Global ESG leaders, ASPI Eurozone® and Ethibel EXCELLENCE register indices.

These results help to reinforce the credibility of the Group's CSR commitments and performances.

They can be viewed on http://www.sustainability-index.com (DJSI), http://www.ftse.com (FTSE4Good), http://www.stoxx.com (STOXX Global ESG Leaders), http://www.vigeo (ASPI and Ethibel).

7.3. Ensuring the credibility of our commitments

7.3.1. 30 key indicators

Each year, Gecina evaluates its performance with respect to sustainable development and identifies the areas for improvement. The table of KPIs is managed around the two focuses:

- share the Group's results and encourage continuous efforts;
- update Gecina's policy, strengthen certain actions and set new goals.

The introduction of a non-financial reporting system has turned out to be complex especially for the existing property holding, as the transfer of information is still far from being automated. Contrary to other players and to follow the medium-term process of the "integrated report", **Gecina did not wish to change the dates of its "non-financial" reporting year to make it compatible with the publication dates of this financial report. This explains why certain indicators are still available or validated for 2011 on January 30, 2012.**

At the same time, **Gecina decided** not to publish a specific hardcopy of the CSR report this year and **to focus all its efforts to ensure the very significant upgrade of its website www.gecina.fr and the specific web environment dedicated to implementing and monitoring CSR.**

This new environment will be placed on-line during the second quarter 2012 and will result, each quarter in the regular update of available information. The site will specifically include all the indicators given above.

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
MASTER THE ENVIRONMENTAL FOOTPRINT	**Energy performance, GHG emissions and renewable energies**	Reducing energy consumption and GHG emissions through operations management, capex policy on infrastructures, capex policy on buildings and tenant support	% reduction in primary energy consumption per sqm./p.a (2008 basis, constant climate scenario)	O/R	100%	–23%	–40%
			% reduction in final energy consumption per sqm./p.a (2008 basis, constant climate scenario)	O/R	100%	–15%	–30%
			% of properties with an EPD label of A, B or C	O/R	100%	10%	25%
			Greenhouse gas emission level in kgCO_2/sqm./p.a (2008 constant climate scenario)	O/R	100%	28	23
		Procuring renewable energy from our providers; using energy produced by buildings	% of renewable energy sources in the energy mix	O/R	97%	20%	25%
	Responsible building	Using sustainable buildings	% of office buildings with HQE® Operation certification	O	100%	40%	80%
		Developing high-performance buildings	% of properties delivered with certification (Offices: 12/14 HQE© targets Efficient or Very Efficient; 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 in m^3/sqm./p.a	O/R	71%	–15%	–25%
			% of properties applying the measures in the event of water shortage	Gecina is preparing the roll-out of an emergency-measures plan to adapt building operation during periods of water shortage.			
	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	Indicator under development	Gecina has set up a working group supported by biodiversity consulting agency Gondwana.			
	Recycling and waste management	Contributing to waste sorting and recycling	% of properties with selective waste sorting infrastructure	O/R	100%	60%	80%
	Environmental governance	Deploying an environmental management system in activities	EMS coverage rate	O/R	100%	35%	65%

(1) Scope: O = Offices; R = Residential; H = Health; Ho = Hotels; Head office = administrative employees of the Group; Group = head office + employees and building superintendants.
(2) State of progress at the last known date in relation to the objective:

2010 Data
2011 Data

Results					State of progress		
2008	2009	2010	2011	Audit of 2010 data	2012(2)	2016(2)	Additional information
basis	-9.3%	-14.5%		Ernst&Young	63%	36%	Between 2008 and 2010, Gecina reduced (constant climate scenario) the average consumption of its office and residential buildings by 51 kWhPE/sqm./p.a and average GHG emissions by 4 $kgCO_2$/sqm./p.a. The availability of 2011 data is addressed in a summary in Section 7.3.3.1.
basis	-6.9%	-12.3%		Ernst&Young	82%	41%	
3.3%	3.2%	3.7%			37%	15%	
37.94	35.07	32.70		Ernst&Young	86%	70%	
11.7%	12.1%	12.5%			63%	50%	
0.0%	0.0%	5.4%	21.2%	Ernst&Young	85%	42%	42,800 sqm. were certified at the end of 2010. 3 additional assets were certified in 2011, representing a surface area of 109,150 sqm. 15 buildings (surf. area of 231,570 sqm) should receive certifiication in 2012.
0.0%	0.0%	39.6%	86.5%	Ernst&Young	87%	87%	100% of office assets delivered in 2011 meet the criterion of a Efficient or Very Efficient score for 12 out of 14 targets, including the Tour HORIZONS (36,670 sqm, 9 Very Efficient targets and 3 Effcient targets); in residential, the Square Seguin asset has H&E certification with an A profile.
€2.0m	€1.8m	€1.7m			not applicable		Assessment is based on the calculation of a carbon tax with a unit cost of €32/ton of CO_2 emitted. (see Section 7.1.4.)
basis	1.1%	–8.1%			54%	32%	2011 data is not available at the time of the publication of the 2011 annual report due to the settling of expenses during the 1st quarter of 2012 (cf. Section 7.3.3.1.).
							Work begun by Gecina is addressed in Sections 7.4.1.3. and 7.4.4.
							Work begun by Gecina is addressed in Section 7.4.1.6.
38.9%	43.2%	53.3%	60.0%	Gecina internal audit	obj. reached	75%	In 2010, 12 multi-tenant office buildings saw the implementation of a waste sorting/recycling contract, representing a surface area of 160,577 sqm SUBL and 3 more in 2011, a surface area of 57,567 sqm SUBL. Residential assets enjoy selective waste collection services provided by local authorities.
5.90%	8.40%	14.10%	23.10%		66%	36%	335,832 sqm (40% of office properties) have an EMS in 2011 of which 72% through «operation» certification and 28% on the basis of «construction» certification.

Focuses of Gecina's policy	Commitments	Key actions	Indicators	Scope		Goals	
				Activity[1]	% covered	2012	2016
DEVELOP PEOPLE-ORIENTED PROPERTY HOLDINGS	**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	O	90%	40%	50%
			% of common areas accessible or adaptable for people with reduced mobility	R	57%	50%	60%
	Connectivity, clean transport	Having properties with a public transport link within a 400m radius	% of property holdings with public transport access at less than 400m	O/R	97%	>90%	>95%
ADOPT RESPONSIBLE CONDUCT WITH REGARD TO OUR STAKEHOLDERS	**Clients**	Establishing balanced client relations	Satisfaction rate of outgoing residential clients	R	100%	>90%	>90%
			Recommendation rate of outgoing residential clients	R	100%	>90%	>90%
			% properties signed with green leases in relation to properties signed over the period	O	100%	100%	100%
	Employees	Making progress in gender equality	% of women in the executive population (including executive managers)	Head office	100%	>45%	>50%
			% of women in the selection of external candidates	Group	100%	50%	50%
		Developing skills	% of posts filled in-house	Group	100%	>25%	>25%
			Average number of hours of training per employee	Group	79%	21	25
		Mobilizing and sensitizing employees through the Bilan Carbone	% of reduction in the level of employee greenhouse gas emissions in tCDE/employee/p.a	Head office	100%	–10%	–20%
		Sensitizing employees to business ethics	% of people having received ethics code training	Group	100%	100%	100%
	Responsible buying	Implementing a responsible purchasing approach with partners and suppliers	% of high-risk purchase families with CSR criteria in contracts	Gecina has set up a working group supported by the sustainable development strategy agency Utopies.			
	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	Sensitizing investors to the CSR issues of the sector and the Group	Number of analysts and ISR investors met	Group		>20	>20

(1) Scope: O = Offices; R = Residential; H = Health; Ho = Hotels; Head office = administrative employees of the Group; Group = head office + employees and building superintendants.
(2) State of progress at the last known date in relation to the objective:

2010 Data
2011 Data

Results					State of progress		
2008	2009	2010	2011	Audit of 2010 data	2012[2]	2016[2]	Additional information
	17.0%	33.8%	55.5%	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%		obj. reached	85%	In 2011, 90% of office assets were subjected to an audit. Over 40% of properties are accessible to wheelchair users, people with reduced mobility and the partially sighted, and more than 93% are accessible to the hearing-impaired.
		52.5%	53.0%		obj. reached	88%	After the audit of aound twenty residences in 2010, 43 new assets were audited in 2011, bringing the analysed scope to 57% of total residential assets. 52.5% 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.
84,1%	89,6%	91,6%	92.0%	Gecina internal audit	obj. reached	97%	Access to public transport is a fundamental criterion for our clients in choosing their location. Gecina is already anticipating the transport policy of Greater Paris for the positioning of its future developments.
93.0%	95.0%	93.0%	94,0%		Continuous objective		Incoming and outgoing client satisfaction surveys are conducted systematically since 2006; these are followed up by action plans.
92.0%	92.0%	93.0%	92.0%		Continuous objective		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.
0.0%	0.0%	28.1%	42.1%		42%	42%	For Gecina, the green lease is not just a legal appendix, but the core of renewed lessor/tenant relations, mobilizing stakeholders around a shared objective. 6 leases in 2010, representing 68,895 sqm, and 7 leases in 2011 totalling 53,371 sqm were signed with key Groups: EDF, Carrefour, Natixis, Oracle...
47.8%	47.3%	48.5%	49.3%		obj. reached	99%	Work begun in 2010 within the company in favor of professional equality between men and women was concretized at the end of 2011 by the signing of an agreement with trade union organizations
53.5%	49.5%	45.3%	47.7%		95%	95%	
		30.3%	43.5%		Continuous objective		23 posts were offered in 2011 of which 10 were filled through in-house mobility; of these 10 posts, 2 were new positions.
12	13	22	24		obj. reached	96%	For 2011, the Group spent 3.13% of its total payroll on professional training. Through this commitment, 79% of employees present were able to benefit from an average of over 3 days of training per person over the year.
basis	−2.4%	−5.8%			58%	29%	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 2010 value at 1.86 tCD_E/employee/p.a. The availability of 2011 data is addressed in a summary in Section 7.3.3.1.
	Development of an ethics charter in 2011.						Drawn up in compliance with the fundamental values of the Group, it will be communicated to employees early 2012 and made available to the public at this 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.
							Work begun by Gecina is addressed in Section 7.5.3.
100.0%	100.0%	100.0%	100.0%		obj. reached	obj. reached	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		Continuous objective		Gecina has taken part in 2 Environment Forums organized by Oddo and 1 by Merill Lynch.

7.3.2. Reporting and Performance Indicators

Gecina is constantly developing and honing its reporting protocol. The latter 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 is also a framework for the external verification of data. It defines in particular:

- scope;
- list of indicators;
- calculation rules and procedures: une fiche pour chaque indicateur;one record for each indicator;
- retrieval procedures and timetable;
- validation and control.

Thanks to the actions carried out in 2011, Gecina completed this protocol to meet the new commitments defined by the change in its policy such as:

- the future integration of environmental indicators (biodiversity, introduction of an EMS…);
- measuring of social performance…

7.3.3. Reporting methodology

7.3.3.1. Scope

Activities and assets concerned

The scope covers all activities operationally controlled by Gecina in France from January 1 to December 31 of the reporting year.

The assets and all related activities of the Gecina group arranged according to the nomenclature below are ultimately 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.

The healthcare activity will be intergrated into the 2012 reporting scope.

Logistics and hotel activities are consolidated because they are considered as non strategic and held for sale by the company.

The scope of activities applicable to each sustainable development indicator is defined and specified in related methodological sheets.

Most of the indicators expressed as percentages are built as follows:

Total measured data/Surface area in service = %

Office surface area: Refers to the rental gross floor area (French acronym SUBL), in other words the private surface area including the rented common areas

Residential surface area: Refers to the net floor area (French acronym SHAB).

Surface areas retained (sqm) include:

	2008	2009	2010	2011
Offices *(SUBL sqm)*	859,995	847,216	793,200	717,307
Residential *(SHAB sqm)*	876,745	821,821	771,060	634,582
Property holding *(sqm)*	1,736,740	1,669,037	1,564,260	1,351,889

Changes in scope

Changes in scope can be explained by:

- acquisition of assets;
- developments;
- asset disposals;
- creation or discontinuance of activities.

Assets recognition rules

- A 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.
- Data and information concerning disposals made in reporting year N are excluded from all data for reporting year N.

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 opted for data consolidation over the accounting period of year N. As a result, most the CSR indicators reflect the activity of 1/1/N as at 12/31/N. However, as data for 2011 had not been fully compiled on the publication date of this document, a number of indicators will be communicated at the end of first quarter 2012.

Estimates

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.

7.3.3.2. Choice of indicators

These indicators have been selected on the basis of:

- significant social and environmental impacts of Gecina's activities;
- external expectations for sustainable development information (New Economic Regulations law, Grenelle Building Plan, rating agencies, GRI, etc.).

7.3.3.3. Climate change and performance comparisons

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 from real invoices did not reflect the work undertaken since 2008 to improve the performance of assets. To adjust this value, it must be compared to climatic data, "UDD" (Unified Degree Days), derived from the national bases of Météo France.

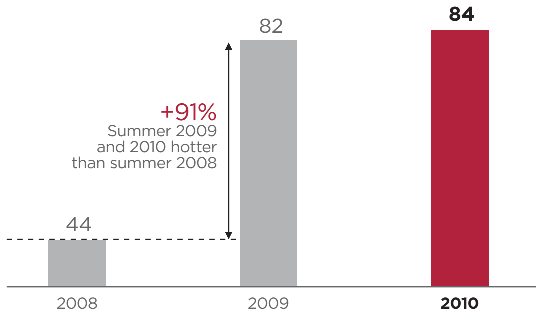
In 2010, Gecina decided to determine with its Cap Terre adviser, which helps it to analyze the thermal behavior of its office properties since 2008, the impact of climate change on the consumption and emission levels of this property holding.

While a direct proportionality was established between heating consumptions and "hot" UDDs – we heat because it's cold outside – simulations conducted on nine airconditioned 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 airconditioning 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:

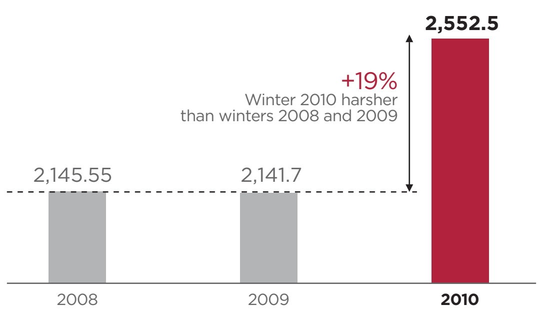
- heating consumptions of 100% of the change of hot UDDs;
- air-condition consumptions:
  - 50% for properties built before 1930 (family 1[(1)]),
  - 30% for properties built between 1975 and 1990 (family 5[(1)]),
  - 40% for properties built after 1990 (family 7[(1)]),
  - for families 2, 4 and 6[(1)], properties without air-conditioning, no adjustments.

Change "hot" UDDs



Source: Météo France.

Change "cold" UDDs



Source: Météo France.

(1) Cf. Gecina 2009 sustainable development report – property holding mapping.

7.3.3.4. Data collection and consolidation

Data collected cover the period from January 1 to December 31 of the reporting year N.

Responsabilities

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 controllers.

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 it is responsible;
- check data reliability by conducting required consistency checks (cocordance year N/N–1, concordance between sites, audit ratios).

A contact person (business technical director) is appointed for each business line). His responsibility includes:

- checking that the business line's data are reported;
- checking that the data has been audited internally and therefore validate their concordance with previous years and their sincerity;
- check, then validate the data submitted by the management accountant;
- check the right justification for changes in scope observed since the prior period and any discrepancies with the reporting methodology defined in the protocol;
- provide and present 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 standards, and according to comments from external auditors;
- launch the annual reporting campaign by informing the various managers of the reporting stages and deadlines;
- analyze the comments and justifications of key persons on the reported data;
- consolidate all reported data at Group level;
- restitute 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.

7.3.3.5. Verification by an independent external auditor

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 set up. 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 is prepared with Mazars; it includes all the thirty key indicators identified by the Group with the determination to reach a "reasonable" assurance level for some of them and will be finalized in the first quarter of 2012.

7.3.4. Environmental management for the activity

Chapter 7.2.2. "Steering and coordination" presents Gecina's current organization to implement and pilot the company's CSR project.

Adapted to the various operating methods that incorporate the sustainable development dimension, the business environmental management strives to organize the company in order to respond to the related ambitions. The system's performance is assessed with indicators and reporting protocol defines the measuring methods.

Two processes are assessed by an external organization:

- management of real estate risks (see chapter 7.4.2.4);
- the Operations General Management System for commercial real estate which 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 the property holding. This process, audited and recognized by Certivéa, demonstrates Gecina's involvement in the integration of the HQE® process within the management and operation of its property holding for an ambitious goal of obtaining certification for 80% of its office space by 2016.

During 2011, a task force comprising the Architecture and Construction Department and the Development, Innovation and Sustainable Development Department met to materialize the integration of the environmental component in a general management system for the property construction or renovation activity that a building permit.

Gecina expects to gain recognition for this organization from the two certification agencies Certivéa and Cerqual early 2012 to accompany the goal of certifying all operations:

- NF HQE® commercial buildings process (new or refurbishment) with 12 targets out of at least 14 at Efficient level for the commercial real estate;
- by aiming at the most ambitious profile of the two certifications, Habitat & Environnement for new properties and Patrimoine Habitat & Environnement for refurbished properties in the residential sector.

7.4. Commitments to promote a sustainable property holding

7.4.1. Control the environmental footprint

7.4.1.1. Energy performance, carbon footprint and climate change

7.4.1.1.1. Mapping and action plans

Gecina strives to be at the forefront of the battle against greenhouse gas emissions in the real estate sector.

Against this backdrop, Gecina began a detailed mapping of its assets as far back as in 2007 to:

- define and analyze the initial existing situation, which is the first step towards improving its energy efficiency;
- identify action drivers in each of its business lines: the sharp disparity between commercial property, housing units, logistics buildings, healthcare institutions and hotels cannot be treated in the same way;
- prepare the management strategy for the real estate company through an energy and carbon policy.

The Gecina "Energy/carbon" task force conducted a multi-phase study to:

1 – Analyze the full energy performance spectrum of buildings to identify their energy and carbon footprint by studying the collected data it was able to identify for each business line how, the performance of its constituent assets and to determine a sample of representative assets for which a whole "range" of relevant improvement solutions had been assessed;

2 – Thorough energy audits on these representative, potentially cost-effective assets extended to the entire portfolio to define several scenarii for radical change;

3 – Definition and implementation of the "energy/carbon" policy and related action program.

To support the deployment of this policy, Gecina organized workshops for employees involved in the process to:

- identify the measurement and control resources for monitoring the objectives chosen;
- organize the deployment of goals with the occupants and tenants of the buildings in the portfolio;
- assess the tools and methods used to involve suppliers who work on existing and new buildings;
- define a strategy to include renewable energies.

Four main potential energy-saving areas

Based on this study, the Group defined an asset management and intervention strategy for the property holding modeled on an ambitious energy/carbon policy.

It developed and implemented tracking indicators. It set specific goals: –23% in 2012 and –40% in 2016 and four year action plans were linked to them.

In line with the study initiated in 2007, the properties of each of the business lines were classified into homogenous families (according to the criteria of usage, type of structure, energy source, etc.), and subjected to an in-depth energy analysis and a progress plan in four points by order of priority:

- optimize building management: work in concert with operating companies to obtain an estimated average gain of 10%;
- renovate energy facilities: 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.

Examples of the implementation of this progress plan:

In residential real estate, investments, energy savings works carried out on properties contribute to improving the energy class of the EPA label of the assets concerned.

In commercial real estate, actions 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.

Gecina also systematically analyzed the energy consumption of restaurants and decided to develop the notion of "green restaurant" through a more efficient use of the materials in place and the search for optimal performance during any equipment replacement. This approach concerns all public service areas (auditorium, fitness, housekeeping, etc.).

7.4.1.1.2. Energy performance of the property holding (commercial and residential)

(Cf. chapter 7.3.1. Availability of key indicators and 7.3.3.5. Verification by an independent external auditor).

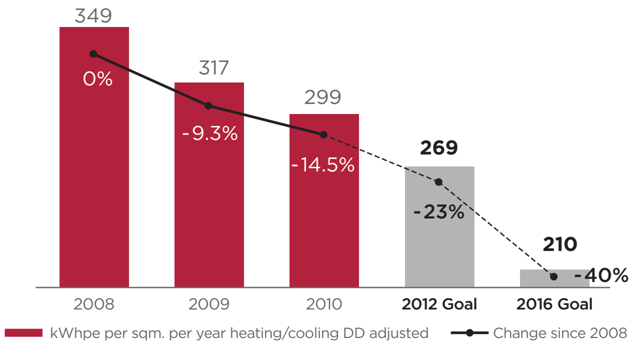
With a level of 299 kWhep/sqm/year in 2010 (on same climate basis) *versus* 349 in 2008, Gecina lowered the average consumption of its property holding by 14.5% for a goal set at a 23% drop in 2012.

The average CO_2 emission level of the property holding in 2010 is 33 kg/sqm/year (same climate basis) *versus* 38 in 2008 representing a reduction of 13.8% halfway between the goal set at 28 kg/sqm/year in 2012.

Eaerly available data confirm continued progress in 2011 and the reasonable possibility of rachieving all or part of the goals set for 2012.

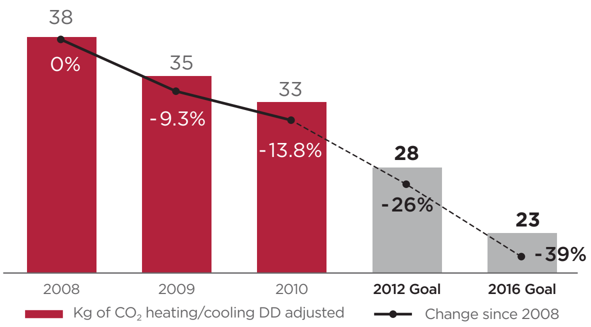
Change in energy consumption
(2008-2010)

All assets

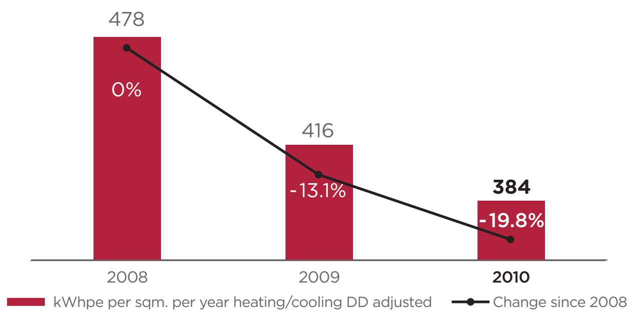


Change in CO_2 emissions
(2008-2010)

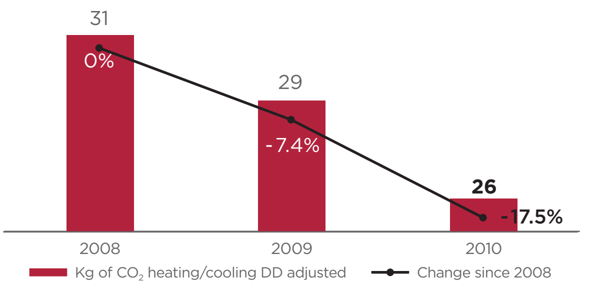
All assets



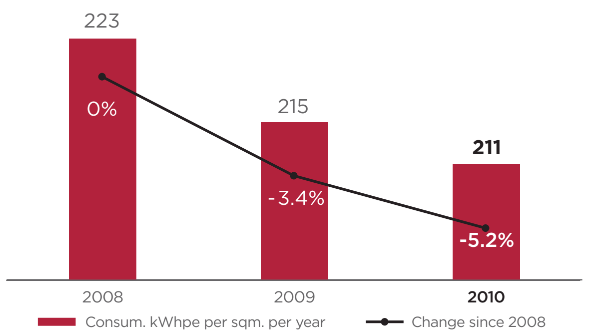
Offices



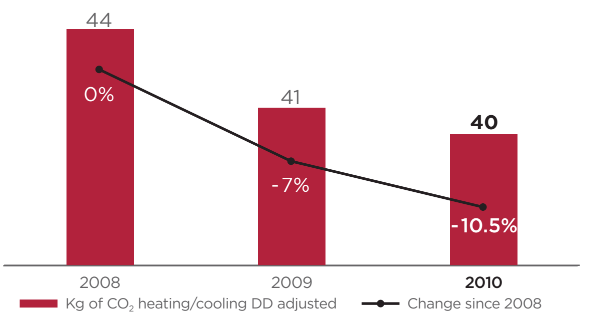
Offices



Residential



Residential



7.4.1.1.3. The difficulty in measuring

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.

Characteristics and measurement of the influence of parameters on energy peformance

<table>
<tr><th></th><th colspan="3">Scope</th></tr>
<tr><th></th><th>Offices</th><th>Healthcare</th><th>Residential</th></tr>
<tr><td>Reference floor area</td><td>SUBL: Rental gross floor area</td><td>SUBL: Rental gross floor area</td><td>SHAB: net floor area</td></tr>
<tr><td>Method of calculation</td><td>Real, calculation based on the analysis of invoices and corrected to reflect climate impact</td><td>Real, calculation based on the analysis of invoices</td><td>EPA, conventional calculation</td></tr>
<tr><td>Data availability</td><td>March 1, N+1</td><td>March 1, N+1</td><td>Quasi-immediate update</td></tr>
<tr><td>Breakdown of energy supply</td><td colspan="3">Consumptions are itemized by supply source: electricity, gas, fuel oil, heating network, cooling network,…</td></tr>
<tr><td>Influence of works made</td><td colspan="3">The impact on consumptions and emissions is simulated prior to the launch of works and measured in real time after delivery.</td></tr>
<tr><td>Influence of vacancy rate</td><td colspan="2">The N/N+1 changes in consumption and emission levels are analyzed with respect to the occupancy levels of buildings.</td><td rowspan="4">Not applicable since the EPA is calculated with comfort temperatures and regulatory occupancy rates</td></tr>
<tr><td>Impact of climate
(cf. chapter 7.3.4.3)</td><td>Measured impact</td><td rowspan="3">For the moment, these impacts are not measured in detail.</td></tr>
<tr><td>Influence of operation management</td><td>Measured impact</td></tr>
<tr><td>Behavior of users
Influence of the activity</td><td>For the moment, this impact is not measured in detail.</td></tr>
</table>

In addition to this table, the elements below must be taken into account for the office and healthcare business lines:

- consumptions are itemized 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 7 days a week, 24 hours a day,
    - nature of usage: multi-tenant building, corporate head office, etc.,
    - intensity of activity: administrative, consulting, call-center, trading desk,
    - services associated with the use of the building (sport room, intercompany restaurant, etc.),
    - retail activity with more or less long opening hours (open or not on Sundays) and of different natures (shop, show-room, etc.),
  - for healthcare property
    - the intensive activity has an impact on consumption levels: Hosting (retirement home); research center and lab; medical activity (reeducation, spa therapy, surgical units, etc.).

7.4.1.2. Consumption of raw materials

Through the construction of new assets, the renovation of existing buildings or the consumption of products and utilities in the operation of the property holding, real estate management has an impact on the depletion of non-renewable resources.

Gecina strives to incorporate as early as possible resources considered as renewable into the construction of its new assets to limit the use of depletable raw materials.

For example, one of the buildings on the commercial campus located at 96/104 avenue Charles-de-Gaulle in Neuilly makes full use of the virtues of wood:

- natural, long-lasting and renewable when its production is certified PEFC™ or FSC®;
- mechanical properties, lightness of the material, resistance to aggressive and/or corrosive environments, fire-resistant;
- carbon wells;
- presenting, for this building, 14% savings in grey energy and 37% reduction in CO_2 emissions compared to a traditional concrete construction.

This property anticipates the regulatory requirements of the wood construction plan and obtains a score that is twice the minimum volumes of wood to be incorporated in office buildings (set at 10 dm^3 of wood by sqm of net surface area for buildings with permits filed on or after December 1, 2011) and even four times higher for the connecting building with a wooden structure.

A manifesto building for Gecina used by the Group to emphasize its support for the development of the wood industry in the Paris area(cf. Chapter 7.2.3).

To make its footprint even smaller, Gecina draws inspiration from two concepts consisting in extending the lifespan of materials by incorporating "secondary" raw materials, converted and/or combined waste in order to obtain a product that can be used in manufacturing processes to replace the initial raw material:

- the productivity of the resources developed by Ernst Ulrich von Weizsacker in his book "Factor 5, a convenient truth";
- the "cradle to cradle" (C2C), philosophy, imagined by the German chemical engineer Michael Braungart and American architect William McDonough.

Gecina therefore analyzes its property holding with the determination to optimize the reversibility of buildings, whether used for the same purpose or for different purposes, by:

- "reusing" the existing concrete structure to redevelop a building at the level of new standards (Mercure);
- converting an office building into student residences(Lançon-Rungis or Lecourbe);
- anticipating the changes in properties, whether for the building structure itself, by incorporating sufficient head room for future developments of the premises or for the technical installations by preserving the possibility of using another energy source than the original one without any extensive changes.

7.4.1.3. Water consumption

Water management and health issues are incorporated into the framework of the real estate risks mapping (see § 1.6.3).

In commercial real estate, since 2008 Gecina analyzes water consumption breaking it down by type (*i.e.* offices, shops, interoffice restaurants, service areas etc.) and by comparing the savings made year after year.

Water saving contracts were introduced in 2010 when consumption reducers on pumping points and WC flushing devices were installed.

We continued to implement our plan to remove cooling towers with high water consumption levels and potential health risks.

We are working with managers to reduce the high water consumption of business cantines largely by prompting changes in behavior and by replacing water distribution equipment with more efficient equipment.

In residential real estate, Gecina supplies its customers, whenever possible, 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. These visits are opportunities to perform maintenance work (replace seals, install domestic water savers, etc.);
- individual water consumption meters in new constructions;
- remote meter reading and tracking of consumption (95% of premises equipped);
- water-saving kits (toilet flushing mechanism + shower heads + tap aerators) to reduce the risk of leakage and to save water. These water saving devices are usually installed during refurbishments but are also the preferred equipment for new constructions;
- planting of drought-tolerant ornamental garden plants and installation of rainwater collection systems.

Gecina has set itself the goal of reducing water consumption per occupant by 15% in 2012 and by 25% in 2016.

Reporting methodology

Water consumption is stated in m³/ sqm/year.

At the time of publishing the 2011 annual financial report, 2011 data were not available because consumption was established in the first quarter of 2012.

	2008	2009	2010	**2011**
Volume *(cubic m)*	1,501,386	1,452,952	1,268,744	Not all 2011 consumption has yet been measured
Surf. *(sqm)*	1,210,191	1,158,115	1,112,075	
cubic m per sqm per year	1.24	1.25	1.14	
Incr. since 2008		1.1%	–8.0%	
Ref. surface area	1,736,740	1,669,037	1,564,260	
PROPERTY COVERED	**70%**	**69%**	**71%**	

7.4.1.4. Selective sorting of waste and recycling

The Group's properties have been gradually adapted to selective sorting to contribute to national waste recycling objectives.

In commercial real estate, after a first test conducted in 2008 on La Défense Ouest property, Gecina deployed the white paper selective sorting by suggesting to tenants of its commercial properties the signing of waste collection and recovery agreements with special service providers. In addition to regulated waste, for which practices are supervised by mandatory regulation, we are currently considering extending waste recycling to other categories such as cardboard and other packaging, and garden waste.

In 2010, a sorting/recovery contract was signed with 12 multi-tenant buildings representing a surface area of 160,577 sqm. SUBL and three in 2011 for a floor space of 57,567 sqm. SUBL.

For the residential property holding, the multi-year program (launched in 2008) for eliminating garbage chutes has been pursued in order to improve safety (the risk of fire and personal accidents) and hygiene. This program, which was set up in full consultation with tenants, also helps promote selective sorting practices.

By adapting the infrastructures of its residences, Gecina deploys the equipment required for the sorting of different types of waste, with the aim of retrofitting 100% of buildings by 2016; the "tenant Handbook" is distributed to each new tenant to inform them about these new practices.

Gecina has set itself the goal of raising the number of buildings equipped for selective waste sorting by targeting:

- 60% of the floor space of the property holding in 2012;
- 80% of the floor space of the property holding in 2016.

Reporting methodology

An asset equipped for selective sorting is an asset with the appropriate garbage rooms equipped with specific containers for the selective sorting of waste produced in the building. Sorting is described as selective if the buildings are equipped with separate and differentiated containers for at least two types of wastes.

Furthermore, Gecina has postponed its project of measuring the volume of recycled waste to 2012.

	2008	2009	2010	2011
Surf. *(sqm)* set up for selective sorting	718,035	730,394	883,908	895,037
Surf. Property holding *(sqm)*	1,789,703	1,723,152	1,604,123	1,491,453
% SURF. AREA SET UP FOR SELECTIVE SORTING	**40.1%**	**42.4%**	**55.1%**	**60.0%**

7.4.1.5. Biodiversity

The construction/real estate sector ranks among the areas most concerned by biodiversity. The sector has multiple impacts on biodiversity: energy consumption (greenhouse gas emissions with a huge impact on the erosion of species), infrastructures (destruction, fragmentation or alteration of habitats and ecomogical continuities), management of green spaces (introduction of invasive species, use of chemical inputs), etc.

Gecina is concerned about the impoverishment of biodiversity had therefore decided in 2011 to formally mark its commitment by joining the French National Strategy for Biodiversity 2011-2020.

Buildings have an impact on the balance of species and their inhabitats. Nevertheless, there is also a wildlife/flora biodiversity in large urban spaces, even in areas as dense as the Paris area, with substantial ecological corridors like the Seine river, parks, playgrounds and cemeteries.

The integration of buildings into their environment by focusing on the development of green areas, promoting the maintenance, or even the development of biodiversity, contributes to developing a positive ecological footprint for built structres. Vegetation is a key element in the balance of ecosystems. Planted areas help to improve the quality of air. They help to preserve wildlife.

7.4.1.5.1. Preempting the “biodiversity” issue with first actions

Biodiveristy is still an emerging issue in the corporate world. Located in city centers with barely any vegetation, part of Gecina’s property holding is built close to interesting species and habitats and ecological continuities (green and blue belts). Some programs already integrated this environmental dimension in 2011: Velum in Lyon, green district in Ville-d’Avray, Beaugrenelle in Paris, the Opio holiday residence, etc. Right from their design, the Group ensures that the building blends into the landscape through the planning of parks and gardens designed to protect and promote the organic balance of ecosystems and protect local natural resources.

Reintroduction of native plant species, Le Velum, Lyon 3rd district (69)

This new contemporary office building (delivery 2013) comprises six floors, surmounted with an attic. In this architectural complex, a great deal of attention was paid to the outdoor planning and special attention by the landscaping developer to the vegetation, especially with a clear choice for planting protected species.

The 15,250 sqm. are structured around two hanging gardens and a shadow garden. From North to South, there are two identical volumes separated by two transversal patios. The back of the building is also designed around a garden landscape.

Preference was given to the choice of old and local plant species. A rainwater collection pond was designed to be used as a watering source for the plants. They were chosen because of their connection with the history of the plot of land, located on the left bank of the Rhone river: essences reminiscent of the vast alluvial forests, when the Rhone used to run wild with large floodbanks forming the marshes of the Rhone valley.

Conservation of animal species, Ville-d’Avray (92)

In the eco-neighborhood project in Ville-d’Avray located at the edge of the Fausses-Reposes forest, a diagnostic was made of the wild life and flora of the existing neighborhood in order to preserve the existing species. The common frog, palmate newt and common toad will be preserved thanks to a specific landscaping, the reintroduction of plant species adapted to the soils and the context, promoting the local ecosystem.

Towards the development of positive biodiversity buildings: the Beaugrenelle shopping mall

The reconstruction of the Beaugrenelle shopping center (delivery 2013) involves the significant development of green roofs and walls, the perfect crucible for the local ecosystem to thrive.

Located at the intersection of several ecological corridors, between the Seine, the André Citroën Park or again the *Champ de Mars*, Gecina’s goal is to make this roof an additional habitat for both the animal (birds, insects) and plant species that cohabit in the 15th *arrondissement*.

After an audit conducted by the Gondwana agency, a biodiversity specialist, to identify the most appropriate goals and ambitions, Gecina would like to use this landscape to carry on the ambitions of the City of Paris and integrate the green belt defined for this purpose. It intends to work with the RAPHIA agency, the landscaper for the initial project.

Evaluating the financial value of services rendered by Nature to the company

The village of Opio, location of Club Méditerranée, based on the Valbonne plateau (06), offers activities connected to environmental conservation. In 2008, it obtained the European Ecolabel for tourist accommodations.

Gecina, owner of the buildings and of the land, in partnership with Club Méditerranée, financed a biodiversity enhancement project. This assignment entrusted to the Gaïadomo environmental agency involves preparing the bio-prospecting and bio-evaluation of ecosystems, wildlife and flora in order to establish management measures to conserve, develop and enhance biodiversity.

For experimental purposes, a “bioaccounting” study has been conducted to evaluate the financial value of the natural assets of the site and the services rendered to the company. This estimate specifically identified the potential losses if these ecosystems were changed or destroyed. (cf. details paragraph 7.1.4. Deepening the green value concept)

Managing green areas in the property holding

For the upkeep of the green areas of its assets, Gecina requires its service providers to apply a differentiated management mode where the goal is especially to reduce the use of phytosanitary products (fertilizer, chemical weed killers, etc.). The number of mowing, cutting, and weeding operations are modeled on the different management modes.

We can commonly identify three management modes: Intensive (applies to well-tended areas, regular interventions, once a year or sometimes several times a year), semi intensive (applies to areas described as secondary, interventions are regular, generally every year), and extensive management (reserved for areas with few people or natural seeting or difficult to access, interventions are periodic, pluriannual a year with frequencies ranging between 2 to 5/6 years at most).

Biological control is recommended. This involves using crop agents (predators, parasites, etc. which destroy pests) to protect plants from diseases. Biological control of pests minimizes the use of toxic products, preserves the quality of ground water and human health.

A member of the «biodiversity and economy» task force studying «operational management» and «accounting balance», **Gecina joined the Orée association in 2011** to expand the range of its skills (cf. chapter 7.2.3. Active participation in representative bodies).

7.4.1.5.2. Incorporating biodiversity in the sustainable development policy

As biodiversity is a genuine and growing challenge for its businesses, its property holding and its image, Gecina has decided to develop an ambitious biodiversity strategy to incorporate this topic into the environmental performance policy of both its existing property holding and those under construction.

Gecina has set up a specific internal task force (where the Group's various business lines are represented) and solicited the skills of Gondwana to launch:

- a multidisciplinary study spanning its entire property holding;
- an audit of its property holding and the identification of the required progress actions;
- the definition of a performance strategy and tracking indicators.

In 2011, Gecina developed the **biodiversity map of its property holding** and identified the exact location of all its buildings in relation to ecologically interesting zones. The aim is to better understand the exposure of the different constructions to protected species and habitats.

The results have shown that more than 50% of the portfolio is located close to zones that are important for biodiversity.

In 2012, a sample of buildings will be subject to biodiversity audits®.

The assets audited will be representative of the main categories of buildings (smooth or non-smooth facade, presence or not of green areas, terrace roof or not, etc.) and will be located close to areas of interest in terms of biodiversity (with the following ecological themes: "urban", "watercourse", "forest", etc.).

This research will present the findings for the buildings assessed, as well as wider recommendations to cover the main asset categories.

The Group will subsequently finalize its "biodiversity" policy and indicators based on the outcome of all these works and the audit conducted through interviews of internal and external stakeholders.

7.4.2. Develop a people-oriented asset base

7.4.2.1. Comfort and quality of life (air quality, thermal quality)

Accessible buildings, friendly spaces, good air quality comfort are concerns that affect the quality of life in a professional or residential environment. Gecina pays increasing attention to all these issues.

Thermal comfort is only reached when the temperature, humidity and air movement are within the "comfort zone". The comfort zone is affected by several factors such as draughts, relative humidity, temperature of walls and room temperature. That is why, while striving to make constructions more efficient, through for instance insulating the outside walls of buildings such as the Py Montiboeuf residence to minimize the effects of cold walls, in line with the concern to save energy, we must initiate dialogue with users whenever the temperatures on the premises deviate significantly from the regulatory setpoint temperatures, namely 19°C in winter and 26°C in the summer. We initiated such a constructive dialogue with occupants (residentiall and commercial) and the operators of the most energy-hungry properties to drop the average indoor heating temperator by 1°C, which corresponds to savings of around 7% on energy conumption.

Occupants now consider the active cooling of commercial buildings as a vital comfort factor. In the current context, Gecina cannot neglect such facilities if it wants to guarantee the rental of its buildings. However, architects now strive to reduce such needs through the environmental design of buildings and the construction of efficient walls equipped with external protections against risks of overheating from the sun.

Gecina is concerned about the wellbeing of its occupants, hence the anticipation of regulatory obligations and the launch of a research workshop to improve the indoor air quality of its real estate portfolio. The first step entails conducting a study of the construction materials used, study their ecological performances and identify the existing labels.

To accompany this study, the Group measured the indoor air quality of two properties delivered in 2011, the Campuséa student residence located at 75 rue du Château des Rentiers in Paris and Mercure, complex refurbishment of an office building according to the reporting standards of the NF HQE® commercial buildings process for new buildings. The study was organized in several phases in partnership with the City of Paris hygiene lab (*Laboratoire d'Hygiène de la Ville de Paris* – LHVP) by deploying the protocol developed for the HQE® Performance request for proposals, in anticipation of the probable future regulatory values: measurement of the different air pollutants over a period of five days, lab analysis and comparison of the values obtained to the baseline maximum emission values recommended by the WHO (World Health Organization).

The results of the samples taken demonstrate a fairly acceptable indoor air quality since for Mercure all criteria were lower than the baseline values and the nitrogen dioxide (NO_2), benzene, lformaldehyde and carbon monoxide were also low in the students Château des Rentiers residence. For the latter, with respect to the particles with a diameter comprised between 2.5 and 10 micrometers (PM10 and PM2,5) and total Volatile Organic Compounds (TVOC), the results are slightly above WHO baseline values. This can be simply explained by the choice of a single flow ventilation for a building close to an urban area. In fact, the fine particules (PM10 et PM2,5) issued by road traffic (especially "diesel" engines) circulate in the air then fall when they loose speed. In addition, the high concentration of TVOC on the site can be explained by the presence of car parks and cleanups of old construction sites (cleaning products with high VOC content) shortly before the measurements.

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 tomorrows standards. Aware of the public health issue at stake and the difficulty in identifying all the elements impacting indoor air quality, Gecina has introduced mandatory clauses in all its terms of reference on the most demanding labels and endorsements (class A+, European ecolabel, Gut, blue angel, while swan, etc.) en fonction de la nature des produits.

7.4.2.2. Accessibility (disability)

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:

- wheel chair accessibility;
- motion impaired accessibility (people using pushchairs, pregnant women, people with semi-ambulatory disabilities…);
- 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.

In 2011, an accessibility audit was conducted on 90% of the commercial property holding.More than 40% of the surface areas are accessible to wheelchairs, to motion-impaired people and people with sight disabilities and over 93% accessibility for people with hearing disabilities.

Residential real estate

After the audit of twenty or more residences in 2010, 43 new assets were analysed in 2011, thereby bringing the analyzed perimeter to 57% of the total residential property holding.Today, 30% of the surface area of common areas are accessible or can be adapted for people with semi-ambulatory disabilities.

At the same time as improving the accessibility of common 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 apartments 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 adaptation requirements, as well as taking account of special client needs.

7.4.2.3. Connectivity

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…).

This goal was exceeded in 2011 as 92.2% of Gecina's property holding was within 400 meters of a public transport service and has therefore been extended to 95% in 2012.

Reporting methodology

The connection of an asset is measured according to the distance by foot between the main reception of the asset (superintendent's office, main lobby) and the closest access to a connection point.

Each building has been analyzed based on the table below:

- access to public transport:
  - bus,
  - metro/tramway,
  - RER/train;
- access to a self-service bike service (data not included in the principal indicator);
- access to an electric charging terminal (data not included in the principal indicator).

	2008	2009	2010	2011
Surf. *(sqm)* up to 400 m	1,399,085	1,368,287	1,315,474	1,212,117
Surf. covered *(sqm)*	1,578,592	1,527,454	1,435,350	1,314,458
% SURF. AREA ACCESSIBLE TO PUBLIC TRANSPORT LESS THAN 400 M AWAY	**88.6%**	**89.6%**	**91.6%**	**92.2%**
Ref. surface area	*1,736,740*	*1,669,037*	*1 564 260*	*1,351,889*
Property covered	*91%*	*92%*	*92%*	*97%*

Surface covered : total surface area of diagnosed buildings
Reference surface area : total surface area of buildings in operation at 12/31

7.4.2.4. Management of property risks

The inventory of risks associated with building health/safety and the environment is regularly reviewed and validated by the «risks» department since 2006.

Such risks are assessed based on reporting standards defined for each area of risk, with indicators measuring the level of efficiency for the various buildings in relation to these 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, floods, soil pollution, fires…).

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

Real estate risk mapping is therefore aimed at helping the different Group players pay more attention to risks in their day-to-day management.

It concerns 18 areas, including «asbestos», «lead in claddings», «cooling towers and risk of Legionella», «relay masts for mobile telephones», «general safety», «lifts», «flood», «natural and technological risks»…

The associated web platform facilitates the review by providing a global, consolidated view that helps to ensure continuous improvement. The risk map is constantly updated.

A specific computer platform also ensures transparency for customers with regard to risk. Indeed, customers now have the opportunity of using the internet to consult technical files about asbestos and the state of natural and technological risks in the building. 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.

The entire procedure and the results are presented in § 1.6.3 «Risks management».

7.4.3. Promote the environmental quality of the property holding: a comprehensive procedure promoted by the HQE® operating certification

In addition to the energy and climate goal, symbolized by names such as factor 4, (cut CO_2 emissions by four by 2050), or the 3x20 rule (20% less energy and CO_2, and 20% renewable energy by 2010) the success of the challenge proposed by the Grenelle environment project will only be effective with a sharp improvement in the environmental performance of existing buildings; Gecina has made this issue the primary focus of its sustainable development policy.

In the life cycle of a traditional building (whose environmental performance has not been optimized), 80% of environmental impact stems from use. Therefore, the behavior of the building's users is critical. In the case of an optimized building, environmental impacts during the structure's life cycle are also shared between the building's construction and use. Gecina's efforts to improve and certify its property holding apply to both new constructions and assets in service.

7.4.3.1. Recognized sustainable operation on the commercial property holding

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 the property holding.

the HQE® operation certification is a key commitment for Gecina, which in 2010 set itself the goal of certifying 50% of its office floor space by 2016.

Today, in light of the results already obtained and convinced of the absolute importance of doing better and faster in response to the growing expectation of its stakeholders, Gecina has set itself even higher goals:

- 40% of its office floor space certified HQE® exploitation by 2012;
- 80% of its office floor space certified HQE® exploitation by 2016.

In 2011, after the "Portes de La Défense" property located in Colombes (92) certified in 2010, three new office buildings have received the HQE® operations certification:

- Valmy (Paris 20e), property of 29,444 sqm. built in 2006;
- Crystalys (78 Vélizy), property of 25,800 sqm. built in 2007;
- Défense Ouest (92 Colombes), property of 57,151 sqm built in 2006.

An annual audit by Certivéa evaluates the system developed for each property and analyzes the defined 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 multicriteria approach to indoor air quality.

To continue further in a process gathering momentum, Gecina is working on the certification of its headquarter, 16 rue des Capucines, Paris 2e and 15 other buildings in its portfolio as well as all the buildings delivered in 2011 and in upcoming years such as Horizons, Mercure, 96/104 Neuilly-sur-Seine, etc., which would extend to end 2012 the certified HQE® exploitation surface area to more than 380,000 sqm. or more than 45% of the property holding in service at the end of 2011 including the buildings delivered in the year.

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 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 environmental performance.

The HQE® operations process provides a fresh take on the relationship between property owners, tenants and operators and invites them to join in seeking 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 the occupants, Gecina explains through three documents, the internal regulation and two environmental manuals, one dedicated to occupation and the other to operation, the standards that it applies to itself and that it wishes to see applied in its leased buildings.

7.4.3.2. The example of office properties to be extrapolated to the entire portfolio

Gecina has made certification a progress driver to spread identified operating best practices to its entire portfolio, including buildings without sufficient qualities to reach the standards required by the certification.

In the residential sector, although there are no reporting standards yet in operation, Gecina accepted QUALITEL's invitation to participate in a survey to identify the usefulness of such a certification/labeling framework. The recent correspondence with CERQUAL point to its introduction in 2012 through the development of workshops for which Gecina has already applied. Its active participation in the preparation, an ambition warmly received by QUALITEL's representatives, will also help to rank Gecina's current practices against the expectations of this future reporting standard.

Hotels and healthcare are two areas that have not been covered by certification standards. Although the Club Med started working on this issue with the green globes awards, we would like to set up a discussion with our principal tenants/operators such as Générale de Santé or Domus Vie-Dolcéa (DVD). The sustainable development aspect has already been integrated as an exchange point during steering committees with these tenants, representing 86% of the floor space of Gecimed's assets, especially with respect to extensions, new constructions and renovations.

7.4.3.3. Need to upgrade the property holding

It is impossible to significantly improve the environmental performance of buildings if they are continuously occupied. Gecina is therefore faced with two choices: renovating the building once the tenants have vacated the premises; selling to other operators capable of assembling resources to which Gecina has no access, such as social residential operators. Where the building remains in Gecina's portfolio, the NF HQE® process certification for commercial buildings under refurbishment or Patrimoine Habitat & Environnement is then the only possibility for developing a building to match the company's standards.

Certification of buildings in service

Three assets were certified HQE Exploitation in 2011 representing a surface area of 109,150 sqm.

	2008	2009	2010	2011
Surf. HQE exploitation certified	0	0	42,806	151,955
Surf. Property holding	859,995	847,216	793,200	717,307
% SURF. AREA HQE EXPLOITATION CERTIFIED	**0.0%**	**0.0%**	**5.4%**	**21.2%**

7.4.4. New properties drive enhanced performance

The technological revolution launched by the Grenelle round-table entails designing totally virtuous buildings in environmental terms and infinitely less energy intensive during their use. Gecina strives to incorporate in all its projects the best French and International standards. 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 ogals of the NF HQE® commercial buildings process, 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.

Initiated in 2006 with the Cristallin building in Boulogne-Billancourt, one of the very first buildings in France certified NF commercial building HQE® Construction process, Gecina continues its third-party-based certification process. It now has a certified property holding of 129,085 sqm and is currently developing more than 140,000 sqm with these requirements by integrating on a case by case basis international label endorsements such as BREEAM®, and LEED to take fully advantage of international practices.

More than 200,000 sqm. of its logistics assets are also certified and the Lauwin-Planque (59) platform was included in the pilot sites of the HQE® Logistics label.

On all these buildings, Gecina strives to find the best performances both in terms of eco-management, directly linked to controlling tenant expenses (energy, water, waste and upkeep – maintenance), or ensuring the comfort and health of its employees.

Two powerful expectations have emerged from this integration of environmental concerns to the act of building:

- identification of the real benefits for tenants in terms of savings on expenses as well as comfort, health and wellbeing. Gecina therefore studies the impact of environmental design on the intangible value of a company, tenant of an office building (cf. chapter 7.1.4);
- the real ecodesign of buildings by integrating the reduction of environmental footprint into the entire life cycle of buildings.

That is why on the last issue, Gecina is involved in "real time" in the developments of the various certification mechanisms and presented in 2011, five projects for HQE® Performance tests (the Newside and Velum buildings, the Villafranca and Chambéry buildings and the Beaugrenelle shopping center). Five indicators are calculated: total primary energy, climate change, production of inert waste, production of non hazardous waste and water consumption.

The lessons from this practice include:

- for buildings with a life cycle of 100 years, the scale of magnitude for primary energy consumption of the components is quite close to the one linked to the consumption areas included in the thermal regulation. (for example, office buildings contribute respectively 41 kWhpe/sqm net floor area/year and 68 kWh pe/sqm net floor area/year);
- however, the impact on climate change is three times higher for the building's components than for energy consumption (for the same typology 8.7 kg CO_2/sqm net floor area/year 3.0 kg CO_2/sqm net floor area/year). 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;
- the life span of buildings has a significant impact since, for example, the transition from 100 years to 50 years increases the total primary energy item of the building's components by 18%. Thus, Gecina anticipates the design of scaleable buildings, *i.e.*, buildings that can be improved without any demolition required or that can be easily converted for another use while retaining a significant portion of the initial structure;
- the element with the highest impact in the choice of construction products for total Primary Energy, Climate change and non-hazardous waste criteria is the building structure (foundations and shell) which respectively account for 25%, 43% and 45% in the weight of the building's components in the case of concrete buildings. That is why Gecina focuses on the sparing use of resources and has built an office complex in wood located at avenue Charles-de-Gaulle in Neuilly.

To follow up on this study Gecina decided to continue optmizing the environmental performance of its properties under construction through CSTB assistance in order to integrate the new indicators into the management of design and construction choices.

Certification of buildings under development

% surface area of property holdings delivered certified (offices and residential)

	2008	2009	2010	2011
Surf. area certified	0	0	18,730	49,959
Surf. area delivered	35,714	4,754	47,340	57,739
% SURF. AREA DELIVERED CERTIFIED	**0.0%**	**0.0%**	**39.6%**	**86.5%**

In commercial real-estate, 100% of the assets delivered in 2011 are certified HQE® construction meeting 12/14 targets in the category of Efficient or Very Efficient. These include the Horizons tower (36,670 sqm, nine Very Efficient targets and three Efficient targets).

In residential property, the Square Seguin property is covered by an H&E certification with an A profile.

7.5. Social responsibility and responsible behavior with our stakeholders

7.5.1. Galvanizing employees for the societal excellence of Gecina

2011 confirmed the policies adopted by the Group in terms of the enhancement of its "human capital" (the company's central wealth).

In addition to the numerous exchange meetings organized with Management, the seminars and visits to which all employees were invited, especially the induction seminar for new arrivals, allowed them to discover the assets, and share with executive directors, the Group's strategy and challenges.

The work launched in 2010 by the Human Resource team continued intensively through work groups and training programs open to all employees.

The interest expressed for the projects proposed gradually caused the company to formalize this commitment in an overall policy of corporate and social development.

Thus, by signing the Diversity Charter in June 2011, Gecina confirmed its desire to apply a sustainable Human Resource policy untainted by any discrimination.

At the same time, special attention is paid to the traceability of actions carried out to guarantee compliance with previously signed corporate agreements (GPEC, Seniors), or recently signed in December for the Professional Equality of Men/Women.

To ensure that these commitments are constantly respected and reflected in our organization, the processes have been amended and KPIs have been introduced, especially for hiring and career management.

7.5.1.1. Developing the skills of employees

This mission, for which the action plans are repeated in the group's **GPEC** agreement (forward management of future jobs and skills), is an important focus of Gecina's human resource policy.

In line with the work started in 2010 on **Managerial Attitudes** defined by Managers and their insertion in evaluation forms, a similar job was implemented with Gecina's Employees and Supervisors to adapt these Attitudes to all employees and insert them in the evaluation forms intended for them.

As a result, all the evaluation material has now been modified in consultation with employees to respond as best as possible to their expectations and to the Group's new orientations.

Every year, these forms are analyzed and shared between the Human Resources teams and the line managers in order to facilitate one-on-one assistance for employees.

7.5.1.1.1. GPEC Agreement

Signed in June 2010, this agreement modified certain HR processes and led to the setup of monitoring tools and indicators. In 2011, the observed progress and improvement focuses were shared at the biannual commissions organized with management and labor.

Furthermore, to contribute to the perfect information of employees, apart from the publication on the intranet, individualized letters have been sent to all the employees concerned.

7.5.1.1.2. Training [1]

In 2011, the Group devoted 3.13% of its payroll to continuing professional training. Thanks to this commitment, 79% of employees present were able to benefit on average from three days of training by person over the year.

Out of the 10,644 hours devoted to training, 30% were dedicated to business training programs linked to job performance or the acquisition of new skills, and 70% to cross-functional issues such as office computing, languages, management, interpersonal skills, etc.

A six-day training program dubbed **Management and Managerial Attitudes** was specifically proposed to managers. This training which completes the one given for holding annual evaluation interviews aims at a better implementation of Managerial Attitudes in their line and transversal management.

Access to training by socioprofessional category is 88% for managers and 73% for Employees and Supervisors (including building superintendents).

Other KPIs for measuring access to training have been implemented and are monitored during training commissions and those concerning the various agreements.

7.5.1.1.3. Internal promotions, internal mobility

The percentage of vacancies filled through internal mobility has significantly increased over the year. It represented 43.5% of vacancies published internally in 2011 compared to 30.3% recorded in 2010. 10 vacancies out of the 23 vacancies proposed were therefore filled through the **internal mobility** of the Group's employees.

At the same time, the promotion rate also increased by 35.7%. It concerned 38 people during the year, *i.e.* 6.9% of the total workforce at December 31, 2011.

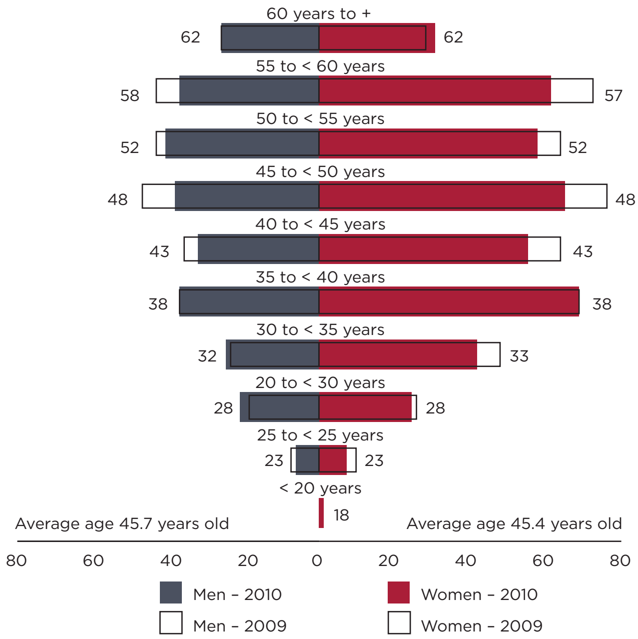
Together with our GPEC agreement, promotions leading to the executive status led to a specific assistance and the holding of a **"Manager" Commission**.

(1) Source: Forecast assessment of 2011 Training presented to the WC on December 15, 2011.

7.5.1.1.4. Developing the employability of seniors[2]

Average age of the Group employees is 45.5 years.

Breakdown of group ages – 12/31/2011



Seniors (employees aged 55 years and more) representing 23.4% of the Group's employees with open-end contracts at December 31, 2011 for an objective set by corporate agreement at 20% over 3 years (2010-2012).

Although naturally concerned by all HR measures, in the same conditions as all employees, seniors also receive specific follow-up, covered by the corporate agreement and intended to promote their employability and banish any risk of discrimination towards them.

The tools specifically implemented for them within the company include personalized information on the skills assessment, invitation to an interview about "stressful jobs", flexibility arrangements, and preparing and training for retirement.

Discrimination risk is checked through KPIs on access to training, internal mobility and promotions.

7.5.1.2. Encouraging diversity and ethical behavior

Gecina has been striving for several years now to develop an organization untainted by any form of discrimination and at the service of its clients and property holding. By making all its employees aware of this social issue, its diversity policy intends to promote plurality and diversity through recruitments and career management.

7.5.1.2.1. Diversity

By signing the Diversity Charter in June 2011, Gecina demonstrated its intention to formalize its commitment towards a Human Resource policy that revolves around the well-being of the men and women present in the company and to energize its action as a socially-responsible corporation.

The commitments taken through this Charter have been integrated into the human resource management policy leading where applicable to some changes or improvements in the process.

7.5.1.2.2. Gender equality

Works undertaken in 2010 inside the company to promote professional equality between men and women ended late 2011 by the signature of an agreement with the representative union organizations. The agreement revolves around the principle of non-discrimination upheld by Gecina, tackles the issues of diversity and professional equality in the areas of recruitment, training and career management while linking it to an action plan and tracking indicators. Furthermore these measures aimed at compliance with a balance between professional and private life are also presented.

The Gecina group employs 61% of women and 39% of men.

The number of women recruited by the Group breaks down as follows:

Number of women recruited

		Administrative staff	Building staff
Number of women recruited in 2011	Open-ended contract (French acronym CDI)	21	2
	Fixed-term contract (French acronym CDD)	64	121

The proportion of women hired represents 47.7% of total recruitments. 89% of people hired on fixed term contracts were replacements for superintendents.

The rate of new open-ended (*French acronym* CDI) hires and fixed-term (*French acronym* CDD) to open-ended (*French acronym* CDI) conversions in 2011 was 56.1% for women and 43.9% for men. This indicator will be added to those in the report on the comparative situation of men and women.

For the first time, the topic of professional equality was dealt with during the wage measures allocated on January 1, 2011. In concert with the Professional Equality commission, an analysis of wage variances above 3% resulted first, in an individual salary increase for 9.6% of the variances without justification in the panel under review. This panel comprised administrative employees on open-ended contracts in a non-managerial position and first-level managements (C1 and C2). The salary adjustments made allowed on average the employees concerned to receive a monthly increase of €160 compared to €60 monthly average for the people not affected.

The themes retained by the Professional Equality Commission and incorporated into the agreement included the need to make management aware of this issue which is a success factor necessary for coping with this Group challenge.

7.5.1.2.3. Employment of disabled workers

Almost all Gecina's vacancies are accessible to people with disabilities.

The number of employees with disabilities remained unchanged between 2010 and 2011. However, considering the administrative delay encountered by employees renewing certain files, the number of employees documented as having a disability has dropped from 10 to 8 people.

Nevertheless, our commitment to make life easier for people with disabilities is not limited to direct employment. In 2011, the human

(2) *Source : Senior Commission of January 18, 2012 for the 2011 balance sheet.*

resource department worked with the support agency, *Établissement et Service d'Aide par le Travail* (ESAT) to prepare all the training material that it had to manage directly as a way of promoting the participation of people with disabilities.

7.5.1.2.4. Ethical charter

In 2011, Gecina drafted an ethical charter. Drafted in accordance with the Group's fundamental values, it will be distributed to employees in early 2012 and publicly presented at that time. The deployment of this charter will specifically include for each employee the dissemination of a manual as well as a day of training specially devoted to ethics and related issues.

Each employee will focus on following and ensuring that others follow the charter at all times and will show flawless conduct in all circumstances.

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 appropriate follow-up to the reported problem.

This document will complete the provisions, regulations and internal policies already in force within the Group.

7.5.1.3. Creating jobs that are stable and motivating for all

Concerned about guaranteeing the **diversity** of profiles in the company, Gecina has elected for the publication of vacancies on several job websites (corporate extranet site, websites of graduate schools and universities, general and specialized websites, social networks, etc.). Backed by this new policy combined with internal administration of recruitment, the human resources team processed 2,629 *résumés* in 2011. 83% of the 133 vacancies filled with open-end contracts and fixed-term contracts excluding the fixed-term contracts of superintendents were directly managed in accordance with the commitments taken to promote diversity.

To promote **Gender equality** in recruitment of all in-house applicants and those from employment agencies, the Group requires a balanced proportion of men/women in the selection of the résumés presented. Thus, out of the 27 vacancies filled with indefinite-term contracts by managers in 2011, 51.9% were occupied by men and 48.1% by women.

7.5.1.3.1. Workforce and changes in workforce

Workforce

The breakdown by socio-professional category of 550 staff has two specific characteristics: A high number of managers require specific assistance in terms of training and career management, and superintendents, first contacts of Gecina's customers, for which the business must be promoted and enhanced.

Workforce

	2011			2010			2009		
Category	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	105	102	207	105	99	204	113	100	213
Supervisors	31	128	159	31	142	173	30	136	166
Administrative staff	12	10	22	16	17	33	18	15	33
Building staff and superintendents	65	97	162	76	114	190	90	122	212
Total	**213**	**337**	**550**	**228**	**372**	**600**	**251**	**373**	**624**

Change in workforce

The proportion of fixed-term contracts is high in the Group and represents 90.6% of all new recruits, hired to replace superintendents and building employees during vacation.

This is how the Group ensures quality and continuity of service to its tenants:

Given the strategy adopted in human resources with respect to recruitment, the positions opened to replace absent people or to respond to temporary peaks in business were filled first by people with fixed term contracts. Due to this fact, the use of temps reduced by 63.6% compared to 2010 and was limited to the employment of 4 people.

Nevertheless out of all recruitments of open-end contracts, 24% of fixed-term contracts were converted into open-end contracts, up 16.7% compared to conversions in 2010.

Over the same period, the policy of welcoming young people in higher education was revised in order to meet our goals of integrating and ultimately offering a pool of potential fixed-term contracts.

Accordingly, the rate of work/study contracts increased by 33% with the reception of eight young people on apprenticeship or professionalization contracts, while the number of interns (19) grew by 90% in relation to the internship agreements signed in 2010.

Change in workforce

Category	Gender	Headcount at 12/31/2010	Open-ended contract new	Open-ended contract leavers	Open-ended contract promo +	Open-ended contract promo -	Fixed-term contract new	Fixed-term contract leavers	**Headcount at 12/31/2011**
Managers	M	105	14	14	1		2	3	105
	F	99	13	11	3		6	8	102
Supervisors	M	31	2	4	3	1	1	2	30
	F	142	8	16	3	3	11	17	128
Administrative staff	M	16	0	1		3	25	25	12
	F	17	0	1		3	47	50	10
Building staff and superintendents	M	76	2	13			182	181	66
	F	114	2	18			121	122	97
TOTAL		**600**	**41**	**78**	**10**	**10**	**395**	**408**	**550**

7.5.1.3.2. Leavers

The turnover of indefinite-term employees is up in relation to previous years and amounted to 10.5% in 2011, which can specifically be explained by the disposal of the Lyon property holding. Leavers due to transfers or lay-offs of non retrained staff due to this operation represent 42.3% of all open-end contract departures for the Group.

The proportion of resignations represents 14.1% of all open-end contract departures. The reasons given include in particular moving to follow the spouse or a search for new professional opportunities.

Leavers reasons

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
Managers	M	2	2	0	9	0	0	3	0	1		0
	F	2	1	2	4	1	0	8	0	1		0
Supervisors	M	0	0	1	1	1	0	2	0	1		0
	F	3	3	4	3	0	0	16	1	2		1
Administrative staff	M	0	0	0	1	0	0	25	0	0		0
	F	0	0	1	0	0	0	50	0	0		0
Building staff and superintendents	M	3	8	0	1	0	2	179	0	1		0
	F	1	6	0	5	0	2	120	0	5		1
Subtotal		**11**	**20**	**8**	**24**	**2**	**4**	**403**	**1**	**11**	**0**	**2**
TOTAL						**486**						

7.5.1.3.3. Absenteeism

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.

In days	Administrative staff	Building staff	Total
Absence due to illness	4,090.5	2,906.0	6,996.5
Maternity and paternity leave	752.0	181.0	933.0
Leave due to work-related and commuting accidents	123.0	108.0	231.0
Family leave	383.0	77.5	460.5
Parental leave	330.0	0.0	330.0
Unpaid leave	376.0	120.0	496.0
Other leave	916.0	8.5	924.5
TOTAL	**6,970.5**	**3,401.0**	**10,371.5**

The number of total days counted in 2011 is up 1.2% compared to 2010.
The proportion of absences due to illness represents 67.5% of the total number of days of absence.

7.5.1.3.4. Promotions and compensation

Promotion within Gecina group

In conjunction with a human resource strategy geared towards the development of skills, in 2011, 38 people were promoted which represents 6.9% of the total workforce as at December 31, 2011.

Compensation

The Group's compensation policy is part of the annual budget.

The capacity for wages and salaries in general to grow is therefore dependent on Gecina's capacity to share wealth on an equitable basis.

Only the overall level of salary increases is negotiated with union representatives during mandatory annual negotiations.

A special salary package intended for individual pay rises and bonuses is issued each year in acknowledgement of the good work of staff. These individual pay rises and bonuses are granted each year based on personal performance. The amount varies in range depending on each person's level of responsibility.

In €	Administrative staff	Building staff	Group
Amount of bonuses paid	2,538,100	76,499	2,614,599
Gross total payroll	26,792,639	4,993,037	31,785,677
Percentage of total payroll	9.5%	1.5%	8.2%

The median monthly salary within the Group is as follows:

Median salary

Median monthly salary (€)	2011
Manager	4,685
Non-manager	2,993
Building staff	2,108

The population taken into account to calculate this average salary consists of employees on an open-ended contract, excluding corporate officers, who were worked full-time during the year, whereby the figure used is the actual fixed base salary, including the thirteenth month, and seniority bonus divided by 12 and excluding variable compensation, namely:

- administrative staff (100% value for part-time);
- building staff (prorated based on their actual period worked).

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.

The gross profit-sharing paid in 2011 for 2010 amounted to €3,482,000 representing 11% of the 2010 payroll while the employer's contribution paid in 2011 by Gecina for the PEG or PERCO (Collective retirement savings plan) amounted to €964,000 (€762,000 for administrative staff and €202,000 for building staff).

Employee shareholding

At December 31, 2011, Group employees held 333,340 Gecina shares directly and 155,890 Gecina shares indirectly *via* the Gecina shareholding mutual fund ("FCPE Gecina actionnariat"), representing a total of 0.78% of share capital.

Stock subscription options, stock purchase options, and performance shares

The company has set up a performance share allocation plan 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.

Detailed information on these performance shares is presented in the "Distribution, capital and shares" section.

7.5.1.4. Guaranteeing the best working conditions

The company considers the safety and working conditions of its employees as a top priority.

Each new employee receives a copy and an explanation of the rules of internal procedure together with the procedures linked to safety, at an interview organized by the Human Resource Department on their first day at work.

7.5.1.4.1. Working hours organization

Work-time by category of employee is based on the agreement relative to the organization and number of working hours.

Also, with the exception of executive managers not concerned by regulations governing work time, most employees with managerial status are required to work a fixed number of days on an annual basis by virtue of their responsibilities and autonomy.

Non-managerial employees are either subject to a collective variable schedule or are required to work a fixed number of hours on an annual basis if their duties include frequent travel away from the corporate head office.

Based on an average of 35 hours per week, the agreement sets a weekly variable work time of 37 hours and 30 minutes, which is an annual rate of 1,567 hours and an annual day-based formula of 207 days, offset by allotment of days off in lieu (15 or 17 days depending on the work time formula adopted).

The total number of overtime hours in 2011 was 1,828 hours.

	% of work time	Number of employees as at 12/31/2011	Number of employees as at 12/31/2010
Officers		1	2
Executive managers		15	18
Annual basis (hours)	100%	10	15
Annual basis (days)	from 50% to <80%	2	2
	from 80% to <99%	7	7
	100%	176	175
Resident superintendent	Not subject to working hours	137	158
Salaried employee with variable working hours(*)	Less than 50%	3	4
	from 50% to <80%	7	7
	from 80% to <99%	22	23
	100%	170	189
TOTAL		**550**	**600**

(*) Including building staff.

7.5.1.4.2. Safety and working conditions

Gecina systematically analyzes workplace accidents recorded during the year in order to implement the appropriate corrective or preventive measures.

During 2011, out of the 24 accidents recorded, 16 of them which occurred at the workplace received the appropriate analyses and specific recommendations.

As most of these accidents were caused by lifting objects or moving around the workplace, they led to the introduction of training courses (Gestures and Postures) and the supply of individual protective gear or more suitable workgear.

It is noteworthy that only 37.5% of the observed accidents led to work interruptions.

	2011			2010			2009		
	Lost time	No lost time	Total	Lost time	No lost time	Total	Lost time	No lost time	Total
Number of work-related accidents	6	10	16	10	6	16	9	8	17
Number of commuting accidents	2	6	8	8	11	19	6	2	8
TOTAL	**8**	**16**	**24**	**18**	**17**	**35**	**15**	**10**	**25**
Number of days of absence from work as a result of the work-related accident	166		166	433		433	109		109
Number of days of absence from work as a result of the commuting accident	64		64	272		272	96		96
TOTAL	**230**	**0**	**230**	**705**	**0**	**705**	**205**	**0**	**205**

In addition, the Health, Safety and working Conditions Committee meets every quarter to review employee working conditions and if necessary issues recommendations.

Although Gecina is not obliged to sign an agreement or draft an action plan with respect to the prevention of stressful situations, numerous actions intended for residential property staff have been carried out on the subject: Provision of individual protective gear, specific equipment or first aid kit and supply of green maintenance products.

Furthermore, mandatory safety training is always carried out as soon as the employee takes on his role in order to guarantee optimal working conditions for the employees.

In 2011, for a cost of €26,134, 69 people received training in safety.

In addition to the regulatory training courses linked to electrical clearances, 88.4% of trainees received training in on-the-job first aid and rescue on a voluntary basis.

In the fourth quarter 2011, an evacuation drill was successfully carried out at head office, as a means of checking that employees had properly understood evacuation procedures.

7.5.1.4.3. Staff cohesion and dialog

Management and confederate union organizations have expressed a desire to promote quality dialogue at all levels of the company.

The quality of social dialogue and social bargaining specifically involves:

- the recognition of the role of independent and responsible unions, both in their capacity as employee representatives and for bargaining purposes;
- the reciprocal commitment of labor and management to respect, at all levels of the company, the legal regulatory and treaty provisions in force as well as the missions of employee representative institutions;

- adequate training and information from line management on the missions of unions and elected representative bodies and on the importance of social dialogue;
- a genuine desire of the parties to maintain dialogue under all circumstances and seek negotiated solutions to any disagreements.

Methods for exercising Labor law:

- material resources: the company provides union organizations with an office and a common meeting room;
- union communication: Union organizations are free to distribute the union newspapers and flyers in the company;
- information meetings for employees: trade union representatives can organize at their discretion, as part of their missions, information meetings for employees, on the company's premises.

Under its staff dialog policy, Gecina negotiates with employee representatives numerous agreements concerning the employment and pay of employees.

Thus, during 2011, 15 negotiation meetings were held to result in the following agreements:

Agreement		Signed on
Mandatory annual negotiation	Minutes of disagreement	01/07/2011
Collective agreement about the possibility for part-time employees to contribute on a full-time basis to the supplementary old-age and pension plan insurance		01/27/2011
Rider to the collective agreement introducing supplementary personal protection guarantees for all employees of the UES comprising Gecina and its subsidiaries on November 19, 2003		01/27/2011
Rider to the UES Gecina employee profit-sharing agreement entered into on June 29, 2004		02/11/2011
Rider to the agreement on the duration and organization of working time entered into on December 1, 2003		02/11/2011
Rider to the agreement on the collective pension savings scheme (French acronym PERCO) entered into on June 24, 2005		02/11/2011
Rider to the agreement on the Group Savings Plan entered into on June 3, 2004		04/18/2011
Rider to the collective bargaining agreement on-call security shifts - compensations entered into on March 26, 2002		05/20/2011
Collective bargaining agreement on financial and assistance measures for the closing of the Lyon regional department		05/31/2011
Rider to the agreement on the Group Savings Plan entered into on June 3, 2004		11/10/2011
Rider to the agreement on the collective pension savings scheme (entered into on June 24, 2005		11/10/2011
Rider to the UES Gecina employee profit-sharing agreement entered into on June 29, 2004		11/10/2011
Collective agreement on supplementary pension		11/24/2011
Collective agreement on professional gender equality in Gecina		12/15/2011
Agreement on the complete transfer of the office rental and technical management operations to the CFG structure (Gecina Management)		12/15/2011

Furthermore, in addition to ordinary meetings held with labor and management (Employee Representative and Members of the CHSCT), Management consults the Workers Council regularly on numerous subjects concerning organization and the overall management of the company.

Chaired by the Chairman and CEO and in his absence by the Company Secretary, the Workers Council of the UES comprised 13 Group employees as at December 31, 2011.

It met 18 times during 2011, for information or consultation meetings on the following topics:

- presentation of the company's accounts;
- the investment and divestment financial policy;
- organization projects;
- change in the workforce;
- the in-job training plan;
- the ethics charter;
- the accounts of the Group's complementary health insurance company;
- the report on the comparative situation of Men/Women;
- the Group savings plan;
- corporate agreements, etc.

In the mutual interests of the company and its employees, the Group's management has always sought to develop a dialog and a genuine policy of social works. This policy is laid out in a corporate contract affirming the value of social dialog and employee representation. In addition, each year the Group dedicates 1.6% of its total payroll to financing the operations budget and social works of the UES Workers Council.

The total 2011 budget allotted to the Workers Council amounted to €509,000.

7.5.1.5. Promoting social responsibility in-house

7.5.1.5.1. Awareness-raising actions to become actors of change

Gecina shares its goals with all its employees, from operational departments to property management entities, including supervisors, building superintendents and staff. Awareness-raising and education are absolutely essential, prior to approval and implementation, to accompany the Group's social and technological revolution.

Appropriation involves understanding, sharing a common vision of the issues at stake and the challenges to be met. That is why Gecina has developed training programs, conferences and awareness-raising operations.

Encouraging long-term employee commitment

The national week for sustainable development: a key annual date for Gecina since 2008

During this event (1st week of April 2011), some 350 employees gathered at a plenary conference (for exchanging and sharing) around the understanding of the international issues at stake, and then on their impact on our real estate sector. It was the opportunity to recall the Group's strategy and galvanize all employees around the Green performance business plan.

In total, 10 or more selective conferences brought together more than 500 employees. The topics discussed at the conferences included: "integrating biodiversity into our buildings", "feedback on experiments in energy-savings initiatives implemented in residential properties", "the Newside project, an eco-smart building", "Disabilities and accessibility in residential properties", "green lease, taking stock after one year" and many more.

Theme-based visits were also organized to properties: the wooden structure building of 96-104 Neuilly, selective waste sorting facility in the Lourmel residence, etc.

Company restaurants

Beyond the challenges linked to buildings, other issues such as food were proposed in the context of company restaurants.

An awareness-raising campaign around "sustainable" food and the eating of "organic" products was conducted at the same time as a campaign on selective waste sorting. It was an opportunity to connect the dots between housing and food and show "civic" employees how they could individually reduce their ecological footprint.

Geci'Nature: AMAP, Gecina's Association for maintaining small-scale farming

To propose a basket of organic vegetables to its employees, Gecina created mid-2011 within the company, an Association for maintaining small-scale farming (*French acronym* AMAP). The goal is to preserve the existence of local farms in order to promote sustainable farming.

The project was created by a team of volunteers supported by the human resources, development, innovation and sustainable development departments.

The produce growing partner has been growing organic garden crops since 1970 in the Yvelines region.

The initiative has been a huge success with over 40 employees joining and participating in the operation of the AMAP.

7.5.1.5.2. An exemplary head office

The head office, a remarkable building that won an award in 2005 during the SIMI (category of renovated buildings), but today lagging behind with respect to the new 2012 standards on energy, is firmly determined to symbolize the paradigm shift in the real estate sector.

To become exemplary, the environmental management study that was conducted in 2010 identified two areas for action: improving the performance and contribution of employees in this quest for efficiency.

The building's energy consumption and greenhouse gas emissions have already been reduced thanks to a more precise programming of the centralized technical management system which, among other things, automatically switches off lights and computer terminals. Lights in common areas – the lobby, stairwells, restaurant – have been fitted with LED bulbs and those in the restrooms operate with motion sensors.

Gecina has taken the quest for energy savings a step further by conducting an in-depth energy audit which led to the scheduling of works for a 20% estimated savings in primary energy with heat recovery from the foul air on the lobby, corridors, cafeteria and restaurant Air Handling Units (AHU), connection to the CPCU mains for sanitary hot water production for the restaurant and for preheating fresh air in the AHUs and the implementation of variable flow pumps. The Building Management System (BMS) will also be replaced to contribute to the goal of optimizing energy consumption.

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 eco-label certified paper.

All the company's copy machines and printers are networked in a badged system and are equipped with duplex scanner function. 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 2010, 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 2010, the carbon emissions from the Gecina head office (and its activity) fell by 5.8% in Teq CO_2/employee/year. This reduction mainly stems from the actions undertaken to reduce and optimize energy consumption; inputs, freight and travelling. The changes in the automobile fleet, especially replacing vehicles with ones that emit less CO_2 which began in 2011 (10 or more Smarts on that date), will help Gecina to reach its goal of –10% in 2012.

7.5.1.6. A new way of working: Generations 2.0

Generations 2.0: a genuine company-wide project

The goal of modernizing Gecina's information systems triggered in-depth debate about the transformation of work practices and methods, pre-requisite for any software or hardware approach. The "Generations 2.0" project has a cross-functional and global dimension. It is the ideal participative approach as it mobilizes all generations of employees and all business line segments, while identifying their expectations as closely as possible.

The stakes are very high:

- integrate technological innovations into the very heart of our information system;
- transform working methods inside the company;
- ensure a change in practices;
- federate resources and motivations;
- contribute to the goals of social responsibility.

In addition to radically changing how employees communicate and exchange inside the company, it also affects how a project is conducted. Through "Generations 2.0" for example, user requests are revealed at "creativity" workshops and are gradually integrated into project development.

The project hinges around five key themes, spanning specific areas of practices in phase with the various operational department projects:

1. "Gecina on line" (nomadic practices, customer extranets, prospects and service providers);
2. "Networked team" (collaborative working spaces, workflow applications, corporate social network);
3. "Full digital" (paperless operations, web and videoconferencing, smart phones);
4. "Eco-smart building" (interconnected assets, connected to the Corporate head office and to the Internet);
5. "Back-office" (modernization of core business tools for enhanced simplicity and dependability).

A vector for "sustainable" growth

"Generations 2.0" is an invaluable vector for value creation at the service of Gecina's development, innovation and sustainable performance strategy.

Below are a few examples of changes in the working methods introduced in 2011, thanks to each of the three sustainable development pillars:

Social pillar

The installation of the Gecina Webdesk, a portal of web applications and processes, especially for building invoices or job applications from students (E-Resa), has modernized procedures, and enhanced flexibility by offering the possibility of working from a remote location. The gradual deployment of a social network and shared space (Lotus Connection) encourages the appropriation of techniques 2.0 in the company as well as dialogue and exchange of information. The participative and contributive approach (creativity workshops) to define needs, set boundaries and identify strengths and weaknesses ensure very early appropriation of the subjects and themes to be modernized.

Environmental pillar

The first step in the digital management of a building's environmental performance and raising the awareness of customers involves placing online on the Customer Extranet, rent payment notices or customer documents saved in the EDM and water meter indexes.

Economic pillar

Lastly, nomadic applications on computers or smartphones, the installation of webinars and videoconference rooms encourage remote working, reduce travel time while improving the employee responsiveness and customer relations management.

But over and above the electronic filing of property management data, this involves, since measuring energy and environmental performance has become as essential as measuring the financial performance of rental assets 20 years ago, the gradual building of a genuine system for collecting and processing information required for the environmentally-friendly operation of buildings: the equivalent of the "production system" in industry.

7.5.2. Gecina's new take on customer relations

7.5.2.1. A head start on green leases

Since 2010, Gecina has been among the first real estate companies to introduce the "green lease" and has already signed, to date, 13 with its main commercial real estate customers:

In 2010

Building	Floor space	Tenant
Origami, Paris 8th arrondissement (property sold in 2011)	5,000 sqm	BARCLAYS
Anthos, Boulogne-Billancourt (92)	9,220 sqm	Carrefour
Anthos, Boulogne-Billancourt (92)	15,560 sqm	Roche
23/29, rue de Châteaudun, Paris 9th arrondissement	15,354 sqm	EXPRESS ROULARTA
8, rue des Pirogues, Paris 12th arrondissement	7,217 sqm	NATIXIS
Portes de La Défense, Colombes (92)	17,938 sqm	ORACLE

In 2011

Building	Floor space	Tenant
Défense Ouest, Colombes (92)	1,500 sqm	ARKEMA The world is our inspiration
Velum, Lyon (69)	15,000 sqm	EDF
Portes de La Défense, Colombes (92)	2,000 sqm	BIOGARAN MÉDICAMENTS GÉNÉRIQUES
	883 sqm	Sofip
Park Azur, Montrouge (92)	24,000 sqm	EDF
96/104, Neuilly-sur-Seine (92)	4,844 sqm	Leading company in the luxury sector
	4,074 sqm	Consultants in innovation & technology

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 a new or reconstructed building, *i.e.* a building whose environmental performance is based on the choices and efficiency of the construction and its equipment, the "green" lease gives outlines the terms of a shared vision for the building's optimal management.

In an existing building, it details the quantitative and qualitative environmental objectives set by the parties to improve the environmental performance of the building.

This collaboration between the lessor and the lessee continues for the collection of data and information about:

- the consumption of all energy sources (including for private areas);
- water consumption;
- waste production, management and recycling;
- equipment maintenance;
- the search for environmental certification or label endorsement for the building.

To assist its tenants in applying environmental best practices for green leases, Gecina gives them an environmental occupancy guide:

- it is intended to provide the lessee with a framework for the occupancy of the building to ensure that the use of the building maintains or improves the environmental quality of the building in service;
- defines the rights and obligations of the tenant(s) occupying the entire building or the rented premises (private as well as common areas);
- informs occupants of their responsibilities;
- comprises a "Prescriptions" section that concerns items that will have an impact on the (environmental) quality of the building if they are changed or replaced, and a "Recommendations – Advice" section to specify what may remain the tenant's responsibilities.

Gecina has gained a head start by applying before the application decree of article 8 of the Grenelle II law on the environmental appendix – "green lease" which was published in the "Journal official" of December 31, 2011.

In the last two years, Gecina has gained more experience, with its clients, on the implementation of this system and the related environmental procedures.

7.5.2.2. 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.

Commercial Real Estate

GecinaLab, the sustainable development club for Gecina's customers

GecinaLab is a think-tank, created in 2011 by Gecina, for its customers (commercial real estate) on all sustainable development themes. The think-tank strives to forge 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. Through GecinaLab, Gecina would especially like to accelerate the introduction of future environmental appendices on ongoing leases, mandatory as from July 14, 2013.

In 2011, the think-tank met in different venues such as a large plenary conference around the topic of «the link between green buildings and improving corporate performance». This first event was hailed[1] by Gecina's customers and resulted in a publication placed online, on the Gecina website www.gecina.fr.

In 2012, GecinaLab will continue with the regular organization of meetings around specific subjects "Green building as a corporate management and image tool?", "Eco-mobility as a catalyst for changing employee behavior?", "How does disability accessibility make a company more socially responsible?".

The ambition is also to open the club to other stakeholders such as local authorities. Gecina would like to place its societal initiatives within a global approach and help to further this theme in the real estate sector.

(1) Source: Customer satisfaction survey performed at the plenary conference of November 4 , 2011.

Residential real estate

Gecina conducts regular satisfaction surveys of all its tenants in traditional properties as well as those in students 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 common areas, as well as the quality of customer relations.

Gecina is proud of its high satisfaction and recommendation rate since 2009 with an average exceeding 94%.

Residential customers' satisfaction rate

	2009	2010	2011
Overall satisfaction rate			
New customers	94%	94%	95%
Leaving customers	95%	93%	94%
Recommendation rate			
New customers	97%	97%	96%
Leaving customers	92%	93%	93%

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 "lifestyle" 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.

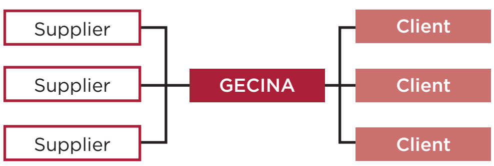
7.5.3. Suppliers: decisive link for achieving goals

7.5.3.1. The responsibility of supplies in the value chain

The origins and conditions for marketing services and materials/supplied and processed products have radically changed.

The products and services purchased by companies have an increasingly significant impact on environmental, corporate, economic and social challenges. Customers/consumers have become more demanding and require proofs of fairness and responsibility in trade. The financial world is starting to take an interest in the link between players/projects that have adopted a "CSR" approach and the resulting financial performance.

Thus, a supplier's lack of social or environmental responsibility could significantly affect the reputation and credibility of its customer. The customer's responsibility exceeds the classic scope. It now includes the responsibility of subcontractors on its entire chain of suppliers, in line with the polluter/payer principle, and thereby poses the ever-relevant issue of **the responsibility of the entire supply chain or value chain**.



A company's buying procedures contain numerous decisive areas for leverage: Ranging from the price policy implemented towards suppliers, to the choice of shipping for goods and of course the selection of eco-responsible products.

7.5.3.2. A "responsible buying" strategy to accompany its suppliers

Gecina is involved in a social progress approach with its suppliers. it has developed initiatives to reduce the number of precarious jobs of certain suppliers, fight against illegal or clandestine employment and promote responsible and sustainable buying. It encourages change, the development of businesses by working alongside service providers, artisans and service companies, especially the most isolated to facilitate the improvement of their skills.

Responsible buying is a strong area that can be developed by Gecina.

Today, the Group does not have a central "buying" department; this function is carried out by the various operational and functional departments (technical departments, architecture and construction department, human resources, maintenance, etc.).

Gecina therefore created in 2011 a "responsible buying" internal group comprised of different "buying" people and led by the innovation and sustainable performance department.

The first strategic guidelines below have been identified:

- prepare a supplier questionnaire to find out and evaluate their commitment;
- insert mandatory "sustainable development" clauses into calls for tenders/CCAG specifications (registered letter);
- encourage service providers to use innovative 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 helps to sustain their activities.

A first analysis identified the main buying families on three principal markets: "products/supplies", "provision of services" and "works".

To further deploy these initiatives, Gecina is endeavoring to develop an ambitious strategy in response to the goals listed above.

To do so, the company UTOPIES was selected at the end of 2011 to advise and assist Gecina in:

- structuring and deploying a credible "responsible buying" process;
- assessing the maturity of related practices;
- identifying and prioritizing key "sustainable development" purchases;
- evaluating the performance of suppliers, strengthening their maturity, assisting small suppliers;
- defining key performance indicators and an action plan.

7.5.4. Extending the social responsibility of Gecina

7.5.4.1. Gecina Foundation

Chaired by Bernard Michel, Gecina Chairman and CEO, the Foundation's board of directors comprises nine members, six from the company and three selected from outside the company for their expertise.

The Gecina Foundation supports projects aimed at protecting the environment and people with disabilities and dealing particularly with issues of accessibility.

The corporate Foundation is a manifestation of Gecina's social commitment. In 2011, it carried out numerous actions to galvanize its employees and relied on its partners to publicize and share achievements with voluntary employees.

Building the future together

Following a study conducted with employees to gain a better grasp of their expectations, in 2011, the Foundation was able to offer employees three ways of participating in public interest projects:

- sponsorship of projects over a period of six to twenty-four months;
- mobilization in the form of appraisal and project management with institutional partners;
- short collective actions with charities.

Skills sponsorship

To facilitate the involvement of its employees in societal challenges, Gecina gives them the opportunity to participate in public interest actions or support charities. For example, any employee who takes a day off during his/her private time to do charity work is offered an additional day by the company, up to two days.

This arrangement encouraged some fifty or more new employees to voluntarily and collectively work on three new collective initiatives to support charities:

- building a dry stone wall in an area with fragile plant species;
- renovating a training and rehabilitation center for people with mental health disorders;
- logistical support for the organization of a cultural event on diversity and disabilities: "the Defistival".

Assessment of 2011 actions

Since its creation in 2008, more than 400 requests for support have been processed and the Foundation has supported 22 projects, with fifteen or more partners and sixty or more employee volunteers.

Thanks to the enthusiastic commitment of the Group's employees, in 2011, the Foundation supported:

- five sponsorship projects with new partners (the *Cité internationale universitaire de Paris*) and charities (*La Reposance, SOS enfants sans frontières, la Ligue de Protection des Oiseaux*, CAPSAAA);
- three collective actions to promote solidarity and protect the environment, with different charities;
- a new accessibility project in the Ville-d'Avray forest with the *Office National des Forêts* (ONF);
- continuation of the building's refurbishment program known as "the Rayolet" in the *Domaine du Rayol,* natural site with the French coastal protection agency.

Focus: support to Haiti

In the wake of the disaster that struck Haiti, Gecina participated in recovery efforts by providing assistance to people with disabilities. Two sponsor employees are in charge of the operation which received funding of €50,000 from the Foundation and employee donations (€6,230). This financial and technical support will be used to rebuild a school and support children with disabilities.

Budget

As at December 31, 2011 and since its creation, the Foundation's total donations received amount to €1,170,000 and the total budgets allocated to supported projects amount to €980,000.

Shared vision

The Foundation and its partner, the *Office National des Forêts* (ONF), are two-time award winners in 2011 for the development of the accessible hiking trail "Un pont vers la Forêt" and labeled *Tourisme Handicap* in the Meudon forest. They have won two prizes for this project:

- 2011 Accessibility Trophy organized by the Conseil National Handicap;
- corporate philanthropy award for the environment organized by the Ministry of ecology and sustainable development.

In 2012, two new actions will result in the construction of a second accessible trail in the Fausses-Reposes (92) forest in partnership with the ONF and the rehabilitation of a listed building in the gardens of Rayol (83) in partnership with the Coastal protection agency.

By relying on the expertise of its institutional partners, the Foundation is guided by a long-term vision.

For instance, it learns alongside professionals in the conservation of nature and enters into a civic dialog with its stakeholders. The Foundation's initiatives are complementary to the sustainable development actions taken by the Group.

7.5.4.2. Gecina founding member of the Palladio Foundation

As part of its commitments and its internal action, Gecina is convinced of the importance of supporting and promoting the development of real estate professions. The real estate company considers the training of new generations in real estate businesses as a major challenge.

Gecina joined the Palladio Foundation as a founding member and director in 2010. This institution, placed under the aegis of the *Fondation de France*, aims to support training, research and the development of the real estate industry.

The Foundation's commitments is reflected in the stronger ties between the academic world and the company, by the funding of student grants to help them in their training and research projects, in France and abroad.

Around its founding members and sponsors, the Palladio Foundation brings together enterprises, professional organizations, communities, public authorities, celebrities from all backgrounds who want to offer the youth the means and tools to act and create the architecture and cities of the future, invent the future of the 21st century City.

Gecina is an active participant in actions implemented by the foundation: Jury, observatory of training courses and businesses of the real estate industry or the Palladio institute…

7.5.4.3. 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 12 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 12 apartments are currently receiving their second "generation" of tenants, proof that access to housing contributes to the social rehabilitation of the most underprivileged.

7.6. Complementary environmental and social data

7.6.1. Energy consumption and emission of GHG: Analysis of the change in the portfolio average in kWhpe/sqm/year and kg of CO_2/sqm/year

Between 2008 and 2010, Gecina's operating policy resulted in reducing consumption by 97 kWhpe/sqm/year and emissions by 6 kgCO_2/sqm/year.

	2008 actual	Operating impact	Disposals impact	Restructuring impact	Acquisitions impact	2010 constant climate	Climate impact	2010 actual
Number of assets	258	207	-49	-2	6	213	107	213
Ref. surf. area	1,736,740	1,513,117	-204,002	-19,621	51,146	1,564,260	793,200	1,564,260
kWh	606,786,898	-76,824,708	-66,107,363	-12,910,655	16,156,043	467,100,216	67,107,388	534,207,604
KWH PRIMARY ENERGY/SQM/YEAR	**349**	**-51**	**324**	**658**	**316**	**299**	**85**	**342**
ton of CO_2	65,885	-6,329	-9,160	-781	1,417	51,032	4,416	55,568
KG OF CO_2/SQM/YEAR	**38**	**-4**	**45**	**40**	**28**	**33**	**6**	**36**

7.6.2. Details of responsible buildings certification profiles

HQE® certification for office and commercial developments

Gecina has nearly 253,000 sqm of certified assets or under HQE® construction certification.

Status	Delivery date	Label	Certification No.	Assets	Architect	Floor space (sqm.)	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
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	Friedland	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	2	1	3	3	2	3	3	3	2	2	2	2	2	2	13/14
	2011	HQE THPE 2005	NF 380/07/115	Tour Horizon	Jean Nouvel	36,670	3	2	3	3	3	2	3	3	1	1	3	3	3	2	12/14
Under construction	2012	HQE THPE 2005 for the 2 renovated buildings, HQE BBC for 1 new building	NF 380/09/339	Neuilly CDG	Lobjoy & Bouvier	10,665	2	1	3	3	2	3	3	2	2	2	2	2	2	2	13/14
	2012	HQE THPE 2005	NF 380/09/346	Magistère	Anthony BECHU	8,690	3	1	3	3	2	3	3	2	1	1	2	2	2	2	11/14
	2012	HQE BBC, LEED Gold	NF 380/10/493	Newside	Valode & Pistre	19,011	2	2	3	3	2	3	3	3	2	2	2	2	3	2	14/14
	2012	HQE BBC		Park Azur	Philippe Rigway	24,000	3	2	2	3	2	2	3	2	1	1	1	1	2	2	10/14
	2012	HQE BBC	NF 380/08/128	Pointe Métro 2	Jean-Paul Viguier	15,000	3	1	2	3	2	3	3	2	1	1	3	1	3	2	10/14
	2013	HQE shopping mall pilot operation		Beaugrenelle	Valode & Pistre	45,000	3	2	3	2	2	3	3	1	1	1	1	1	1	2	8/14
	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
TOTAL						**252,952**	**14/14**	**7/14**	**14/14**	**14/14**	**14/14**	**13/14**	**14/14**	**10/14**	**6/14**	**8/14**	**11/14**	**9/14**	**12/14**	**13/14**	
							NO. OF EFFICIENT OR VERY EFFICIENT TARGETS														

(Columns 1–14: Targets of the HQE policy)

Base
Efficient
Very efficient

Assets under development

100% of commercial buildings delivered in 2011 met at least 12 out of the 14 targets at Efficient or Very Efficient levels.

One residential building out of two delivered in 2011 (37% of delivered properties) has an A profile and an H&E label.

Whether they are developments supervised by internal project owners or pre-construction projects acquired from developers, these criteria become key for Gecina's planning.

7.6.3. Other indicators

In addition to the table of the 30 key indicators (cf. Section 7.3.1.), Gecina presents below a set of data related to the SAM and GRI 3.1 standards.

7.6.3.1. Other energy efficiency indicators of properties

Primary energy consumption: 2/3 of the 2012 objective

With a level of 299 kWPE/sqm./p.a. in 2010 (constant climate scenario) against 349 in 2008, Gecina has reduced the average consumption of its property holding by 14.5% with the objective of a 23% reduction for 2012.

CO_2 emissions: 50% of the 2012 objective

The average CO_2 emission level of the property holding in 2010 was 33 kg/sqm./p.a. (constant climate scenario) against 38 in 2008, a drop of 13.8% half of the way towards the objective of 28 kg/sqm./p.a in 2012.

Focus of Gecina's policy	Commitments	Scope	Indicators	Results			
				2008	2009	2010	2011
MASTER THE ENVIRONMENTAL FOOTPRINT	ENERGY EFFICIENCY, GREENHOUSE GAS EMISSION AND RENEWABLE ENERGY	ACTUAL SCOPE	Number of assets	258	232	213	
			Ref. surf. area	1,736,740	1,669,038	1,564,260	
			kWh primary energy	606,786,898	582,068,946	534,207,604	
			kWh primary energy/sqm/p.a.	**349**	**349**	**342**	
			YoY change	0.0%	–0.2%	–2.1%	
			Change since 2008	0.0%	–0.2%	–2.3%	
			kWh primary energy adjusted by heating/cooling degree-day units	606,786,898	529,142,361	467,100,216	
			kWh primary energy/sqm/year adjusted by heating/cooling degree-day units	**349**	**317**	**299**	
			YoY change	0.0%	–9.3%	–5.8%	
			Change since 2008	0.0%	–9.3%	–14.5%	
			kWh final energy	370,199,395	348,718,306	323,696,082	
			kWh final energy/sqm/year	**213**	**209**	**207**	
			YoY change	0.0%	–2.0%	–1.0%	The availability of 2011 data is addressed in a summary in Section 7.3.3.1.
			Change since 2008	0.0%	–2.0%	–2.9%	
			kWh final energy adjusted by heating/cooling degree-day units	370,199,395	331,250,598	292,562,124	
			kWh final energy/sqm/year adjusted by heating/cooling degree-day units	**213**	**198**	**187**	
			YoY change	0.0%	–6.9%	–5.8%	
			Change since 2008	0.0%	–6.9%	–12.3%	
			ton of CO_2	65,885	60,073	55,568	
			Kg of CO_2/sqm./year	**38**	**36**	**36**	
			YoY change	0.0%	–5.1%	–1.3%	
			Change since 2008	0.0%	–5.1%	–6.4%	
			ton of CO_2 adjusted by heating/cooling degree-day units	65,885	58,540	51,153	
			kg of CO_2/sqm/year adjusted by heating/cooling degree-day units	**38**	**35**	**33**	
			YoY change	0.0%	–7.5%	–6.8%	
			Change since 2008	0.0%	–7.5%	–13.8%	

7.6.3.2 Other social indicators

Focus of Gecina's policy	Commitments	Theme	Indicators	2008	2009	2010	2011
ADOPT RESPONSIBLE CONDUCT WITH REGARD TO OUR STAKEHOLDERS	COMMITTED EMPLOYEES	**Employees**	Employees as at 12/31/n (excluding branches)	667	612	600	550
			Number of fixed-term contracts converted into open-ended contracts	6	4	3	10
			% of employees with open-ended contracts compared with employees as at 12/31/n	94.8%	95.8%	93.8%	96.2%
			% of employees with fixed-term contracts compared with employees as at 12/31/n	5.2%	4.2%	6.2%	3.8%
			% of female employees	60.9%	60.1%	62.0%	61.3%
			Age pyramid	See chapter 7.5.1.1.4.			
			Disabled workforce	10	12	11	8
			Breakdown of employees by geographical area and procedures for hiring «local» staff	All the Group's employees are based in France			
		Hires	Total number of hires (excluding branches)	419	389	384	436 [1]
		Departures	Total number of departures (excluding branches)	478	473	430	486 [1]
			Turn-over of administrative staff with open-ended contracts	6.7%	4.2%	8.7%	10.9%
			Turn-over of residential staff with open-ended contracts	2.9%	10.5%	8.7%	9.7%
			% individual dismissals/redundancies compared with the total number of departures (open-ended+fixed-term contracts, excluding branches)	2.7%	4.0%	4.4%	4.9%
			% collective redundancies compared with the total number of departures (excluding branches)				1.65%
		Organization	Weekly work schedule (excluding building superintendent who do not work fixed hours)	35 hrs	35 hrs	35 hrs	35 hrs
		Compensation, profit-sharing, incentives	Difference between men and women at the highest compensation level (administrative permanent employees)	28%	12%	9%	5%
			Difference between men and women at the lowest compensation level (administrative permanent employees)	20%	22%	13%	17%
			Difference between men and women at the highest compensation level (residential permanent employees)	21%	4%	6%	3%
			Difference between men and women at the lowest compensation level (residential permanent employees)	10%	0%	4%	5%
			Amount of average gross profit-sharing per employee	€2,034	€5,088	€5,483	not available [2]
			Amount of average gross incentives per employee	€2,120	€0	€0	not available [2]
			Amount of profit-sharing paid	€1,444,624	€3,418,844	€3,481,734	not available [2]
			Amount of incentives paid	€1,505,073	€0	€0	not available [2]
		Assessment of employees	Group assessment rate	82%	60%	92%	not available [3]
		Safety conditions	Number of accidents with lost time linked to falls from heights (residential building staff)	5	4	6	2
			Number of accidents with lost time linked to handling and storage actions (residential building staff)	9	3	5	1
		Training	Total training expenditure in relation to payroll	2.4%	2.4%	2.9%	3,1%

Focus of Gecina's policy	Commitments	Theme	Indicators	2008	2009	2010	2011
ADOPT RESPONSIBLE CONDUCT WITH REGARD TO OUR STAKEHOLDERS	COMMITTED EMPLOYEES	**Dialog and practices/social governance**	Works Council budget	€442,455	€512,827	€503,550	€ 508,571
			Territorial, economic and social impact of Gecina's business in terms of employment and regional development	not assessed as yet			
			Number of agreements signed	6	13	6	15
			Assessment of collective agreements	See chapter 7.5.1.4.3.			
			Anti-discrimination policy				Diversity charter signed in 2011
			Employees protected by a collective agreement (FDM 12/31/2011)	100%	100%	100%	100%
			Dialog on occupational health and safety conditions	See chapter 7.5.1.4.3.			
			Respect of freedom of association and the right to collective negotiation	Agreement signed on 06/30/2003 exceeding legal obligations			
			Elimination of discrimination in employment and occupation				Diversity charter signed in 2011
			Elimination of forced or compulsory work	Compliance with French laws			
			Effective abolition of child labor	Compliance with French laws			
			Minimum time requirements for informing employees about significant organizational changes	Employee representatives must be informed beforehand of all organizational changes. The time frame will depend on the type of change (mobility, legal change, etc.)			

(1) The need to maintain the presence of a building superintendents while incumbents are on leave by resorting to fixed-term contracts involves the management of a large number of contracts and increases the number of employees hired and departures.
(2) Information available at the end of March 2012.
(3) Annual performance reviews are being finalized. Information will be available at the end of April 2012.

LIST OF PROPERTY HOLDINGS

8.1. Offices

Address	Construction year	Years 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.)*	Company
Buildings in operation									
75 Paris 1st arrondissement									
55 boulevard de Sébastopol	1880	1880	8	577	563	200	-	1,340	Gecina
10/12 place Vendôme	1750	1750	-	-	7,821	1,002		8,823	Gecina
1 boulevard de la Madeleine	1890	1996	6	548	1,144	684		2,376	Gecina
Paris 2nd arrondissement									
35 avenue de l'Opéra – 6 rue Danielle-Casanova	1878	1878	10	545	1,739	-	-	2,284	Geciter
16 rue des Capucines	1970	2005	-	-	10,570			10,570	Geciter
26/28 rue Danielle-Casanova	1800	1800	3	252	822	308	-	1,382	Geciter
10 rue du Quatre-Septembre – 79 rue de Richelieu – 1 rue Ménars	1870	1870	1	105	1,835	720	-	2,660	Geciter
Central Office – 120/122 rue Réaumur – 7/9 rue Saint-Joseph	1880	2008			4,998		-	4,998	Geciter
Le Building – 37 rue du Louvre – 25 rue d'Aboukir	1935	2009			7,064	535		7,599	Geciter
64 rue Tiquetonne – 48 rue Montmartre	1850	1850	52	4,484	5,719	-	-	10,203	Gecina
12 rue de Volney	1850	1850			2,048			2,048	Gecina
14 rue de Volney	1850	1850						-	Gecina
31/35 boulevard des Capucines	1992	1992	-	-	4,136	1,617		5,753	SCI Capucines
5 boulevard Montmartre	1850/1900	1996	17	1,342	3,648	2,487		7,477	SCI du 5 bd Montmartre
29/31 rue Saint-Augustin	1996	1996	6	445	4,531	274		5,250	SCI Saint-Augustin
4 rue de la Bourse	1750	1993	10	823	3,570	382		4,775	Geciter
3 place de l'Opéra	1870	1870	-	-	3,872	719		4,591	Geciter

Address	Construction year	Years 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.)	Company
Paris 6th arrondissement									
77/81 boulevard Saint-Germain	2002	2002	-	-	5,001	8,508		13,509	Geciter
Paris 8th arrondissement									
26 rue de Berri	1971	1971	-	-	1,836	1,004	-	2,840	Geciter
151 boulevard Haussmann	1880	1880	16	1,271	2,085	-	-	3,356	Geciter
153 boulevard Haussmann	1880	1880	17	666	4,021	-	-	4,687	Geciter
155 boulevard Haussmann	1880	1880	11	449	3,676	-	-	4,125	Geciter
22 rue du Général-Foy	1894	1894	4	300	2,312	-	-	2,612	Geciter
43 avenue de Friedland – rue Arsène-Houssaye	1867	1867	-	-	1,672	-	-	1,672	Geciter
38 avenue George-V – 53 rue François-1er	1961	1961	-	-	496	856	-	1,352	Geciter
41 avenue Montaigne – 2 rue de Marignan	1924	1924	2	106	1,375	583	-	2,064	Geciter
162 rue du Faubourg – Saint-Honoré	1953	1953	-	-	1,808	133	-	1,941	Geciter
169 boulevard Haussmann	1880	1880	8	661	730	339	-	1,730	Gecina
Parkings Haussmann	1880	1880	-	-	-	-	-	-	Gecina
44 avenue des Champs-Elysées	1925	1925	-	-	2,781	2,242		5,023	Gecina
66 avenue Marceau	1997	2007	-	-	4,856	-		4,856	Gecina
45/45 rue Galilée	-	-	-	-	-	-		-	Gecina
30 place de la Madeleine	1900	1900	2	279	790	1,101		2,170	Gecina
Parc Haussmann-Berry	1990	1990						-	Gecina
9/15 avenue Matignon	1890	1997	35	2,585	5,333	4,144		12,062	Gecina
24 rue Royale	1996	1996	-	-	1,609	1,287		2,896	Gecina
18/20 place de la Madeleine	1930	1930	-	-	2,609	595		3,204	SA SPIPM
101 avenue des Champs-Élysées	1995	2006	-	-	6,363	2,212		8,575	SA Hôtel d'Albe
Parking George-V	1977	1977	-	-	-	-		-	SA Hôtel d'Albe
8 avenue Delcassé	1988	1988	-	-	8,096	1,687		9,783	SA Hôtel d'Albe
55 rue d'Amsterdam	1996	1996	-	-	10,824	539		11,363	SCI du 55 rue d'Amsterdam
17 rue du Docteur-Lancereaux	1972	2002	-	-	5,428	-		5,428	Gecina
20 rue de la Ville-l'Évêque	1967	1967	-	-	5,450	-		5,450	Gecina
27 rue de la Ville-l'Évêque	1962	1962	-	-	3,169	-		3,169	Gecina
5 rue Royale	1850	1850	1	128	1,968	181		2,277	Geciter
Paris 9th arrondissement									
21 rue Auber – 24 rue des Mathurins	1866	1866	6	300	799	428	-	1,527	Geciter
1/3 rue de Caumartin	1780	1780	4	266	1,558	1,050		2,874	Gecina
32 boulevard Haussmann	1850	2002	-	-	2,513	537		3,050	Gecina
23/29, rue de Châteaudun, 26/28, rue Saint-Georges	1995	1995	-	-	15 351	-	-	15 351	SAS 23/29, rue de Châteaudun
Paris 12th arrondissement									
58/62 quai de la Rapée (parkings)	1990	1990	-	-	-	-	-	-	S.P.L.
Tour Gamma – 193 rue de Bercy	1972	1972	-	-	15,290	548		15,838	Gecina

Address	Construction year	Years 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.)	Company
Paris 14th arrondissement									
11 boulevard Brune	1973	1973	-	-	2,544	237	-	2,781	Gecina
37/39 rue Dareau	1988	1988	-	-	4,857	-		4,857	Gecina
Paris 15th arrondissement									
31 quai de Grenelle	1973	1973	-	-	8,250	-	-	8,250	Gecina
31 quai de Grenelle	1973	1973	-	-	-	-	-	-	Gecina
34 rue de la Fédération	1973	1973	-	-	6,579	-		6,579	Gecina
16, rue Linois (Centre Commercial Beaugrenelle) - Ilôt Charles Michel	1975	1975				4,015		4,015	SCI Beaugrenelle
Paris 16th arrondissement									
58/60 avenue Kléber	1992	1992	-	-	4,201	588		4,789	SA Sadia
100 avenue Paul-Doumer	1920	1920	-	-	-	294		294	Gecina
Paris 17th arrondissement									
63 avenue de Villiers	1880	1880	8	406	2,912	-	-	3,318	Geciter
153 rue de Courcelles	1991	1991	-	-	18,716	1,138		19,853	SICB 153, rue de Courcelles
32/34 rue Guersant	1970	1992			13,175			13,175	Geciter
Paris 20th arrondissement									
Le Valmy – 4/16 avenue Léon-Gaumont	2006	2006			29,444			29,444	Gecina
Total buildings in operation in Paris			**227**	**16,538**	**274,557**	**43,174**	**-**	**334,269**	
78 **78140 Vélizy-Villacoublay**									
Crystalys – 6 avenue Morane Saulnier – 3 rue Paul Dautier	2007	2007			25,806			25,806	Colvel Windsor
78180 Montigny-le-Bretonneux									
6 avenue Ampère	1981	1981	-	-	3,204	-		3,204	Gecina
91 **91220 Brétigny-sur-Orge**									
ZI Les Bordes	1975	1975	-	-	17,139			17,139	Geciter
92 **92052 Courbevoie (Paris-La Défense)**									
Le Lavoisier – 4 place des Vosges	1989	1989	-	-	8,473	-	-	8,473	Geciter
92100 Boulogne-Billancourt									
Khapa – 65 quai Georges Gorse	2008	2008			19,212	427		19,639	SAS Khapa
L'Angle – 4 cours de l'Île Seguin	2008	2008			11,082	345		11,427	SAS L'Angle
63/67 rue Marcel Bontemps – 26/30 Cours Emile Zola	2010	2010			9,257	230		9,487	SAS Anthos
122 avenue du Général-Leclerc	1968	2006	-	-	18,071	6,004		24,075	Geciter
Tour Horizon – Rue du Vieux Pont-de-Sèvres	2011	2011			35,431	1,025		36,456	Gecina
92150 Suresnes									
1 quai Marcel Dassault	2003	2003	-	-	12,692			12,692	SAS 1 quai M. Dassault Suresnes

Address	Construction year	Years 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.)*	Company
92200 Neuilly-sur-Seine									
159/161 avenue Achille-Peretti – 17 rue des Huissiers	1914	1914	-	-	3,830	-	-	3,830	Geciter
157 avenue Charles-de-Gaulle	1959	1959	-	-	5,779	265	-	6,044	Geciter
159 avenue Charles-de-Gaulle	1970	1970	-	-	3,864	-	-	3,864	Geciter
12/16 boulevard du Général-Leclerc	1973	1973	8	541	15,867	-	-	16,408	Gecina
6 bis/8 rue des Graviers	1959	1959	-	-	4,544	-	-	4,544	Gecina
163/165 avenue Achille-Peretti	1970	1970	-	-	2,580	-		2,580	Gecina
92300 Levallois-Perret									
16 rue Paul-Vaillant-Couturier	1982	1982	-	-	2,078	-		2,078	Gecina
2/4 quai Michelet	1996	1996	-	-	32,960	-		32,960	SNC Michelet
55 rue Deguingand	1974	2007	-	-	4,655	-		4,655	Geciter
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	Le Pyramidion
92500 Rueil-Malmaison									
Vinci 1 – Cours Ferdinand-de-Lesseps	1992	1992			24,312	1,351		25,663	Geciter
Vinci 2 – Place de l'Europe	1993	1993			8,870	916		9,786	Geciter
92700 Colombes									
Portes de La Défense – 15/55 boulevard Charles-de-Gaulle – 307 rue d'Estienne d'Orves	2001	2001			42,788			42,788	Gecina
Défense Ouest – 420/426 rue d'Estienne-d'Orves	2006	2006			57,151			57,151	Gecina
94 94110 Arcueil									
13 rue Nelson Mendela – Bât. A	2006	2006			14,812	714		15,526	Gecina
13 rue Nelson Mendela – Bât. B	2006	2006			15,090			15,090	Gecina
13 rue Nelson Mendela – Bât. C	2006	2006			14,119			14,119	Gecina
94250 Gentilly									
1 parvis Mazagran	2004	2004			13,765	578		14,343	Gecina
94300 Vincennes									
5/7 avenue de Paris	1988	1988	-	-	3,579	-	-	3,579	Gecina
9 avenue de Paris	1971	2003	-	-	1,967	-	-	1,967	Gecina
Total buildings in operation in the Paris Region			**8**	**541**	**442,340**	**11,854**	**-**	**454,735**	
Total buildings in operation in Paris and its region			**235**	**17,079**	**716,898**	**55,028**	**-**	**789,004**	

	Address	Construction year	Years 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.)	Company
69	Lyon 2nd arrondissement									
	27 quai Saint-Antoine	1650	1650	-	-	-	350	-	350	Gecina
	28 quai Saint-Antoine	1650	1650	-	-	-	45	-	45	Gecina
	29/30 quai Saint-Antoine	1650	1650	6	460	-	2,373	-	2,833	Gecina
	Lyon 3rd arrondissement									
	19/20 quai Augagneur	1860	1890	27	1,825	-	1,750	-	3,575	Gecina
	74/78 et 82 rue de la Villette (Part-Dieu)	2004	2004	-	-	13,087	-	-	13,087	Geciter
	Lyon 7th arrondissement									
	174 avenue Jean-Jaurès	1950	1994	-	-	3,783	-	-	3,783	Gecina
	Total buildings in operation in Lyon and its region			**33**	**2,285**	**16,870**	**4,518**	**-**	**23,673**	
Other countries	28050 Madrid (Spain)									
	118 avenida Burgos – 2 avenida Manoteros	2004	2004				12,096		12,096	SIF (Spain)
	Total buildings in operation in other countries			**-**	**-**	**-**	**12,096**	**-**	**12,096**	
	TOTAL BUILDINGS IN OPERATION			**268**	**19,364**	**733,768**	**71,641**	**-**	**824,773**	
	Land reserves									
75	Paris 15th arrondissement									
	51 à 53 quai de Grenelle (Mercure 2)	1975	1975			3,286			3,286	SCI Beaugrenelle
78	78140 Vélizy-Villacoublay									
	Square – 8/10 avenue Morane Saulnier	1979	1980			7,368			7,368	Colvel Windsor
	78180 Montigny-le-Bretonneux									
	1 avenue Niepce	1984	1984	-	-	4,050	-		4,050	Gecina
	5/9 avenue Ampère	1986	1986	-	-	5,534	-		5,534	Gecina
	4 avenue Newton	1978	1978	-	-	4,398	-		4,398	Gecina
69	Lyon 3rd arrondissement									
	72/86 avenue Félix-Faure – 106 boulevard Vivier-Merle ZAC Buire (R. Foncière)	1880	1880	-	-	-	-	31,234	31,234	SAS Buire Amena-gement
	Lyon 7th arrondissement									
	174/188 avenue Jean-Jaurès – 42 rue Pré-Gaudry	1950	1994			4,133	-	7,945	12,078	Gecina
	75 rue de Gerland	1850	1997	-		8,163	-	13,671	21,834	Gecina
	81/85 rue de Gerland	1850	1997	-	-	1,635	-	-	1,635	Gecina
Other countries	28050 Spain (Madrid)									
	16 calle del Puerto Somport	under construction	under construction			6,606			6,606	SIF (Spain)
	10 calle del Puerto Somport	under construction	under construction			9,310			9,310	SIF (Spain)
	TOTAL LAND RESERVES			**-**	**-**	**54,483**	**-**	**52,850**	**107,333**	

Address	Construction year	Years 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.)*	Company
Assets under development									
75 Paris 8th arrondissement									
64 rue de Lisbonne – rue Murillo	1987	1987	-	-	7,825	-	-	7,825	Gecina
Paris 9th arrondissement									
16 boulevard Montmartre	1820	1820	36	1,457	2,314	936	-	4,707	Gecina
Paris 15th arrondissement									
16 rue Linois (Centre Commercial Beaugrenelle)	1979	1979			-	39,664	-	39,664	SCI Beaugrenelle
Paris 16th arrondissement									
24, rue Erlanger	1965	1965	-	-	5 956	-		5 956	Geciter
92 92120 Montrouge									
Park Azur – 97 avenue Pierre Brossolette	under construction	under construction			24,000			24,000	BRO Montbrossol
92200 Neuilly-sur-Seine									
96/104 avenue Charles-de-Gaulle	1964	1964			10,665			10,665	Geciter
92230 Gennevilliers									
Métro 2 – ZAC Barbusse-Péri	under construction	under construction			15,000			15,000	Gecina
92250 Garenne-Colombes									
41 avenue de Verdun	under construction	under construction			17,860			17,860	Gecina
93 93400 Saint-Ouen									
23 rue des Bateliers – 48 rue Albert Dhalenne – Dock de Saint-Ouen	under construction	under construction			16,155			16,155	Gecina
69 Lyon 3rd arrondissement									
106 boulevard Vivier Merle	under construction	under construction	-	-	15,186	-		15,186	Gecina
TOTAL ASSETS UNDER DEVELOPMENT			**36**	**1,457**	**114,961**	**40,600**	**-**	**157,018**	
TOTAL GECINA GROUP			**304**	**20,821**	**903,211**	**112,241**	**52,850**	**1,089,123**	

Summary of the office property portfolio

	Office surface area *(sqm.)*	Retail surface area *(sqm.)*
Paris	**291,827**	**71,313**
Commercial portion of primarily residential assets	17 270	28 139
Commercial portion of primarily commercial assets	274,557	43,174
Région parisienne	**443,595**	**17,498**
Commercial portion of primarily residential assets	1 255	5 644
Commercial portion of primarily commercial assets	442,340	11,854
Autres régions	**17,947**	**5,451**
Commercial portion of primarily residential assets	1,077	933
Commercial portion of primarily commercial assets	16,870	4,518
Autres pays	**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, 2011	753,370	106,357
Miscellaneous sale programs	**1,340**	**550**
Commercial portion of primarily residential assets	1,340	550
Commercial portion of primarily commercial assets	0	0
Programs under construction and land reserves	**169,605**	**43,156**
TOTAL COMMERCIAL PROPERTY AS AT DECEMBER 31, 2011	**924,315**	**150,063**
Commercial portion of primarily residential assets	21 104	37 822
Commercial portion of primarily commercial assets	903,211	112,241

8.2. Residential

Address	Construction year	Years of last reconstruction	Number of housing units	Residential surface area (sqm.)	Office surface area (sqm.)	Retail surface area (sqm.)	Total surface area (sqm.)	Company
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	Gecina
Paris 2nd arrondissement								
6 bis, rue Bachaumont	1905	1905	11	967	463	600	2,030	Gecina
Paris 3rd arrondissement								
7/7 bis, rue Saint-Gilles	1987	1987	42	2,713	-	116	2,829	Gecina
Paris 6th arrondissement								
1 place Michel Debré	1876	1876	14	955	-	231	1,186	Gecina
Paris 8th arrondissement								
44 rue Bassano – 11 rue Magellan	1907	1907	34	4,335	590	-	4,925	Gecina
80 rue du Rocher	1903	1903	16	1,938	-	179	2,117	Gecina
51 rue de Rome	1865	1865	12	1,149	138	363	1,650	Gecina
165 boulevard Haussmann	1866	1866	12	1,142	420	196	1,758	Gecina
3 rue Treilhard	1866	1866	11	780	296	316	1,392	Gecina
21 rue Clément-Marot	1880	1880	10	1,452	649	-	2,101	Gecina
Paris 9th arrondissement								
13/17 cité de Trévise	1998	1998	44	2,766	-	-	2,766	Gecina
Paris 10th arrondissement								
41/47 rue de la Grange-aux-Belles	1967	1967	88	5,102	195	466	5,763	Gecina
166/172 quai de Jemmapes	1982	1982	139	8,753	-	-	8,753	Gecina
Paris 11th arrondissement								
8 rue du Chemin-Vert	1969	1969	42	2,200	-	713	2,913	Gecina
Paris 12th arrondissement								
18/20 bis, rue Sibuet	1992	1992	63	4,423	73	-	4,496	Gecina
9/11 avenue Ledru-Rollin	1997	1997	62	3,055	-	177	3,232	Gecina
25 avenue de Saint-Mandé	1964	1964	82	3,625	-	141	3,766	Gecina
25/27 rue de Fécamp – 45 rue de Fécamp	1988	1988	33	2,511	-	181	2,692	Gecina
46 boulevard de Reuilly – 38 rue Taine	1972	1972	159	8,548	-	2,655	11,203	Gecina
220 rue du Faubourg Saint-Antoine	1969	1969	125	6,485	-	1,019	7,504	Gecina
24/26 rue Sibuet	1970	1970	158	9,708	85	-	9,793	Gecina
Paris 13th arrondissement								
20 rue du Champ-de-l'Alouette	1965	1965	53	3,886	570	369	4,825	Gecina
53 rue de la Glacière	1970	1970	53	646	-	99	745	Gecina
49/53 rue Auguste-Lançon – 26 rue de Rungis – 55/57 rue Brillat Savarin	1971	1971	40	3,413	1,799	-	5,212	Gecina
2/12 rue Charbonnel – 53 rue de l'Amiral-Mouchez – 65/67 rue Brillat Savarin	1966	1966	181	12,007	-	491	12,498	Gecina
22/24 rue Wurtz	1988	1988	67	4,405	-	248	4,653	Gecina
10/18 passage Foubert	1989	1989	92	6,233	-	-	6,233	Gecina
75 rue du Château des Rentiers	under construction	under construction	183	4,168			4,168	GEC 7

Address	Construction year	Years of last reconstruction	Number of housing units	Residential surface area (sqm.)	Office surface area (sqm.)	Retail surface area (sqm.)	Total surface area (sqm.)	Company
Paris 14th arrondissement								
26 rue du Commandant-René-Mouchotte	1966	1966	316	19,706	-	-	19,706	Gecina
3 villa Brune	1970	1970	108	4,689	-	-	4,689	Gecina
Paris 15th arrondissement								
18/20 rue Tiphaine	1972	1972	80	4,877	1,897	177	6,951	Gecina
37/39 rue des Morillons	1966	1966	37	2,212	212	312	2,736	Gecina
12 rue Chambéry	1968	1968	30	890	-	-	890	Gecina
6 rue de Vouillé	1969	1969	588	28,216	730	1,147	30,093	Gecina
199 rue Saint-Charles	1967	1967	58	3,234	-	-	3,234	Gecina
159/169 rue Blomet – 334/342 rue de Vaugirard	1971	1971	320	21,517	-	7,475	28,992	Gecina
191 rue Saint-Charles – 17 rue Varet	1960	1960	210	12,356	-	-	12,356	Gecina
76/82 rue Lecourbe – rue François Bonvin (Bonvin-Lecourbe)	1971	1971	247	13,875	5,061	480	19,416	Gecina
10 rue du Docteur-Roux – 189/191 rue de Vaugirard	1967	1967	222	13,035	2,755		15,790	Gecina
74 rue Lecourbe	1971	1971	93	8,042	186	4,213	12,441	Gecina
22/24 rue Edgar-Faure	1996	1996	85	6,774	-	301	7,075	SAS Parigest
89 rue de Lourmel	1988	1988	23	1,487	-	245	1,732	Gecina
39 rue de Vouillé	1999	1999	84	6,292	-	135	6,427	SAS Parigest
168/170 rue de Javel	1962	1962	85	5,817	135	-	5,952	Gecina
148 rue de Lourmel – 74/86 rue des Cévennes – 49 rue Lacordaire	1965	1965	316	21,980	190	612	22,782	Gecina
85/89 boulevard Pasteur	1965	1965	260	16,434	-	-	16,434	Gecina
27 rue Balard	1995	1995	64	5,798	-	-	5,798	SAS Parigest
Paris 16th arrondissement								
6/14 rue de Rémusat – square Henri-Paté	1962	1962	185	16,038	-	1,022	17,060	Gecina
17/19 rue Mesnil – 48 rue Saint-Didier	1963	1963	217	12,813	-	173	12,986	Gecina
46 bis rue Saint-Didier	1969	1969	42	2,056	-	670	2,726	Gecina
Paris 17th arrondissement								
10 rue Nicolas-Chuquet	1995	1995	54	3,159	-	460	3,619	Gecina
169 boulevard Péreire (parkings)	1882	1882	-	-	-	-	-	Gecina
28 avenue Carnot	1882	1882	24	2,315	-	-	2,315	SAS Parigest
30 avenue Carnot	1882	1882	15	1,274	-	-	1,274	SAS Parigest
32 avenue Carnot	1882	1882	9	1,016	-	189	1,205	SAS Parigest
Paris 18th arrondissement								
234 rue Championnet	1980	1980	208	12,243	-	-	12,243	Gecina
40 rue des Abbesses	1907	1907	33	1,951	-	188	2,139	Gecina
Paris 19th arrondissement								
8/10 rue Manin	1967	1967	113	6,213	-	-	6,213	Gecina
25/31 rue Pradier – 63 rue Fessart	1965	1965	203	14,569	-	655	15,224	Gecina

	Address	Construction year	Years of last reconstruction	Number of housing units	Residential surface area *(sqm.)*	Office surface area *(sqm.)*	Retail surface area *(sqm.)*	Total surface area *(sqm.)*	Company
	Paris 20th arrondissement								
	59/61 rue de Bagnolet	1979	1979	57	3,227	-	101	3,328	Gecina
	44/57 rue de Bagnolet	1992	1992	30	1,926	-	308	2,234	Gecina
	162 rue de Bagnolet	1992	1992	32	2,305	79	55	2,439	Gecina
	42/52 et 58/60 rue de la Py – 15/21 rue des Montibœufs	1967	1967	142	8,004	488	-	8,492	Gecina
	20/24 rue de la Plaine – 15/17 rue de Lagny	1965	1965	217	12,585	-	-	12,585	Gecina
	19/21 rue d'Annam	1981	1981	56	2,866	-	-	2,866	Gecina
	Total buildings in operation in Paris			**6,701**	**410,408**	**17,270**	**28,139**	**455,817**	
77	77420 Champs-sur-Marne								
	6 boulevard Copernic	2010	2010	136	2,659			2,659	GEC 7
78	78000 Versailles								
	7 rue de l'Amiral-Serre	1974	1974	75	5,577	-	-	5,577	Gecina
	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	Gecina
	78150 Le Chesnay								
	16/20 rue Pottier	1980	1980	147	8,147	-	443	8,590	SAS Parigest
92	92000 Courbevoie (Paris-La Défense)								
	3/6 square Henri-Regnault	1974	1974	224	12,694	-	-	12,694	Gecina
	92100 Boulogne-Billancourt								
	Rue Marcel Bontemps, Îlot B3 lot B3abc ZAC Séguin Rives de Seine	under construction	under construction	68	4,452			4,452	Gecina
	94/98 rue de Bellevue	1974	1974	63	4,474	-	-	4,474	Gecina
	59 bis/59 ter, rue des Peupliers – 35 bis, rue Marcel-Dassault	1993	1993	37	2,945	-	79	3,024	Gecina
	175 boulevard Jean-Jaurès	1994	1994	49	3,001	-	-	3,001	SAS Parigest
	108 rue de Bellevue – 99 rue de Sèvres	1968	1968	319	24,603	-	-	24,603	SAS Parigest
	92200 Neuilly-sur-Seine								
	47/49 rue Perronet	1976	1976	46	3,503	-	-	3,503	Gecina
	92350 Le Plessis-Robinson								
	25 rue Paul-Rivet	1997	1997	132	11,265	250	-	11,515	Gecina
	92400 Courbevoie								
	9/15 rue Adélaïde	1969	1969	38	2,407	310	-	2,717	Gecina
	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	Gecina
	6 rue des Vieilles-Vignes	1962	1962	55	2,775	-	-	2,775	Gecina
	8/12 rue Pierre-Lhomme	1996	1996	96	5,344	-	-	5,344	Gecina
	43 rue Jules-Ferry – 25 rue Cayla	1996	1996	58	3,574	-	-	3,574	Gecina
	3 place Charras	1985	1985	67	4,807	-	-	4,807	Gecina
	92410 Ville-d'Avray								
	14/18 rue de la Ronce	1963	1963	159	15,902	-	-	15,902	Gecina
	1 à 33 avenue des Cèdres – 3/5 allée Forestière – 1 rue du Belvedère de la Ronce	1966	1966	550	40,243	-	1,095	41,338	Gecina

	Address	Construction year	Years of last reconstruction	Number of housing units	Residential surface area (sqm.)	Office surface area (sqm.)	Retail surface area (sqm.)	Total surface area (sqm.)	Company
93	93200 Saint-Denis								
	29, 33 rue Proudhon – Avenue Georges Sand	2010	2010	115	8,130		487	8,617	Gecina
	93350 Le Bourget								
	5 rue Rigaud	2008	2008	238	4,648			4,648	GEC 7
94	94410 Saint-Maurice								
	1/5 allée des Bateaux-Lavoirs – 4 promenade du Canal	1994	1994	87	6,382	-	-	6,382	Gecina
	Total buildings in operation in the Paris region			**3,154**	**205,738**	**1,255**	**5,644**	**212,637**	
	Total buildings in operation in Paris and its region			**9,855**	**616,146**	**18,525**	**33,783**	**668,454**	
01	01280 Prevessin-Moens								
	"La Bretonnière" Route de Mategnin – Le Cottage mail du Neutrino	2010	2010	133	10,460			10,460	Gecina
13	13014 Marseille								
	137 avenue du Merlan	under construction	under construction	125	7,878			7,878	Gecina
	13778 Fos-sur-Mer								
	Les Jardins	1966	1966	36	2,967	-	-	2,967	Gecina
33	33000 Bordeaux								
	26/32 rue des Belles Îles	1994	1994	99	2,034			2,034	GEC 7
	33400 Talence								
	11 avenue du Maréchal de Tassigny	2000	2000	150	3,621	-	933	4,554	GEC 7
	36 rue Marc Sangnier	1994	1994	132	2,740			2,740	GEC 7
	33600 Pessac								
	80 avenue du Docteur Schweitzer	1995	1995	92	1,728			1,728	GEC 7
59	59000 Lille								
	Tour V Euralille – avenue Willy Brandt	2009	2009	191	4,738			4,738	GEC 7
69	Lyon 3th arrondissement								
	15/33, rue Desaix	1963	1963	280	17,164	1,077	-	18,241	Gecina
	Lyon 7th arrondissement								
	7 rue Simon Fryd	2010	2010	152	3,258	-	-	3,258	GEC 7
	Total buildings in operation in regions			**1,390**	**56,588**	**1,077**	**933**	**58,598**	
	TOTAL BUILDINGS IN OPERATION			**11,245**	**672,734**	**19,602**	**34,716**	**727,052**	
	Properties for sale (units basis)								
75	Paris 7th arrondissement								
	262 boulevard Saint-Germain	1880	1880	6	560	611	146	1,317	Gecina
	266 boulevard Saint-Germain	1880	1880	11	960	-	141	1,101	Gecina
	Paris 12th arrondissement								
	173 bis, rue de Charenton (Saint-Éloi II)	1965	1965	-	-	-	90	90	Gecina
	26/36 rue Claude-Decaen – 42/46 rue de Fécamp	1965	1965	-	-	-	-	14	Gecina

Address	Construction year	Years of last reconstruction	Number of housing units	Residential surface area *(sqm.)*	Office surface area *(sqm.)*	Retail surface area *(sqm.)*	Total surface area *(sqm.)*	Company
Paris 13th arrondissement								
84 boulevard Massena (Tour Bologne)	1972	1972	1	60	189	120	369	Gecina
Paris 14th arrondissement								
83/85 rue de l'Ouest	1978	1978	6	423	-	-	423	Gecina
8/20 rue du Commandant-René-Mouchotte	1967	1967	1	42	-	-	42	Gecina
Paris 15th arrondissement								
22 rue de Cherbourg – 25 rue de Chambéry	1965	1965	1	40	-	-	40	Gecina
3 rue Jobbé-Duval	1900	1900	4	183	-	-	183	Gecina
Paris 16th arrondissement								
8/9 avenue Saint-Honoré-d'Eylau	1880	1880	1	158	-	-	158	Gecina
4 rue Poussin	1880	1880	-	-	-	-	16	Gecina
Paris 17th arrondissement								
169/183 boulevard Péreire – 7/21 rue Faraday – 49 rue Laugier	1882	1882	35	3,652	-	-	3,652	Gecina
38/40 rue de Lévis	1966	1966	5	310	-	-	310	Gecina
81 rue Jouffroy-d'Abbans	1880	1880	(3)	24	-	-	24	Gecina
54 rue de Prony	1885	1885	1	267	-	-	267	Gecina
169/183 boulevard Péreire – 7/21 rue Faraday – 49 rue Laugier	1882	1882	32	3,051	122	-	3,173	Gecina
Paris 19th arrondissement								
104/106 rue Petit – 16 allée de Fontainebleau	1977	1977	1	66	-	-	66	SAS Parigest
Total buildings on sale on unit basis in Paris			**102**	**9,796**	**922**	**497**	**11,245**	
78 — 78100 Saint-Germain-en-Laye								
17 rue Félicien-David	1966	1966	4	451	-	-	451	Gecina
78380 Bougival								
12/18 côte de la Jonchère	1982	1982	1	116	-	-	116	Gecina
78390 Bois-d'Arcy								
2 rue Toulouse-Lautrec	1966	1966	-	-	-	-	6	Gecina
78400 Chatou								
3 avenue de la Faisanderie	1972	1972	2	112	-	-	112	Gecina
78510 Triel-sur-Seine								
207 rue Paul Doumer	1966	1966	-	-	-	-	1,000	Gecina
78600 Maisons-Laffitte								
21/31 rue des Côtes	1982	1982	23	1,804	-	-	1,804	Gecina
56 avenue de Saint-Germain	1981	1981	30	2,325	-	-	2,325	Gecina
91 — 91380 Chilly-Mazarin								
5 rue des Dalhias	1972	1972	1	94	-	-	94	Gecina
92 — 92160 Antony								
254/278 rue Adolphe-Pajeaud	1972	1972	6	319	-	-	319	Gecina
92190 Meudon								
7 rue du Parc – 85 rue de la République	1966	1966	73	6,954	-	-	6,954	Gecina
92200 Neuilly-sur-Seine								
163/165 avenue Charles-de-Gaulle	1967	1967	1	65	-	-	65	Gecina
77 rue Perronet	1963	1963	3	192	-	-	192	Gecina

Address	Construction year	Years of last reconstruction	Number of housing units	Residential surface area *(sqm.)*	Office surface area *(sqm.)*	Retail surface area *(sqm.)*	Total surface area *(sqm.)*	Company
92210 Saint-Cloud								
165/185 boulevard de la République	1966	1966	2	172	-	-	172	Gecina
9/11 rue Pasteur	1964	1964	4	349	-	-	349	Gecina
92290 Chatenay-Malabry								
148 rue d'Aulnay	1973	1973	51	2,822	-	-	2,822	Gecina
97 avenue Roger-Salengro	1972	1972	2	106	-	-	106	Gecina
92300 Levallois-Perret								
136/140, rue Aristide-Briand	1992	1992	73	4,699	-	-	4,699	Gecina
92310 Sèvres								
Allée des Acacias – 15/17 route de Gallardon	1973	1973	-	-	-	53	53	Gecina
92380 Garches								
17/21 rue Jean-Mermoz	1974	1974	2	162	-	-	162	Gecina
92400 Courbevoie								
102/110 avenue Marceau – 175/181 rue Jean-Pierre-Timbaud	1966	1966	1	92	-	-	92	Gecina
92600 Asnières								
46, rue de la Sablière	1994	1994	87	6,130	-	-	6,130	SAS Parigest
94 94000 Créteil								
1/15 passage Saillenfait	1971	1971	3	197	-	-	197	Gecina
94100 Saint-Maur-des-Fossés								
4 quai du Parc – 69 rue Gabriel-Péri	1966	1966	1	98	-	-	98	Gecina
Total buildings on sale on unit basis in the Paris Region			**370**	**27,255**	**-**	**53**	**28,314**	
13 13013 Marseille								
Avenue Merlaud-Ponty	1961	1961	-	-	-	-	62	Gecina
116 avenue Cantini – Quartier le Rouet	2010	2010	80	5,493	418		5,910	Gecina
Total buildings on sale on unit basis in the other regions			**80**	**5,493**	**418**	**-**	**5,972**	
Total buildings on sale on unit basis			**552**	**42,543**	**1,340**	**550**	**45,531**	
Buildings under development								
75 Paris 13th arrondissement								
rue Auguste-Lançon	under construction			1,465			1,465	GEC 7
Paris 15th arrondissement								
4 rue Chambéry	under construction		14	565	161	-	726	GEC 11
3-9 rue de Villafranca	under construction			543		156	698	GEC 8
92 92100 Boulogne-Billancourt								
Résidence La Traverse	under construction			1,800			1,800	GEC 7
92410 Ville-d'Avray								
Éco-quartier – 20 rue de la Ronce	under construction		202	10,560		2,400	12,960	GEC 10
Total buildings under development			**216**	**14,933**	**161**	**2,556**	**17,650**	
TOTAL GECINA GROUP			**12,013**	**730,210**	**21,104**	**37,822**	**790,233**	

Summary of residential property portfolio

	Nb of housing units	Office surface areas *(sqm.)*
Paris	**6,928**	**426,946**
Residential portion of predominantly residential assets	6,701	410,408
Residential portion of primarily commercial assets	227	16,538
Paris Region	**3,162**	**206,279**
Residential portion of predominantly residential assets	3,154	205,738
Residential portion of primarily commercial assets	8	541
Other regions	**1,423**	**58,873**
Residential portion of predominantly residential assets	1,390	56,588
Residential portion of primarily commercial assets	33	2,285
Residential portfolio in operation as at December 31, 2011	11,513	692,098
Miscellaneous sales programs as at December 31, 2011	**552**	**42,543**
Residential portion of predominantly residential assets	552	42,543
Commercial portion of primarily residential assets	0	0
Programs under construction and land reserves	**252**	**16,390**
TOTAL RESIDENTIAL PROPERTY HOLDING AS AT DECEMBER 31, 2011	**12,317**	**751,031**
Residential portion of predominantly residential assets	12,013	730,210
Residential portion of primarily commercial assets	304	20,821

8.3. Logistics

	Address	Construction year	Years of the last reconstruction	Surface area *(sqm.)*	Activities surface area *(sqm.)*	Total surface area *(sqm.)*	Company
	Assets in operation						
01	01150 Saint-Vulbas Allée des chênes – Parc Industriel de la Plaine de l'Ain	1998	1998	16,885		16,885	GEC 4
02	02103 Saint-Quentin ZI de Morcourt – BP 146	1968	1980	7,920		7,920	GEC 4
13	13140 Miramas Rue du Comte de la Pérouse – ZI Clesud	2005	2005	16,948		16,948	GEC 4
	13310 Saint-Martin- de-Crau						
	Pont des Morts	2004	2004	30,913		30,913	GEC 4
	Pont des Morts	2006	2006	30,075		30,075	GEC 4
21	21600 Longvic 3 rue Colbert	1974	1974	3,100		3,100	GEC 4
31	31170 Tournefeuille 10 bd Marcel-Paul – ZAC de Pahin Concerto	2002	2002	11,383		11,383	GEC 4
37	37521 La Riche 2 rue Jules Verne – ZI Saint-Come	1971	1971	14,400		14,400	GEC 4
41	41018 Blois 133 avenue de Vendôme	1966	1966	12,742		12,742	GEC 4
44	44000 Nantes 2 impasse du Belem	1984	1984	4,091		4,091	GEC 4
	44800 Saint-Herblain Rue B. Sands – ZAC de la Lorie	1999	1999	20,270		20,270	GEC 4
45	45130 Meung-sur-Loire Val de Loire 1re avenue – ZAC Parc Synergie	2001	2001	26,344		26,344	GEC 4
51	51520 Saint-Martin-sur-le-Pré Rue Charles Marie Ravel	1981	1981	2,578		2,578	GEC 4
	51520 Recy Parc industriel de Saint-Martin sur le Pré – Lieu-dit "Les Madilles"	2010	2010	42,372		42,372	GEC 4
54	54250 Champigneulles 7 rue des Ampère – Parc logistique Est	2000	2000	16,885		16,885	GEC 4
59	59282 Douchy-les-Mines Lieu-dit "la Vergris"	1994	1994	9,653		9,653	GEC 4
	59553 Lauwin-Planque ZAC de Lauwin Planque – Bât A & B	2009	2010	71,773		71,773	GEC 4
	59813 Lesquin Rue de la Haie Plouvier	1974	1974	8,375		8,375	GEC 4

	Address	Construction year	Years of the last reconstruction	Surface area (sqm.)	Activities surface area (sqm.)	Total surface area (sqm.)	Company
69	69540 Irigny						
	Le Broteau	1980	1980		10,400	10,400	Gecina
72	72300 Louailles						
	ZAC Ouest Park	2010	2010	31,646		31,646	GEC 4
76	76120 Le Grand-Quevilly						
	5 avenue Victor Grignard – ZI du Grand Launay	2001	2001	15,820		15,820	GEC 4
	76800 Saint-Étienne-du-Rouvray						
	Rue Michel Poulmarch	1988	1988	6,564		6,564	GEC 4
77	77230 Moussy-le-Neuf						
	"Lieu-dit le Marais" ZA La Barogne – 5 rue de la Fontaine des Bries – Bât A & B	2010	2010	54,084		54,084	GEC 4
78	78190 Trappes						
	Rue Enrico Fermi	1966	1966	56,804		56,804	GEC 4
84	84091 Avignon						
	63 rue du Petit Mas – ZI de Courtine	1978	1978	3,722		3,722	GEC 4
86	86060 Poitiers						
	ZI de la République centre de Gros – BP 1002	1969	1969	2,615		2,615	GEC 4
91	91380 Chilly-Mazarin						
	27/35 rue Hélène Boucher	2003	2003	23,757		23,757	GEC 4
	91470 Forges-les-Bains						
	ZA Bajolet	1991	1991	4,586		4,586	GEC 4
93	93123 La Courneuve						
	1/5 avenue Louis Blériot	1968	1968	12,142		12,142	GEC 4
	93200 Saint-Denis						
	164 rue du Landy et 41/43 rue Pleyel	1971	1971	6,372		6,372	GEC 4
95	95946 Roissy en France						
	16 rue de Lièvres – ZI Paris Nord 2	1986	1986	6,621		6,621	GEC 4
	Total Logistics France			**571,440**	**10,400**	**581,840**	
Other countries	Pamplona (Spain)						
	Chagall Desarollo – C / Olite 40 4° Derecha	2004	2004	18,956		18,956	Chagall Desarollo
	Warsaw (Poland)						
	Ksiçcia Ziemowita Street No.59 – Warsaw	2000	2000	24,653		24,653	Haris Inves
	Kampenhout (Belgium)						
	Ernst Belgie	1988	-	21,678		21,678	Ernst Belgium
	Total Logistics other countries			**65,287**	**-**	**65,287**	
	TOTAL LOGISTICS IN OPERATION			**636,727**	**10,400**	**647,127**	

Address	Construction year	Years of the last reconstruction	Surface area *(sqm.)*	Activities surface area *(sqm.)*	Total surface area *(sqm.)*	Company
Assets under development/project						
59 59553 Lauwin-Planque ZAC de Lauwin Planque-Bât CDE						GEC 4
77 77230 Moussy-le-Neuf "Lieu-dit le Marais" ZA La Barogne	under construction	under construction	39,947		39,947	GEC 4
Total logistics under dévelopment/project			**39,947**	**-**	**39,947**	
TOTAL GECINA GROUP			**676,674**	**10,400**	**687,074**	

Summary of the logistics property portfolio

	Logistics surface area	Total surface area *(sqm.)*
Paris Region	164,366	164,366
Other regions	407,074	417,474
Other countries	65,287	65,287
Logistics portfolio in operation as at December 31, 2011	**636,727**	**647,127**
Programs under construction and land reserves	39,947	39,947
TOTAL LOGISTICS PROPERTY HOLDING AS AT DECEMBER 31, 2001	**676,674**	**687,074**

8.4. Hotels

Address	Construction year	Years of last reconstruction	Number of rooms	Hotel surface area *(sqm.)*	Total surface area *(sqm.)*	Company
Hotels in operation						
06 06650 Opio						
Village Club Med Opio Domaine de la Tour Chemin de la Tourreviste	1989	1989	502	29,489	29,489	Geciotel
73 73150 Val-d'Isère						
Village Club Med le Legettaz	1990	1990	376	17,460	17,460	Geciotel
73210 Peisey-Vallandry						
Village Club Med Plan Peisey	2005	2005	280	25,367	25,367	Geciotel
73214 Aime-La Plagne						
Village Club Med La Plagne	1990	1990	436	17,991	17,991	Geciotel
Total hotels in operation			**1,594**	**90,307**	**90,307**	
Hôtels en vente bloc						
26 26790 Rochegude						
Château De Rochegude	1750	1750	25	1,916	1,916	Investibail Transactions
Total hotels under block sale			**25**	**1,916**	**1,916**	
TOTAL GECINA GROUP			**1,619**	**92,223**	**92,223**	

8.5. Healthcare

	Address	Construction year	Years of last reconstruction	Type of facility	Healthcare surface area *(sqm.)*	Number of beds	Total surface area *(sqm.)*	Company
	Buildings in operation							
01	01000 Bourg-en-Bresse							
	Clinique Convert – 62 route de Jasseron	1974	2003	MCO	17,550	164	17,550	Gecimed
06	06400 Cannes							
	6 rue Monti, Impasse Bellevue	1989	1989	EHPAD	4,530	115	4,530	GEC 9
07	07500 Guilherand-Granges							
	Clinique Pasteur Valence – 294 boulevard du Général-de-Gaulle	1968	1998	MCO	17,276	199	17,276	Gecimed
09	09270 Mazères							
	Faubourg du Cardinal d'Este	1987	1987	EHPAD	3,306	80	3,306	Gecimed
11	11000 Carcassonne							
	84 route de Montréal	1953	2006	MCO	12,000	148	12,000	Gecimed
13	Marseille 8th arrondissement							
	Clinique Monticelli – 88 rue du Commandant Rolland	1950	1996	MCO	4,069	42	4,069	Gecimed
	Clinique Rosemont – 61/67 avenue des Goumiers	1964	2000	SSR	6,702	117	6,702	Gecimed
	Marseille 9th arrondissement							
	CHP Clairval – 317 boulevard du Redon	1990	1990	MCO	31,035	289	31,035	Gecimed
	Marseille 12th arrondissement							
	Provence Santé (Beauregard) – 12 impasse du Lido	1950	1991	MCO	20,698	326	20,698	Gecimed
	13651 Salon-de-Provence							
	Clinique Vignoli – 114 avenue Paul Bourret	1900	1900	MCO	4,850	54	4,850	Gecimed
	13781 Aubagne							
	Clinique La Bourbonne	1968	1972	SSR	9,249	120	9,249	Gecimed
14	14050 Caen							
	CHP Saint-Martin Caen – 18 rue des Roquemonts	1993	1993	MCO	36,631	167	36,631	Gecimed
17	17300 Rochefort							
	2 bis, rue du 14 juillet	1989	1989	EHPAD	2,989	71	2,989	GEC 9
22	22310 Plancoët							
	Clinique Bran de Fer – rue Velleda	1971	1971	SSR	5,970	105	5,970	Gecimed
	22430 Erquy							
	37 rue Saint-Michel	1920	1992	EHPAD	2,821	58	2,821	GEC 9
26	26200 Montélimar							
	Clinique Kennedy – Avenue Kennedy	1975	1975	MCO	12,466	116	12,466	Gecimed
27	27100 Le Vaudreuil							
	1 rue Bernard Chédeville	1989	1989	EHPAD	4,139	98	4,139	GEC 9

	Address	Construction year	Years of last reconstruction	Type of facility	Healthcare surface area *(sqm.)*	Number of beds	Total surface area *(sqm.)*	Company
31	31270 Frouzins							
	25 chemin de Mailheaux	2003	2003	EHPAD	3,775	80	3,775	GEC 9
	31470 Saint-Lys							
	835 route de Toulouse	1970	1970	EHPAD	3,075	95	3,075	SCIMAR
	31700 Blagnac							
	20 rue Pablo Picasso	1990	1990	EHPAD	3,667	80	3,667	SCIMAR
	31770 Colomiers							
	4 chemin des Cournaudis	1972	1972	EHPAD	3,159	95	3,159	SCIMAR
32	32410 Castera-Verduzan							
	"Lieu-dit au Conte"	2009	2009	EHPAD	4,150	84	4,150	Gecimed
33	33000 Bordeaux							
	Clinique Tourny – 54 rue Huguerie	1850	1980	MCO	6,277	55	6,277	Gecimed
	27 rue Ségalier	1850	1850	RPA	4,436	59	4,436	GEC 9
	1 rue Jean Dandicolle	1993	1993	EHPAD	3,744	107	3,744	SCI Bordeaux K1
	33608 Pessac							
	Clinique Saint-Martin Pessac – Allée des Tulipes	1976	1995	MCO	16,527	185	16,527	Gecimed
34	34094 Montpellier							
	Clinique Rech – 10 rue Hyppolyte Rech	1850	2003	PSY	13,930	182	13,930	Gecimed
35	35171 Bruz							
	Clinique du Moulin – Carcé	1850	1995	PSY	5,147	72	5,147	Gecimed
44	44046 Nantes							
	Clinique Sourdille – 3 place Anatole France	1928	2000	MCO	7,057	50	7,057	Gecimed
45	45500 Gien							
	2 ter avenue Jean Villejean	2010	2010	MCO	11,556	142	11,556	Gecimed
47	47000 Agen							
	2 avenue du Général De Gaulle	1990	1990	EHPAD	3,618	76	3,618	SCI Clos Saint Jean
53	53810 Changé							
	Clinique Notre Dame de Pritz – Route de Niafles	1965	1996	PSY	1,978	50	1,978	Gecimed
59	59000 Lille							
	15 avenue Saint-Maur	1862	1862	EHPAD	7,555	142	7,555	GEC 9
	59552 Lambres-lez-Douai							
	Clinique Saint-Amé – Rue Georges-Clémenceau	1998	2001	MCO	15,713	145	15,713	Gecimed
	59553 Esquerchin							
	Clinique de l'Escrebieux – 984 rue de Quiery	1997	1997	PSY	3,405	75	3,405	Gecimed
60	60200 Compiègne							
	9 rue de Bouvines	1991	1991	EHPAD	2,363	60	2,363	GEC 9
	60350 Pierrefonds							
	Clinique Eugénie – 1 sente des Demoiselles	1998	1998	PSY	2,161	42	2,161	Gecimed

	Address	Construction year	Years of last reconstruction	Type of facility	Healthcare surface area (sqm.)	Number of beds	Total surface area (sqm.)	Company
62	62320 Rouvroy							
	Clinique du Bois Bernard – Route de Neuvireuil	1974	1998	MCO	22,170	186	22,170	Gecimed
63	63670 La Roche-Blanche							
	Clinique de l’Auzon	1970	1970	PSY	5,172	100	5,172	Gecimed
	63830 Durtol							
	Clinique Grand Pré – Lieu-dit “Les Chaves”	1976	1999	PSY	7,500	144	7,500	Gecimed
64	64000 Pau							
	5 avenue des Lilas	1600	1600	EHPAD	3,436	65	3,436	SCI des Alouettes
69	Lyon							
	40 rue des Granges	1988	1988	EHPAD	2,743	91	2,743	SCI Lyon Tiers Temps
	8 rue Antoine Péricaud	1995	1995	EHPAD	4,316	108	4,316	SCI Lyon K1
	69280 Marcy-l’Étoile							
	248 rue des Sources	1993	1993	EHPAD	2,948	90	2,948	GEC 9
	69134 Écully							
	Clinique Mon Repos – 11 chemin de la Vernique	1820	1991	PSY	5,028	98	5,028	Gecimed
71	71400 Autun							
	14 rue Lauchien le boucher	1877	1877	EHPAD	5,118	80	5,118	GEC 9
	71100 Chalon-sur-Saône							
	Clinique Sainte-Marie – 4 allée Saint-Jean-des-Vignes	1988	1988	MCO	9,539	197	9,539	Gecimed
73	73100 Aix-les-Bains							
	26 rue Victor Hugo	1988	1988	EHPAD	2,466	54	2,466	SCI Tiers Temps Aix-les-Bains
76	76000 Le Havre							
	505 rue Irène Joliot Curie	2010	2010	MCO	33,388	356	33,388	Gecimed
77	77400 Saint-Thibault-des-Vignes							
	5 rue Marc Chagall	1990	1990	EHPAD	2,892	90	2,892	GEC 9
	77640 Jouarre							
	Clinique du Château de Perreuse	1873	1873	PSY	5,139	96	5,139	Gecimed
78	78125 Vieille-Église-en-Yvelines							
	Clinique d’Yvelines – Route de Rambouillet	1939	1997	PSY	6,042	120	6,042	Gecimed
	78130 Chapet							
	Clinique Bazincourt – Route de Verneuil	1910	1984	SSR	5,092	60	5,092	Gecimed
	78300 Poissy							
	11 rue Saint-Barthélémy	1990	1990	EHPAD	3,072	85	3,072	GEC 9
79	79500 Melle							
	5 allée de Chaillé	1850	1850	EHPAD	5,668	112	5,668	GEC 9
81	81100 Castres							
	14 chemin des Amoureux	1989	1989	EHPAD	2,295	69	2,295	GEC 9

	Address	Construction year	Years of last reconstruction	Type of facility	Healthcare surface area *(sqm.)*	Number of beds	Total surface area *(sqm.)*	Company
85	85000 La Roche-sur-Yon							
	96 boulevard des Belges et 32 rue Abbé Billaud	2009	2009	EHPAD	3,750	75	3,750	Gecimed
	96 boulevard des Belges et 32 rue Abbé Billaud	2009	2009	EHPAD	1,961	75	1,961	Gecimed
91	91480 Quincy-sous-Sénart							
	CHP Claude Galien – 20 route de Boussy	1996	1996	MCO	20,481	235	20,481	Gecimed
92	92130 Issy-les-Moulineaux							
	Labo Diderot 30/32 rue Diderot	1985	1985	LABO	211	-	211	Gecimed
	92290 Chatenay-Malabry							
	6/8 avenue du Bois	1989	1989	EHPAD	5,086	80	5,086	GEC 9
	92230 Gennevilliers							
	22 rue Jeanne d'Arc	1960	1960	EHPAD	2,658	76	2,658	GEC 9
	92150 Suresnes							
	1/3 rue de Saint-Cloud			EHPAD	9,665	116	9,665	SCI du 8 rue du Chevreul
	36 rue Carnot	2001	2001	EHPAD	4,613	100	4,613	SCI Suresnes K1
	92700 Colombes							
	27/29 rue Youri Gagarine	1996	1996	EHPAD	2,124	70	2,124	GEC 9
93	93250 Villemomble							
	36 rue de la Montagne Savart	2008	2008	EHPAD	5,206	116	5,206	Gecimed
	93604 Aulnay-sous-Bois							
	Clinique Aulnay – 11 avenue de la République	1934	1998	MCO	11,567	191	11,567	Gecimed
95	95460 Ézanville							
	6 Grande Rue	1991	1991	EHPAD	2,874	90	2,874	GEC 9
	95600 Eaubonne							
	2 rue Henri-Barbusse	1997	1997	EHPAD	3,941	103	3,941	SCI Eaubonne K1
	Total assets in operation				**527,734**	**7,673**	**527,734**	
74	74100 Annemasse							
	17-19 avenue Mendès-France	under construction	under construction	MCO	23,662	250	23,662	Gecimed
	Total assets under construction				**23,662**	**250**	**23,662**	
	GRAND TOTAL HEALTHCARE				**551,396**	**7,923**	**551,396**	

ADDITIONAL INFORMATION

9.1. Information and documentation

9.1.1. Documentation

Annual Disclosure Document 2011/2012
(Article 221-1-1 of the AMF's general regulations)

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Financial information published in the French Official Gazette (BALO)			
Periodic publications – Commercial and industrial companies (Annual financial statements) – Financial year from January 1, 2010 to December 31, 2010	June 1, 2011	BALO no. 65 case no. 1003100	http://balo.journal-officiel.gouv.fr
Information filed with the court registrar			
Extract from the Minutes of the Board of Directors Meeting of December 9, 2010: capital increase	Filing no. 2011R009638 (2011 9229) of January 31, 2011	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the Minutes of the Board of Directors Meeting of March 24, 2011: change of directors	Filing no. 2011R050858 (2011 50 469) of May 25, 2011	Registrar of the Paris Commercial Court	www.infogreffe.fr
Filing of Annual financial statements (year ended December 31, 2010)	Filing number 39409 June 27, 2011	Registrar of the Paris Commercial Court	www.infogreffe.fr
Filing of Consoldiated annual financial statements (year ended December 31, 2010)	Filing number 39408 June 27, 2011	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the Minutes of the General Meeting of May 24, 2011: expiry of term of office, amendments to bylaws	Filing no. 2011R061771 (2011 61385) of June 28, 2011	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the Minutes of the Board of Directors Meeting of July 26, 2011: capital increase Amendments to bylaws, change of addresses of directors and auditors	Filing no. 2011R080499 (2011 80120) of August 23, 2011	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the Minutes of the Board of Directors Meeting of October 4, 2011: change of Chief Executive Officer, accumulation of functions of Chairman and Chief Executive Officer	Filing no. 2011R116531 (2011 116 197) of December 12, 2011	Registrar of the Paris Commercial Court	www.infogreffe.fr
Statement of compliance	Filing no. 2012R010024 (2012 100 42) of January 31, 2011	Regular of the Paris Commercial Court	www.infogreffe.fr

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Invitations to attend General Meetings			
Notice of Meeting – Meeting of shareholders and unitholders – Combined General Meeting of May 24, 2011	April 1, 2011 March 31 and April 1, 2011	BALO no. 39, case no. 1101035 French legal announcement journal (*Le Publicateur légal*) no. 39 Case no. 10479900	http://balo.journal-officiel.gouv.fr
Notice of Meeting – Meeting of shareholders and unitholders – Amendment to announcement no. 39 published in the BALO of April 1, 2011	April 6, 2011	BALO no. 41, case no. 1101147	http://balo.journal-officiel.gouv.fr
Invitations to attend – Meeting of Shareholders and unitholders – Combined General Meeting of May 24, 2011	May 6, 2011 May 5 and 6, 2011	BALO no. 54, case no. 1101879 French legal announcement journal (*Le Publicateur légal*) no. 53, case no. 10580645	http://balo.journal-officiel.gouv.fr
Notice of Meeting – Meeting of shareholders and unitholders – Combined General Meeting of December 14, 2011	November 5, 6 and 7, 2011 November 7, 2011	French legal announcement journal (*Le Publicateur légal*) no. 128, case no. 11141544 BALO no. 133, case no. 1106097	http://balo.journal-officiel.gouv.fr
Invitations to attend – Meeting of shareholders and unitholders – Extraordinary General Meeting of December 14, 2011	November 24 and 25, 2011 November 25, 2011	French legal announcement journal (*Le Publicateur légal*) no. 136, case no. 11216675 BALO no. 141, case no. 1106553	http://balo.journal-officiel.gouv.fr
Various notices			
Board of Directors Meeting of December 9, 2010: capital increase	January 20 and 21, 2011	French legal announcement journal (*Le Publicateur légal*) No. 9 Case no. A10228304	
Board of Directors Meeting of March 24, 2011: change of directors	May 24 and 25, 2011	French legal announcement journal (*Le Publicateur légal*) 61, case no. A10676645	
Board of Directors Meeting of July 26 2011: capital increase	August 4 and 5, 2011	French legal announcement journal (*Le Publicateur légal*) 90, case no. A10859288	
Other transactions – Mergers and demergers	November 07, 2011 November 5, 6 and 7, 2011	BALO no. 133, case no. 1106099 French legal announcement journal (*Le Publicateur Légal*) no. 128 Case no. 911141544	http://balo.journal-officiel.gouv.fr
Reports and Reference Document			
Gecina – Activity report 2010		Gecina website	www.gecina.fr
Gecina – 2010 Reference Document	March 8, 2011	Gecina website	www.gecina.fr
Gecina – Semi-annual financial report 2011	July 27, 2011	Gecina website	www.gecina.fr
2011 presentations			
Gecina – 2010 Annual results	February 24, 2011	Gecina website	www.gecina.fr
Gecina – Investor Day	June 30, 2011	Gecina website	www.gecina.fr
Gecina – 1st half-year results 2011	July 27, 2011	Gecina website	www.gecina.fr
Gecina – Activity as at September 30, 2011	October 24, 2011	Gecina website	www.gecina.fr
General Meetings			
Notice of Meeting serving as an invitation to attend – Combined General Meeting of May 24, 2009	April 1, 2011	Gecina website	www.gecina.fr
Notice of invitation – Combined General Meeting of May 24, 2011 [Press release]	April 1, 2011	Gecina website	www.gecina.fr
Press release: Board of Directors and AGM	April 1, 2011	Gecina website	www.gecina.fr
Information on the Annual General Meeting	April 29, 2011	Gecina website	www.gecina.fr
Notice of invitation – Combined General Meeting of May 24, 2011	May 6, 2011	Gecina website	www.gecina.fr
Presentation 2011 General Meeting	May 24, 2011	Gecina website	www.gecina.fr

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Press release: Minutes of the General Meeting	May 25, 2011	Gecina website	www.gecina.fr
Details of votes at the Meeting	May 26, 2011	Gecina website	www.gecina.fr
Notice of approval of the financial statements for 2010	May 26, 2011	Gecina website	www.gecina.fr
Minutes of the General Meeting of May 24, 2011	August 4, 2011	Gecina website	www.gecina.fr
SAS Horizons merger plan	November 7, 2011	Gecina website	www.gecina.fr
Notice of Meeting – Extraordinary General Meeting of December 14, 2011	November 7, 2011	Gecina website	www.gecina.fr
Press release: Extraordinary General Meeting of December 14, 2011	November 7, 2011	Gecina website	www.gecina.fr
Information on the Extraordinary General Meeting of December 14, 2011	November 23, 2011	Gecina website	www.gecina.fr
Notice of invitation – Extraordinary General Meeting of December 14, 2011	November 25, 2011	Gecina website	www.gecina.fr
Press release: Notice of invitation – Extraordinary General Meeting of December 14, 2011	November 25, 2011	Gecina website	www.gecina.fr
Presentation Extraordinary General Meeting of December 14, 2011	December 14, 2011	Gecina website	www.gecina.fr
Press release: Minutes of the Extraordinary General Meeting of December 14, 2011	December 15, 2011	Gecina website	www.gecina.fr
Details of votes – Extraordinary General Meeting of December 14, 2011	December 16, 2011	Gecina website	www.gecina.fr
Press releases and other communications			
Press release: Laying of first stone for Nouveau Beaugrenelle	February 4, 2011	Gecina website	www.gecina.fr
Press release: Gecina receives awards at "Pierres d'Or 2011"	February 16, 2011	Gecina website	www.gecina.fr
Press release: 2010 earnings	February 24, 2011	Gecina website	www.gecina.fr
Press release: The Gecina Foundation wins awards at the "Trophées de l'Accessibilité"	February 25, 2011	Gecina website	www.gecina.fr
Press release: Gecina sells off office property to HSBC REIM	February 25, 2011	Gecina website	www.gecina.fr
Press release: Availability of 2010 Financial report	March 9, 2011	Gecina website	www.gecina.fr
Press release: Gecina leases the Velum property in Lyon	March 18, 2011	Gecina website	www.gecina.fr
Press release: Gecina leading company with comprehensive HQE Exploitation initiative validated by Certivéa	March 25, 2011	Gecina website	www.gecina.fr
Press release: Nathalie Kosciusko-Morizet gives award to the Gecina Foundation and the ONF	April 1, 2011	Gecina website	www.gecina.fr
Press release: Acquisition of a portfolio of 30 medico-social facilities	April 1, 2011	Gecina website	www.gecina.fr
Press release: Gecina works with the APUR to analyse the thermal efficiency of Parisian buildings	April 7, 2011	Gecina website	www.gecina.fr
Press release: Construction of the first building with a wooden structure in Neuilly-sur-Seine	April 28, 2011	Gecina website	www.gecina.fr
Press release: Recurring income in line with the –7% annual forecast	May 4, 2011	Gecina website	www.gecina.fr
Press release: Inauguration of the Gien polyclinic by Xavier Bertrand	May 5, 2011	Gecina website	www.gecina.fr
Press release: Gecina plans to submit a public buyout offer followed by a squeeze-out targeted at Gecimed shares	May 16, 2011	Gecina website	www.gecina.fr
Press release: disposal of portfolio of 21 logistics assets for €114 million	May 19, 2011	Gecina website	www.gecina.fr

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Press release: Gecina rents out Le Velum building in Lyon	May 23, 2011	Gecina website	www.gecina.fr
Press release: Florent de Malherbe appointed Director of Investments and Commercial Asset Management	May 23, 2011	Gecina website	www.gecina.fr
Letter to shareholders no. 1	May 24, 2011	Gecina website	www.gecina.fr
Discover the 2010 Sustainable Development report	June 1, 2011	Gecina website	www.gecina.fr
Press releasee: First Campuséa student residence in Paris	June 7, 2011	Gecina website	www.gecina.fr
Press releasee: Éric Prételat joins Gecina as head of Financial operations and financing	June 10, 2011	Gecina website	www.gecina.fr
Press release: Gecina pledges to promote diversity	June 10, 2011	Gecina website	www.gecina.fr
Press release: The *Magistère* construction site decoreated with street art	June 14, 2011	Gecina website	www.gecina.fr
Press release: Upturn in asset turnover	June 24, 2011	Gecina website	www.gecina.fr
Press release: Exceptionally high level of disposals in the 1st half: €559 million, 2 new significant deals	June 29, 2011	Gecina website	www.gecina.fr
Press release: Gecina proves its asset management and growth capacities at the Investor Day	July 1, 2011	Gecina website	www.gecina.fr
Press release: Gecina is no. 1 real-estate company according to the 2011 Novethic-Ademe barometer	July 5, 2011	Gecina website	www.gecina.fr
Press release: Gecina leases 41,000 sqm. in logistics and significantly reduces vacancy in this segment	July 6, 2011	Gecina website	www.gecina.fr
Press release: Bernard Michel made Officer of the *Légion d'Honneur*	July 19, 2011	Gecina website	www.gecina.fr
Press release: 2011 first half results	July 27, 2011	Gecina website	www.gecina.fr
Press release: Launch of the "Sustainable Development Building passport": the Newside property is recognized as "Exceptional"	September 22, 2011	Gecina website	www.gecina.fr
Press release: Mercure: a large-scale complete renovation	September 22, 2011	Gecina website	www.gecina.fr
Press release of October 4	October 4, 2011	Gecina website	www.gecina.fr
Press release of October 6	October 6, 2011	Gecina website	www.gecina.fr
Press release: Activity of September 30 2011	October 24, 2011	Gecina website	www.gecina.fr
Letter to shareholders no. 2	November 22, 2011	Gecina website	www.gecina.fr
Press release: Fête des Lumières 2011: "Les bâtisseurs de lumières» at La Buire (Lyon 3rd *arrondissement*)	December 1, 2011	Gecina website	www.gecina.fr
Press release: Gecina receives award at the "Grand Prix du SIMI"	December 5, 2011	Gecina website	www.gecina.fr
Press release: Beaugrenelle Paris: the place to B!	December 6, 2011	Gecina website	www.gecina.fr
Press release: Launch of Le Velum building in Lyon	December 8, 2011	Gecina website	www.gecina.fr
Press release: Grenelle Building Plan: Gecina gets involved in «Quality signs»	December 20, 2011	Gecina website	www.gecina.fr
Press release: Finalization of €209 million of office asset sales	December 22, 2011	Gecina website	www.gecina.fr
Press release: New round of financing for €259 million in December 2011	December 22, 2011	Gecina website	www.gecina.fr
Press release: Pre-lease of 100% of 96-104, avenue Charles-de-Gaulle in Neuilly-sur-Seine	January 11, 2012	Gecina website	www.gecina.fr
Press release: HQE Operation: Gecina continues to certify its office property holding	January 16, 2012	Gecina website	www.gecina.fr
Press release: Gecina completes an exceptional block sale of €444 million of residential assets	January 17, 2012	Gecina website	www.gecina.fr
Press release: Inauguration of the Jean Rostand nursing home in Châtenay-Malabry	February 3, 2012	Gecina website	www.gecina.fr

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Market transactions			
EMTN bond issuance program	January 25, 2011	Gecina website	www.gecina.fr
Gecina plans to submit a public buyout offer followed by a squeeze-out targeted at Gecimed shares *(press release)*	May 16, 2011	Gecina website	www.gecina.fr
Projected public buyout offer followed by a squeeze-out targeted at Gecimed shares initiated by Gecina *(press release)*	June 1, 2011	Gecina website	www.gecina.fr
Draft joint memorandum on the public buyout offer followed by a squeeze-out targeted at Gecimed shares initiated by Gecina	June 1, 2011	Gecina website	www.gecina.fr
Treasury notes program	June 21, 2011	Gecina website	www.gecina.fr
Joint memorandum prepared by Gecina and Gecimed about the public buyout offer followed by a squeeze-out of the Gecimed shares not yet held by Gecina	June 21, 2011	Gecina website	www.gecina.fr
Public buyout offer followed by a squeeze-out of the Gecimed shares not yet held by Gecina – Information specifically on the legal, financial and accounting characteristics of Gecimed	June 22, 2011	Gecina website	www.gecina.fr
Public buyout offer followed by a squeeze-out of the Gecimed shares not yet held by Gecina – Information specifically on the legal, financial and accounting characteristics of Gecimed	June 22, 2011	Gecina website	www.gecina.fr
AMF financial disclosures and decisions			
Annual Reports and Reference Document			
Supplement to the approved basic prospectus on the occasion of a debt securities admission programme for a maximum amount of € 2 billion	January 24, 2011	Visa no. 11-0022	www.amf-france.org
Filing of a Reference Document	March 8, 2011	Deposit file No. D.11-0104 Gecina website	www.amf-france.org www.gecina.fr
Basic prospectus approved on the occasion of a debt securities admission programme for a maximum amount of € 2 billion	June 28, 2011	Visa no. 11-0269	www.amf-france.org
Updating the Reference Document	July 27, 2011	Update slip No. D.11-0104-A01 Gecina website	www.amf-france.org www.gecina.fr
Supplement to the approved basic prospectus on the occasion of a debt securities admission programme for a maximum amount of €2,500,000,000	September 1, 2011	Visa no. 11-0379	www.amf-france.org
AMF financial disclosures and decisions			
Individual declarations			
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	January 25, 2011	Decision and disclosure No. 211D0345	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	March 30, 2011	Decision and disclosure No. 211D1546	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	April 5, 2011	Decision and disclosure No. 211D1604	www.amf-france.org

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	April 5, 2011	Decision and disclosure No. 211D1605	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	May 18, 2011	Decision and disclosure No. 211D2153	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 3, 2011	Decision and disclosure No. 211D562	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 8, 2011	Decision and disclosure No. 211D5346	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 8, 2011	Decision and disclosure No. 211D5347	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 9, 2011	Decision and disclosure No. 211D5369	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 16, 2011	Decision and disclosure No. 211D5450	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 18, 2011	Decision and disclosure No. 211D5520	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 18, 2011	Decision and disclosure No. 211D5521	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 25, 2011	Decision and disclosure No. 211D5613	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 30, 2011	Decision and disclosure No. 211D5680	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 30, 2011	Decision and disclosure No. 211D5681	www.amf-france.org
Individual declaration relating to transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	December 13, 2011	Decision and disclosure No. 211D5850	www.amf-france.org

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Other regulated information			
Monthly disclosure of the total number of voting rights and company shares			
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	January 7, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	February 4, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	March 2, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	April 7, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	May 5, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	June 6, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	July 4, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	August 4, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	September 5, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	October 6, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	November 7, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	December 2, 2011	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	January 5, 2012	Gecina website	www.gecina.fr
Statement of voting rights Disclosure of the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	February 6, 2012	Gecina website	www.gecina.fr

Published or publicly-disclosed information	Date of publication/filing	Publication medium and/or place of filing	Information available at
Other regulated information			
Permanent disclosures			
Documentation – Annual Disclosure Document 2010-2011	2010 Financial Report Page 225	Gecina website	www.gecina.fr
Other regulated information			
Details of share buyback programs			
Details of share buyback programme approved by the Ordinary General Meeting of May 24, 2011		Gecina website	www.gecina.fr
Other regulated information			
Declaration of transactions on treasury shares			
Presentation of the half-year report on Gecina's liquidity contract	January 7, 2011	Gecina website	www.gecina.fr
Presentation of the half-year report on Gecina's liquidity contract	July 4, 2011	Gecina website	www.gecina.fr
Presentation of the half-year report on Gecina's liquidity contract	January 5, 2012	Gecina website	www.gecina.fr
Press release: Declaration on treasury stock transactions	January 5, 2012	Gecina website	www.gecina.fr
Press release: Declaration on treasury stock transactions	January 9, 2012	Gecina website	www.gecina.fr
Press release: Declaration on treasury stock transactions	January 16, 2012	Gecina website	www.gecina.fr
Press release: Implementation of partial management agreement for share buyback	January 23, 2012	Gecina website	www.gecina.fr
Press release: Declaration on treasury stock transactions	January 24, 2012	Gecina website	www.gecina.fr
Other regulated information			
Statutory Auditors' fees			
Statutory Auditors' fees	2010 Financial Report (page 198)	Gecina website	www.gecina.fr
Other regulated information			
Internal control and corporate governance			
Chairman's 2010 Report on Internal Control and Corporate Governance	2010 Financial Report (pages 181 to 194)	Gecina website	www.gecina.fr
Publication of details about the Chief Executive Officer's compensation	February 28, 2011	Gecina website	www.gecina.fr
Compensation of the Chairman of the Board of Directors	May 30, 2011	Gecina website	www.gecina.fr
Conditions regarding the end of the CEO's appointment	October 7, 2011	Gecina website	www.gecina.fr
Publication of details about the Chairman and Chief Executive Officer's compensation	October 7, 2011	Gecina website	www.gecina.fr
Publication of details of severance pay for the Chairman and Chief Executive Officer in case of departure	December 19, 2012	Gecina website	www.gecina.fr

Map of Gecina's website (www.gecina.fr)

Profile
- Presentation
- Strategy
- Values
- Governance
- Brand & Communication
- Foundation

Finance
- Financial data
- Publications
- Gecina shares
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- Agenda
- Contact

Property holdings

Sustainable Development

Media Center
- Regulated information
- Legal information
- Latest news
- Press contact

Careers
- HR ethos
- Our businesses
- Moving forward together
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About Gecina group businesses

Offices
- Presentation
- Architectural footprint
- Projects under development
- Property holding
- Latest news
- Contact

Logistics
- Presentation
- Gecilog
- Property holding
- Latest news
- Contact

Hotels
- Presentation
- They trust us
- Property holding
- Contact

Residential
- Presentation
- Traditional residences
- Property holding
- Latest news
- Contact

Students residences
- The concept
- Property holding
- You seek accommodation

Healthcare
- Presentation
- Projects under development
- Property holding
- Gecimed
- Latest news
- Contact

- Institutional newsflow
- Financial newsflow
- Legal notices
- Credits
- Copyright

9.1.2. Reference document containing an annual financial report

9.1.2.1. 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, or by telephone at 0 800 800 976, by fax +33 1 40 40 52 15 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;
- all reports, letters and other documents, historic financial reports, evaluations and statements compiled by an appraiser at the request of the company or mentioned in the reference document 2011;
- the historic financial reports of the company and its subsidiaries for the two years preceding the publication of the annual financial report.

Person responsible for the Reference document

Mr. Bernard Michel, 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

9.1.2.2. 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 year ended December 31, 2009: the consolidated financial statements and the related Statutory Auditors' report included on pages 31 to 62 and 193 of the Reference document filed with the AMF on March 22, 2010 under reference D. 10-0130;
- for the year ended December 31, 2010: The consolidated financial statements and the related Statutory Auditors' report included on pages 31 to 70 and 199 of the Reference document filed with the AMF on March 8, 2011 under reference D. 10-0104.

These documents are available on the AMF and Gecina websites:

www.gecina.fr

www.amf-france.org

9.1.2.3. 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 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, 2011 presented in this document is the subject of reports by the Statutory Auditors, which appear on 230-232 of this document. The report on the consolidated financial statements for the year ended December 31, 2011, presented on page 230 of this document, contains an observation. 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. The consolidated financial statements for the year ended December 31, 2009, presented in the Reference Document filed with the AMF under number D. 10-0130 on March 22, 2010, are the subject of a report by the Statutory Auditors, which appears on page 193 of that document".

Bernard Michel

Chairman and Chief Executive Officer

9.1.2.4. Correspondence table for the reference document

9.1.2.5. 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	45-81
Annual financial statements	83-103
Statement of the responsible person	224
Management report	See below
Auditors' report on the Consolidated financial statements	230-231
Auditors' report on the Annual financial statements	232
Auditors' fees	229

Management report

	Pages
Analysis of changes in the company and the Group's businesses, 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)	27-43
Predictable changes (L. 232-1 and L. 233-26 of the French Commercial Code)	44
Research and development activites (L. 232-1 and L. 233-26 of the French Commercial Code)	241
Information on environmental issues and the environmental consequences of business operations (L. 225-100 and L. 225-102-1 of the French Commercial Code)	16, 18-22, 147-175
Information on employee issues and the social consequences of business operations (L. 225-100 and L. 225-102-1 of the French Commercial Code)	176-188
Description of the major risks and uncertainties (L. 225-100 and L. 225-100-2 of the French Commercial Code)	11-26
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 stock (L. 233-13 of the French Commercial Code), employee shareholding as at the last day of the financial year (L. 225-102 of the French Commercial Code)	132-142
Factors likely to have an impact in the event of a public offering (L. 225-100-3 of the French Commercial Code)	138
Amount of dividends distributed during three financial years (243 bis of the French *General* Tax Code)	130-132
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. 2 25-102-1 of the French Commercial Code)	79-81, 105-109, 140-142, 121-123

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 of Shareholders on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting of Shareholders held on May 10, 2010. The appointment will expire at the end of the Ordinary General Meeting of Shareholders convened to approve the financial statements for the financial year ending December 31, 2015.

PricewaterhouseCoopers Audit

Member of the Compagnie Régionale de Versailles
Represented by Olivier Thibault
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed at the Combined General Meeting of Shareholders on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting of Shareholders held on May 10, 2010. The appointment will expire at the end of the Ordinary General Meeting of Shareholders 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 of Shareholders 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 of Shareholders 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 Shareholders of June 2, 2004 for a six-year term. His appointment expired at the end of the Ordinary General Meeting of Shareholders 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 of Shareholders called to approve the annual financial statements for the year ending December 31, 2015.

9.2.2. Fees

The Statutory Auditors' fees recognized on the 2011 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)		%		Amount (net of tax)		%		Amount (net of tax)		%	
€ thousands	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Audit												
• Statutory auditing, certification, review of the individual and consolidated financial statements…												
Issuer	432	644	49%	62%	462	566	65%	69%	894	1210	56%	66%
Subsidiaries	230	233	26%	23%	180	228	26%	28%	410	461	26%	25%
Subtotal	**662**	**877**	**75%**	**85%**	**642**	**794**	**91%**	**97%**	**1304**	**1671**	**82%**	**91%**
• Other audits and services linked to the statutory audit engagement, etc.												
Issuer	58	143	7%	14%	66	23	9%	3%	124	166	8%	9%
Consolidated subsidiaries	164	8	18%	1%	-	-	-	-	164	8	10%	-
Subtotal	**222**	**151**	**25%**	**15%**	**66**	**23**	**9%**	**3%**	**288**	**174**	**18%**	**9%**
Other services												
Legal, tax, social,												
TOTAL	**884**	**1,028**	**100%**	**100%**	**708**	**817**	**100%**	**100%**	**1,592**	**1,845**	**100%**	**100%**

The other diligence processes and services linked directly to the statutory auditing assignment primarily concern:
- For PricewaterhouseCoopers, diligence processes carried out in connection with acquisitions or disposals;
- For Mazars, diligence processes carried out in connection with sustainable development aspects.

9.2.3. Statutory Auditors' Reports

9.2.3.1. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

This report concerns the consolidated financial statements presented in Section 3.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby report to you, for the year ended December 31, 2011, 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 professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion..

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 3.5.2.6 to the consolidated financial statements related to the changes applied in presentation of the income statement.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Regarding the commitments set out in Note 3.5.5.12 and note 3.5.8.3 to the consolidated financial statements, which were engaged in Spain outside the current internal control system of the Group, we reviewed the analysis performed by the Group and the related accounting impacts. We also assessed the appropriateness of the additional procedures performed by Gecina allowing it to confirm that, to its knowledge, there are no other such commitments.
- 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 determination of 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 performed 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 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 from the valuations carried out at year-end.

The assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and have therefore contributed to the formation of our audit opinion expressed in the first part of this report.

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, March 27, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Olivier Thibault	Bernard España
Partner	Partner

9.2.3.2. Statutory Auditors' report on the annual financial statements

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

This report concerns the annual financial statements presented in Section 4.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying annual financial statements of Gecina;
- 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 perform the audit 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 2011, 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 our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- The accounting rules and methods 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.

The assessments were thus made in the context of the performance of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

3. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by 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 attest 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, March 27, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Olivier Thibault	Bernard España
Partner	Partner

9.2.3.3. Statutory Auditors' special report on related party agreements and commitments

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Gecina, we hereby report to you 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 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 performed the procedures that we deem 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. Signing of a settlement agreement with Mr. Christophe Clamageran, subsequent to the termination of his duties as CEO of the company

The Board of Directors of October 4th, 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 especially the following:

- The payment of the severance benefit which Mr. Christophe Clamageran can claim, under the agreement approved by the General Meeting of May 24, 2011 (as indicated in the second part of this report on the agreements and commitments already approved by the General meeting), namely one year of his gross pay (fixed and variable) for the year 2010, i.e. 975,000 euros gross value, after that the Board of Directors declared, based on the opinion of the Governance, Appointment and Compensation Committee, that he met the performance criteria to which this payment was subject;
- Mr. Christophe Clamageran was allowed to keep the benefit of his stock options granted to him by the Board of Directors on March 22nd 2010 and December 9th 2010 and the performance shares allocated to him by the Board of Directors of December 9th 2010, Mr. Christophe Clamageran being exempted by the Board of compliance with the conditions of presence indicated in these allocations plans; the other conditions of these plans remain unchanged;
- The implementation of a non-competition clause paid 30,000 euros gross per month for a period of 6 months starting October 4th, 2011.

This agreement also includes that the variable part of the retribution of Mr. Christopher Clamageran for the fiscal year 2011, determined on pro rata basis and solely on quantitative performance criteria, is planned to be published once the Board of Directors states that these performance criteria where realized. The Board of Directors of February 22nd 2012 set the variable part of the retribution (for fiscal year 2011) of Mr. Christopher Clamageran set at 65% of his base salary from January 1st, 2011 to October 4th, 2011. Therefore, the variable part of the retribution of Mr. Christopher Clamageran is €246,249.58 and was published on February 24th, 2012.

2. The allocation to Mr. Bernard Michel, Director and Chairman of the Board, appointed as Chief Executive Officer (CEO) on October 4th, 2011 of a compensation for termination of services subject to performance criteria

The Board of Directors of December 14th, 2011, approved the implementation of conditions of 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 this, in 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 here after:
  - Seniority less than 6 months: 100% of the total gross retribution (fixed and variable) to 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 6 months and twelve months: 100% of the total gross retribution (fixed and variable) to 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 included between 1 year and the end of his appointment: one equivalent of gross retribution (fixed and variable) to his duties for the previous fiscal year as Chairman and CEO,

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 two previous years (N-1 and N-2) prior to termination. The comparison of the recurring incomes will be perform, taking into account changes in the scope of the firm's assets (acquisition and disposals) during these years, as indicated below:

Performance conditions:	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 Pay

It belongs to the Board of Directors to approve that these performance criteria are achieved taking into account that the Board of Directors may consider exceptional items which occurred during the year.

3. Contributions and asset disposal by Gecina to its subsidiaries (intercompany transactions)

Concerned Directors: Mr. Christophe Clamageran, CEO of Gecina for operations authorized until October 4th, 2011 then M. Bernard Michel, Chairman and CEO.

To allow future development projects:

i) the Board of Directors has authorized on September 28th, 2011:

- The contribution by Gecina to GEC 11 (its 100% subsidiary) of a parcel of land located 4 rue Chambery, Paris 15th, estimated 350,000 euros (excluding other related costs).
- The contribution by Gecina to GEC 8 (its 100% subsidiary) of a parcel of land, appraised 1,369,500 euros and located 3-9 Villafranca in Paris (15th).
- The sale by Gecina to GEC 10 (its 100% subsidiary) of an investment property located 20 rue de la Ronce in Ville d'Avray, for 2.5 million euros, as indicated in the appraisal approved by the board of directors of December 14th, 2011.

ii) and the Board of Directors of October 21st, 2011 authorized the contribution by Gecina to Compagnie Foncière de Gestion (its 100% subsidiary) of its property and lease management business units related to offices industry. The net assets contributed amount to €5.5 million, as approved by the Board of Directors of December 14th, 2011.

Agreements and commitments already approved by the Annual General Meeting

Agreements and commitments approved in the previous years.

Pursuant to provisions of the 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 previous years, remained in force during the year ended December 31, 2011.

1. The allocation to Mr. Christophe Clamageran appointed as CEO on November 16th, 2009, of a severance benefit submitted to performance conditions

The Board of Directors of November 4th, 2010 approved the performance conditions of the severance benefit due to the CEO in case of termination of his duties over the first one year, i.e. after November 16th 2010.

In case of termination of his duties due to a forced departure due to a change in the control or in the strategy of Gecina, the CEO will receive a severance benefit, with a maximum calculated as described below:

- Seniority between one and two years: once equivalent of gross retribution (fixed and variable) to his duties for the previous fiscal year as Chairman and CEO,
- Seniority over two years: two equivalent of gross retribution (fixed and variable) to his duties for the previous fiscal year as Chairman and CEO,

The settlement of this compensation is subject to performance conditions, i.e realize the operating income, excluding fair value adjustments: this income of the last financial year before termination of his duties (N) will be compared to the average operating income of the two previous years (N-1 and N-2), the comparison will be made taking into account acquisitions and disposals of invesment properties during these years. The payment of the compensation linked to the performance conditions is described in the table below:

Performance conditions:	Compensation
Year operating income (excluding fair value adjustments) > average operating incomes (excluding fair value adjustments) N-1 and N-2	100%
Year operating income (excluding fair value adjustments) < 4% of the average operating incomes (excluding fair value adjustments) N-1 and N-2	80%
Year operating income (excluding fair value adjustments) < 8% of the average operating incomes (excluding fair value adjustments) N-1 and N-2	50%
Year operating income (excluding fair value adjustments) < 12% of the average operating incomes (excluding fair value adjustments) N-1 and N-2	No severance pay

It belongs to the Board of Directors to approve that these performance criteria are achieved taking into account that the Board of Directors may consider exceptional items which occurred during the year.

The duties of Mr. Clamageran as the CEO terminated on October 4th, 2011; the Board of Directors stated the same day that the performance criteria, on which the payment benefit was subject to, were achieved. The payment of all the severance benefit he could claim has been decided and the transaction has been signed (as indicated in the first part of this report in the agreements subject to approval by the general shareholders meeting).

2. Guarantee granted to Hypo-Bank Euro

Concerned board members: Mrs. Victoria Soler, Mrs. Helena Rivero, Mr. Joaquin Rivero, Mr. Jose Vicente Fons and Mr. Jose Gracia

The Board of Directors of March 22nd, 2010 authorized the issuance by Gecina of a guarantee in favor of the Euro Hypo bank, amounts to €20.14 million. This guarantee was set off against a guarantee given by its subsidiary SIF Espagne on June 24th, 2009 (as part of the restructuring of its financing of its 49% in Bami, where Euro Hypo is the main leader) and replaces the comfort letter signed on April 29th, 2009 by Gecina to cover the commitments of SIF Espagne. The decision to maintain this guarantee was confirmed on January 4th, 2012 in connection with the renegotiation by Bami of certain parts of its debt financing and hedging.

3. Contribution in kind by Gecina to GEC 7 of an office building

Concerned Directors: Mr. Christophe Clamageran, CEO of Gecina and Chairman of GEC 7

The Board of Directors of December 9th, 2010 authorized the contribution by Gecina to GEC 7 (100% subsidiary of Gecina) of an office property, valued at €5.45 million, and located 53 rue Auguste Lancon 75013 Paris and planned to be redevelop in a student residence. The contribution agreement was signed on February 18th, 2011.

Courbevoie and Neuilly-sur-Seine, March 27, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Olivier Thibault	Bernard España
Partner	Partner

9.2.3.4. Statutory Auditors' report pursuant to Article L. 225-235 of the French Commercial Code on the report of the Board

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

This report concerns the Chairman report presented in Section 5.

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 report to you on the report prepared by the Chairman of your Company in accordance with article L. 225-37 of French Commercial Code for the financial year ended December 31, 2011.

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 information 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 information set out in the Chairman's report on internal control procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information 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 this information.

We conducted our work in accordance with the auditing standards applicable in France.

Information concerning the internal control procedures and the risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we plan and perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control procedures and the risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, as well as existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting 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 financial and accounting 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 the paragraph 5.2.5.2 of the Chairman of the Board's report which describes the existence of certain commitments taken in 2009 and in 2010 by a subsidiary of the Group outside the current internal control system procedures and describe the additional procedures performed by the Group allowing it to confirm that, to its knowledge, there are no other such commitments.

Other information

We attest that the report of the Chairman's report sets out the other information required in Article L. 225-37 of the French Commercial Code.

Courbevoie and, Neuilly-sur-Seine March 27, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Olivier Thibault	Bernard España
Partner	Partner

9.3. Legal information

9.3.1. Registered office, legal form and applicable legislation

Name	Gecina
Registered office	14-16, rue des Capucines in Paris (2nd)
Legal form	French *Société Anonyme* (public limited company) governed by Article L. 225-1 and R. 210-1 of the French Commercial Code and all subsequent legislation
Legislation	French legislation
Date of formation and termination of company	The company was founded on February 23, 1959 for 99 years. It will expire on February 22, 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 regime

The company opted for the tax regime 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 calculated at a rate of 16.5% on unrealized capital gains existing on January 1 of the financial year of the option, for which the payment is to be spread over four years. In return for this tax exemption, the SIICs are required to distribute 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 management

Chairman and Executive management

Until October 4, 2011, as decided by the Board of Directors meeting of May 5, 2009 the duties of Chairman of the Board of Directors and Chief Executive Officer were separated. Mr. Bernard Michel served as the Chairman of the Board of Directors and Mr. Christophe Clamageran as Chief Executive Officer.

As the duties of Chief Executive officer of Mr. Christophe Clamageran ended at the Board of Directors meeting 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, in order to allow the staggered renewal of the terms of office of directors, the Ordinary General Meeting of shareholders can 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 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 Regulation, 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 physical 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 such 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 financial year during which they reached this age.

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 of Directors 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 Meeting 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 of Directors 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 of Directors 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 rules of internal procedure.

In this respect, within the limits applicable under French law, the bylaws may allow for any directors participating in Board Meetings 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 shall set 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 resolves any issues concerning it.

In its dealings with third parties, the company shall be 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.

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 rules of internal procedure, 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 Shareholders' General Meeting. He is watchful that the various management bodies of the company 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 physical 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 physical 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.

The number of Deputy Chief Executive Officers may not exceed five.

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 Shareholders' General Meeting convened to approve the financial statements for the year during which said Chief Executive Officer or Deputy Chief Executive Officer reached this age limit.

Observers (Article 18)

The annual Shareholders' 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 Shareholders' 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 year during which said Observer reached this age limit.

Observers shall be appointed for a term of three years and may be reappointed. They are summoned to the sessions of the Board of Directors and take part in its deliberations with a consultative vote.

Observers may be called upon to perform special purposes.

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 Shareholders' 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.

Rules of internal procedure for the Board of Directors

Gecina's Board of Directors adopted on June 5, 2002 and updated on several occasions, the last time being December 14, 2011, its rules of internal procedure, which clarify and supplement the Board's operating procedures and principles as set down in the company bylaws. This last amendment integrated the latest recommendations of the Afep-Medef Code on good governance.

The Board of Directors meeting dated December 14, 2011 modified the company's director's charter, and the Works Council Representative's Charter, which respectively outline the duties and obligations of each director and each works council representative. The two charters represent appendices 4 and 5 of the Board of Directors rules of internal procedure.

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 Shareholders' General Meeting.

Dual voting rights

N/A.

Restrictions on voting rights

None.

9.3.2.4. Changes to share capital and voting rights attached to shares

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. Shareholders' General Meeting

Shareholders' General Meetings (Article 20 of the bylaws)

1. Notice to attend

Shareholders' 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 notice 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 Shareholders' 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 Shareholders' 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

Shareholders' 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 Shareholders' General Meeting shall itself 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 notice of meeting 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 specify in the notice of meeting 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 Shareholders' 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 presented or represented for the calculation of the quorum or majority, as decided by the Board of Directors and published in the notice of meeting and/or in the notice of invitation to attend.

The minutes of the Shareholders' Meetings shall be prepared and copies certified and delivered in accordance with French law.

Shareholder identification (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 Shareholders' General Meeting.

Any shareholder other than a physical 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 shareholder subject to withholding as defined in Article 23 of the bylaws. Any shareholder other than a physical 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 shareholder subject to Deduction as defined in Article 23 of the bylaws. If a shareholder should declare that he or she is not a shareholder subject to deduction, they will be required to justify this whenever requested to do so by the company. Any shareholder other than a physical 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 shareholder subject to Deduction.

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

N/A.

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