2017 earnings

2017 earnings significantly higher than the guidance,

- ✓ Gecina, Europe's leading office REIT which offers urban living spaces (coworking, residential, student housing) always based on total return
- ✓ 2018 Recurrent Net Income per share to increase by +3% to +6% depending on the timeline for disposals

Key figures

In million euros	Dec 31, 16	Dec 31, 17	*Change (%)*	*2017 targets*
Gross rental income	540.0	558.9	***+3.5%*** *+2.1% like-for-like* *+2.5% like-for-like for offices*	*Like-for-like growth for offices expected to be up*
EBITDA	437.0	453.5	*+3.8%*	
Consolidated net income (Group share)	813.5	1,895.6	*+133.0%*	
Recurrent net income (Group share) [1]	347.4	363.5	*+4.6%* ***+13.0%** excluding impact of healthcare sale*	*> €340.0m [3]* ***>+6%** excluding impact of healthcare sale*
Per share (€)	*5.37 [2]*	*5.44*	*+1.3%* ***+9.4%** excluding impact of healthcare sale*	*> €5.20 [3]* ***>+4.5%** excluding impact of healthcare sale*
Diluted EPRA triple net NAV per share	128.7 [2]	152.9	***+18.9%***	
Dividend per share	5.06 [2]	5.30	***+4.7%***	
LTV excluding duties	29.4%	42.4%		
Cost of debt (incl. undrawn credit lines)	2.2%	1.7%		
Cost of drawn debt	1.7%	1.3%		
ICR	4.9x	5.6x		

Bernard Michel, Chairman: *"The strategic choice for a realignment around the office portfolio has been validated by the results achieved in 2017 and further strengthened thanks to the acquisition of Eurosic. In this way, Gecina will be able to continue developing its value creation approach with a total return focus, while adapting its offer in line with the challenges of the digital revolution".*

Meka Brunel, Chief Executive Officer: *"2017 was marked by the acquisition and consolidation of Eurosic in a particularly buoyant market environment, in Paris' best core sectors and particularly the major Grand Paris hubs. This operation is first and foremost a transformational operation for Gecina.*
This integration is further strengthening the unique features of Gecina, which is building its strategy around the deployment of new living spaces in the most central sectors within Paris and the Paris Region. It is underpinned by an acceleration of value extraction through the transformation of these living spaces with a major pipeline, and the portfolio's rotation, as well as innovation to respond to new real estate practices such as coworking with its subsidiary Secondesk.
Today, Gecina considers that its residential portfolio is also aligned with the needs of new more mobile and flexible lifestyles and the demand for central locations and scarcity, which are prerequisites for future performance, and that retaining this portfolio is relevant to complement Gecina's specialization in urban offices. Tomorrow's high-performance real estate will be increasingly central, but also firmly focused on services, digitalized, collaborative, fostering productivity and wellbeing, and responsible. Gecina is positioning itself upstream from this coming transformation. While the financial performances achieved in 2017 were particularly strong, the past year was a starting point for a new ambition for Gecina for the coming years, building a strategy that is effectively focused on its consumer-clients in its office and coworking properties, as well as residential and student residences, capitalizing on its specific strengths".

[1] EBITDA less net financial expenses, recurrent minority interests and recurrent tax, as defined in the accounts appended to this press release
[2] Following the adjustment of the payout for preferential subscription rights linked to the capital increase from August 2017 (adjustment coefficient of 0.97391). Unadjusted data per share: Recurrent net income: €5.52, EPRA triple net NAV: €132.1, Dividend: €5.2
[3] Targets updated with the reporting of business at September 30, 2017 taking into account Eurosic's integration. Initial target published in February 2017 for the change in recurrent net income to represent -5% to -6% restated for the impact of the Healthcare sale

2017 highlights and key figures

Total return of +23%[4] over one year

- **Triple net NAV** up **+18.9%**[5] year-on-year to €152.9 per share reflecting the upturn on the rental markets combined with a further compression of capitalization rates and the continued value extraction from assets under development, as well as the capital gains from sales during the year
- **Portfolio** value up **+11.8%** like-for-like

Recurrent net income exceeds the guidance, driven by Eurosic's integration, the real estate markets and the optimization of financial expenses

- **Recurrent net income** up +4.6% to €363.5m, or +1.3%[5] per share, with per share growth of **+9.4%**[5] **restated for the healthcare sale**, higher than Gecina's initial expectations
- **Rental income** for **offices** up **+2.5% like-for-like**
- **Reduction in the average cost of debt by -50bp to 1.7% (including cost of undrawn credit lines) and average maturity up to 6.9 years**

Performance enabling Gecina to propose a dividend of €5.30 for 2017

Value creation drive ramped up with Eurosic's integration

- **€2.8bn of operations already committed to**, up +85%, representing nearly €160m of potential rental income
  - ✓ **12 programs completions** expected for **2018**, mainly in the second half of the year, representing over €115m of potential rental income, with 44% already pre-let, and 56% factoring under discussions
- **€2.4bn of additional potential operations** over the medium and long term, taking the total pipeline up to €5.2bn, with 70% located in Paris, delivering an expected yield on cost of 6%.
- **Portfolio rotation** ramped up, with €655m of commercial asset sales completed or secured to date
  - ✓ **12.5% premium** versus the appraisal values, for the assets sold or under preliminary agreement, with **66%** from **Eurosic's** scope
- Operational and financial **synergies** now expected to **exceed €30m,** compared with over €17m initially

Residential portfolio repositioned at the heart of the Group's strategy

- Residential portfolio retained within the Group, complementing Gecina's profile as an urban office specialist.
- Three key areas for creating value identified:
  1- **Capitalizing on the residential portfolio's focus on central sectors** to identify opportunities for real estate investments
  2- **Optimizing operational management**: capturing the reversion potential identified and improving the rental margin
  3- **Innovate, create, anticipate:** developing new markets supporting the transition to a service-driven economy for urban real estate

Model further strengthened, looking ahead 2018 with confidence

2018 will be marked by an acceleration in the volume of completion, mainly during the second half of the year, as well as the sales announced following Eurosic's acquisition. By the end of December 2017, €571m of sales had already been completed or secured. Based on the working assumption for an additional volume of sales of €1.2bn in 2018, **recurrent net income (Group share) per share is expected to increase by +3% to +6% depending on the execution timeline**.

[4] Total real estate return (growth in triple net NAV cum dividend) factoring in the adjustment of the payout for preferential subscription rights linked to the capital increase from August 2017 (adjustment coefficient of 0.97391)

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

Improvement in rental income

On a current basis, the rental performance reported for 2017 reflects the full impact of the significant changes in scope from 2016 (sale of the healthcare portfolio, transfer of five buildings to the pipeline and sales of various office buildings) and the acquisition of Eurosic from 2017.

Total gross rental income came to €558.9m for the year, up +3.5% on a current basis and +2.1% like-for-like.

Like-for-like, the performance achieved reflects the improvement in the real estate environment on the Group's preferred markets. The quarter-on-quarter trends show a continued improvement. Like-for-like growth represents +2.1% at end-December, compared with +1.8% at end-September, +1.6% at end-June and +1.0% at end-March 2017. This performance, driven primarily by the office portfolio, factors in the level of indexation, which is still low, but positive (+0.5%), a slightly positive level of reversion, and the letting of buildings that were partially or completely vacant in 2016.

On a current basis, the +3.5% increase is linked to the significant changes in scope from 2016 and 2017. This +€18.9m increase factors in Eurosic's integration since the end of August 2017 (for +€70.3m), the like-for-like growth achieved (+€8.5m) and the rental income from deliveries of buildings under development and recent acquisitions (+€11.2m). This additional rental income was partially offset by the loss of rent following various sales of healthcare, office and residential assets (-€50.0m), as well as the launch of work to redevelop office buildings with strong value creation potential following the departure of their tenants (-€21.1m).

Gross rental income In million euros	Dec 31, 16	Dec 31, 17	Change (%) Current basis	 Like-for-like
Offices	372.9	429.4	+15.2%	+2.5%
Diversification	167.1	129.5	-22.5%	+0.9%
Traditional residential	113.7	108.9	-4.2%	+0.6%
Student residences	14.0	15.1	+7.7%	+2.6%
Other properties	0.0	5.4	na	na
Healthcare	39.4	0.0	na	na
Total gross rental income	540.0	558.9	+3.5%	+2.1%
Hotels	0.0	13.5	na	na
Finance leases	0.0	4.6	na	na
Total gross revenues	540.0	577.0	+6.8%	na

Offices: positive trends in the most central sectors

Like-for-like, rental income is up +2.5%, in line with the Group's expectations, with sustained quarter-on-quarter progress throughout 2017 (+2.3% at end-September, +2.1% at end-June and +1.2% at end-March). This increase reflects the improvement in the financial occupancy rate, particularly with Pointe Métro 2 let to CREDIPAR and PSA and Le Cristallin to the Renault Group. This increase also benefited from a positive level of indexation (+0.5%), with moderate growth for the past few quarters, and a slightly positive level of reversion. With this organic performance, against a backdrop of improvements in market rental conditions, the Group is able to confirm that **the like-for-like change in office rental income is expected to be positive again in 2018**.

On a current basis, rental income from offices is up +15.2%, benefiting in particular from Eurosic's integration since the end of August 2017 (for +€64.4m). The recent acquisitions (Guersant 2 in Paris in 2016, and the Courcelles building in Paris' Central Business District (CBD) and Adamas in La Défense in 2017) generated +€5.7 m over the year, while the first rent received from the buildings delivered in 2017 (55 Amsterdam in Paris and Septen in Lyon) came to +€4.7m. Alongside this, the loss of rent from the buildings with strong value creation potential launched as redevelopment programs represents -€21.1m. Following the departure of its tenant at the end of 2017, work has been launched to redevelop the Avenue de la Grande Armée building, the PSA Group's former headquarters.

Gross rental income - Offices In million euros	Dec 31, 16	Dec 31, 17	Change (%) Current basis	 Like-for-like
Offices	372.9	429.4	+15.2%	+2.5%
Paris City	189.9	222.9	+17.4%	+0.7%
- Paris CBD & 5-6-7 - Offices	106.8	127.6	+19.6%	+1.7%
- Paris CBD & 5-6-7 - Retail	35.9	35.4	-1.5%	-1.0%
Paris - Other	47.2	59.7	+26.6%	+0.0%
Western Crescent - La Défense	147.3	142.3	-3.4%	+5.0%
Other Paris Region	31.7	41.4	+30.7%	+1.9%
Other regions	4.0	22.8	ns	+0.8%

Very positive market trends for the Paris Region's most central sectors

This year, the Paris Region's office real estate market trends were marked by very strong letting performances in the most central sectors.

Take-up shows +8% growth, climbing to over 2.6 million sq.m (a 10-year high), driven primarily by strong appetite among tenants for the most central sectors, particularly Paris, where levels of available supply are historically low. The vacancy rate therefore dropped again this year to 6.2% (versus 6.5% at end-2016), particularly in Paris, where it is down to less than 3% (2.9%, versus 3.2%, its lowest level since 2001) highlighting the supply-side shortfall. However, the contraction in vacancy levels is linked primarily to Paris and La Défense, but is less marked for the rest of the Paris Region.
Paris represents 42% of take-up, but just 14% of immediate supply, while this ratio is reversed for the Paris Region's other sectors. At the heart of the capital, immediate supply levels are down -9% year-on-year (versus -4% for the entire Paris Region) to a historically low volume, particularly in Paris' CBD. The shortage in terms of immediate supply for Paris is therefore supporting pre-letting upstream from deliveries. As a result, the majority of the volume of deliveries expected for 2018 in the CBD has already been let.

Headline rent levels are therefore up for the most central locations, primarily in the CBD. Cushman & Wakefield estimates that this trend could continue in 2018 faced with a shortage of available quality supply.

Thanks to these positive market trends, the Group is reporting a positive reversion figure of +6.5% for headline rents (offices and retail) on let and relet buildings, driven primarily by transactions in Paris and the Western Crescent.

Traditional and student residential: rental resilience and impact of divestments

For the **traditional residential portfolio,** rental income is up slightly (+0.6%) at end-2017 on a like-for-like basis (vs +0.1% at end-September 2017), benefiting from a slightly positive level of indexation (+0.3%) and an incoming-outgoing positive differential.
On a current basis, the -4.2% contraction in rental income to €108.9m factors in the progress made with the program rolled out by the Group in the past few years to sell apartments on a unit basis when they become vacant.

Rental income from **student residences** shows a significant like-for-like increase (+2.6%), linked primarily to the ramping up of a residence in Bordeaux. On a current basis, the +7.7% increase factors in the delivery of two residences in Marseille and Puteaux in summer 2017.

Other gross revenues: hotels and finance lease business

The hotel and finance lease portfolios have generated €18.1m of gross revenues since Eurosic's integration, with an operating margin of €4.8m.

Occupancy rate stable and still high

The average financial occupancy rate in 2017 was 95.4%, stable over six months and year-on-year (excluding healthcare). However, it is down slightly over three months following the integration of Eurosic, whose average occupancy rate (91.2%) is lower than the 96.1% recorded for Gecina (excluding Eurosic).

Average financial occupancy rate	Dec 31, 16	Mar 31, 17	Jun 30, 17	Sep 30, 17	Dec 31, 17
Offices	95.5%	95.4%	95.5%	95.6%	95.3%
Diversification	95.6%	95.8%	95.5%	95.4%	95.9%
Traditional residential	96.6%	96.2%	96.4%	96.6%	96.9%
Student residences	89.1%	93.5%	90.1%	88.9%	90.3%
Other business				94.2%	95.9%
Healthcare	100.0%	-	-	-	-
Group total	95.9%	95.5%	95.5%	95.6%	95.4%
Group total excluding healthcare	95.5%	95.5%	95.5%	95.6%	95.4%

Recurrent net income (Group share) higher than Gecina's initial expectations

Recurrent net income (Group share) is up +4.6% to €363.5m (€5.44 per share), coming in higher than the Group's initial expectations following Eurosic's acquisition. This performance reflects Eurosic's integration and the conditions for financing this acquisition, as well as the first operational and financial synergies secured. For reference, when it announced its plans to acquire Eurosic, the Group was targeting operational synergies of over €17m, with €12m effective immediately. Today, with Eurosic's integration, operational and financial synergies are expected to exceed €30m, including over €20m of operational synergies.

Portfolio rotation: +€26m net change in rental income

This growth reflects the portfolio's rotation in 2016 and 2017, primarily with the healthcare portfolio's sale in 2016 and Eurosic's acquisition in 2017, with a net rental gain of +€26m for the year. The recent acquisitions generated +€76m of rental income in 2017 (with €70.3m from Eurosic and the rest generated by three acquisitions of buildings located in Paris and La Défense).
The loss of rent due to the sales carried out in 2016 and 2017 represents -€50m (with -€39.4m for the healthcare portfolio, sold in 2016, and the rest from the sale of four buildings in 2016 and various residential sales on a unit basis when they become vacant). For reference, these sales achieved premiums of around +16% compared with the appraisal values. In addition, the sales from 2017 did not have any significant impact on earnings for the year because they were finalized during the second part of the last quarter of 2017.

Operations relating to the pipeline (deliveries and launch of redevelopment-€15.7m net change in rental income

The change in recurrent net income (Group share) also reflects the impact of operations relating to the pipeline. The rental income generated by the recent deliveries of buildings under development represents +€5.4m for 2017 (55 Amsterdam, Lyon-Septen and two student residences). Alongside this, the numerous buildings transferred to the pipeline in 2016 and 2017 account for a temporary drop in rental income for -€21.1m.

Optimization of financial expenses

Financial expenses were reduced by -6.5% in 2017, while the average volume of debt is up +33% from 2016, linked to Eurosic's acquisition, taking into account the drop in the average cost of debt to 1.7% in 2017 from 2.2% in 2016 (including costs of undrawn credit lines), while its average maturity has been extended further to 6.9 years.

In million euros	Dec 31, 16	Dec 31, 17	*Change (%)*
Gross rental income	540.0	558.9	*+3.5%*
Net rental income	498.9	516.9	*+3.6%*
Operating margin for other business (hotels and finance leases)	-	4.8	*na*
Services and other income (net)	1.3	3.6	*+183.6%*
Salaries and management costs	(63.2)	(71.8)	*+13.7%*
EBITDA	437.0	453.5	*+3.8%*
Net financial expenses	(86.0)	(80.4)	*-6.5%*
Recurrent gross income	351.0	373.0	*+6.3%*
Recurrent net income from associates	0.0	1.0	*+1535.0%*
Recurrent minority interests	(0.2)	(7.5)	*na*
Recurrent tax	(3.4)	(3.0)	*-11.2%*
Recurrent net income (Group share)[6]	347.4	363.5	*+4.6%*
Recurrent net income (Group share) per share	5.37[7]	5.44	*+1.3%*

The rental margin came to 92.5%, stable compared with 2016 (92.4%) despite the sale of the Healthcare portfolio, which had a rental margin of close to 100%, in 2016. This stability reflects the change in the portfolio mix, with a stronger weighting for offices, as well as the letting of buildings that were previously vacant.

	Group	Offices	Residential	Healthcare
Rental margin at end-2016 - reported	92.4%	95.5%	81.0%	98.9%
Rental margin at end-2016 - excl. healthcare	91.9%			
Rental margin at end-2017	92.5%	95.5%	82.0%	na

[6] EBITDA less net financial expenses, recurrent tax and certain non-recurring costs
[7] Following the adjustment of the payout for preferential subscription rights linked to the capital increase from August 2017 (adjustment coefficient of 0.97391)

Reduction in the average cost of debt and extension of its average maturity

Gecina has continued to optimize its liabilities, capitalizing on a still positive environment to make progress on all its financial indicators. The rapid integration of Eurosic's financing facilities, the use of the bond markets under good conditions, the optimization of the combined structure (debt and hedging), and the repayment of certain credit lines have had positive impacts on the Group's aggregates, which show improvements compared with 2016, in terms of the average cost, which is down significantly year-on-year, and the average maturity of debt and duration of hedging, which have both improved.

Net financial expenses are down -6.5% from 2016, while the average volume of debt is up +33% linked to Eurosic's acquisition.
The **average cost of debt** (including undrawn credit lines) came to **1.7% in 2017, significantly lower (-50 bp)** than 2016, thanks to the optimization work carried out in a very positive market environment. The average cost of drawn debt represents 1.3%, down -40 bp year-on-year.

As a result, **Gecina's ICR shows a further increase**, up from 4.9x at the end of 2016 to 5.6x at end-2017.

At end-2017, **the average maturity of the Group's debt was up to 6.9 years** (versus 6.7 years at end-2016). This increase in the average maturity of debt has benefited primarily from the bond issues placed in 2017 for €2.2bn with an average coupon of 1.3% and an average maturity of 10 years, as well as the early renewal of nearly €1bn of undrawn credit lines. Gecina has raised a total of €3.3bn of new financing, with an average maturity of 8.9 years, and has repaid €1.6bn of financings with shorter maturities (2.5 years on average).

At end-December 2017, Gecina's LTV came to 42.4% excluding duties and 40.0% including duties. Factoring in the sales achieved since the 1st of January and those under preliminary agreements to date, the Group's LTV comes out at 41.5% excluding duties.

Ratios	Covenant	Dec 31, 2017
Loan to value (block, excl. duties)	< 55% / 60%	42.4%
EBITDA (excluding disposals) / net financial expenses	> 2.0x	5.6x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	3.6%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0 – 8.0	19.6

Group's stronger presence for offices in the most central sectors

Following Eurosic's acquisition and the first sales of assets before the end of the year, the percentage of offices within the combined structure is already **up to 80%** (versus 78% for Gecina on its own at end-2016), consolidating the trend from the past few years. In addition, **the percentage of offices at the heart of Paris City is up to 56%**. At end-2017, 39% of Gecina's office portfolio was located at the heart of the CBD or in Paris' 6th and 7th arrondissements.
This operation has therefore significantly improved Gecina's coverage of the heart of Paris, particularly in the key sectors - CBD and the 6th and 7th arrondissements - as well as emerging districts in the 9th and 10th arrondissements.

Following the sales program that is underway, the concentration of Gecina's portfolio in the Paris Region's most central sectors will be further strengthened (85% of the office portfolio is today concentrated in Paris, in the Western Crescent's best sectors (Boulogne-Billancourt, Issy-les-Moulineaux, Neuilly and Levallois) or in La Défense).

Outlook for value creation further strengthened with Eurosic, with the total pipeline up +40% to €5.2bn

Gecina's total pipeline, including Eurosic's projects, is **up +40%** (+€1.5bn) to **€5.2bn, compared with €3.7bn at end-2016,** despite the delivery of four projects during the year (55 Amsterdam in Paris, Gerland-Septen in Lyon, and two student residences). **The expected average yield on cost is 6.0%** for the various operations, with nearly 70% located at the heart of Paris City. Almost 30% of the combined pipeline today is linked to operations that are committed to or identified from the Eurosic scope.

€2.8bn of committed projects with deliveries expected to be ramped up in the second half of 2018

The **+85% increase in the volume of committed investments** (€2.8bn at end-2017 vs. €1.5bn end-2016) reflects the integration of five major projects (four in Paris and one in La Défense) from Eurosic's portfolio (Le Jade Paris-15, Montmorency Paris-16, Penthemont Paris-7, Hôtel du Génie Paris-7 and Carré Michelet La Défense), scheduled for delivery in 2018 and 2019, as well as the launch of the "75 GA" project at the site of the PSA Group's former headquarters in Paris' CBD, with delivery planned for 2020, alongside two new student residence projects and a traditional residential project in Paris.

Nearly 62% of this committed pipeline is concentrated in Paris City, with 31% in the Western Crescent or La Défense, and the rest concerning the SKY 56 project in Lyon Part-Dieu, already 87% pre-let, and a student residence in Paris' Inner Rim. Based on the pre-lettings already secured and the rental assumptions, the yield on cost is expected to reach 5.6%.

All of these committed programs represent a potential annualized rental volume of almost €160m, with €115m for the 12 buildings expected to be delivered in 2018, primarily over the second half of the year.
The 12 projects scheduled to be delivered during the year represent a total of around 243,000 sq.m, with 44% pre-let for the 11 offices projects, which may increase to 56% in the short-term following the discussions that are currently being finalized.

At end of 2017, €506m were still to be invested on committed projects, with €345m in 2018, €84m in 2019 and €67m in 2020.

€1.0bn of "certain" controlled projects over the short or medium term, with 73% in Paris City

The "certain" controlled pipeline concerns the assets held by Gecina that are currently being vacated and for which a redevelopment project aligned with Gecina's investment criteria has been identified. These projects will therefore be launched over the coming half-year or full-year periods. These "certain" projects that have not yet been committed to represent a combined total of €1.0bn. These projects are scheduled for delivery over the medium term, between 2020 and 2023, and 73% are located in Paris City, with an average expected yield on cost of 5.6%.

€1.3bn of "probable" controlled projects over the longer term, with 81% in Paris City

The "probable" controlled pipeline covers the projects identified and owned by Gecina that may require pre-letting (for greenfield projects in peripheral locations within the Paris Region) or cases when tenant departures are not yet certain over the short term. The identification of these projects upstream is making it possible to achieve a potential yield on cost of 7.0% with a portfolio of potential projects focused primarily on Paris.

			Delivery date	Lettable area in sq.m	Total investment in €m	Already Invested in €m	To be Invested in €m	Est. yield on cost	Prime yield Q3 (BNPPRE)	% ownership	Pre-letting
Paris - Le Jade	Eurosic	Paris	Q1-18	22,000	224	220	4			100%	93%
Paris - 20 Ville l'Evêque	Gecina	Paris CBD	Q1-18	6,700	64	60	3			100%	100%
Paris - Penthemont	Eurosic	Paris 7th	Q2-18	9,200	245	229	16			99%	100%
Levallois - Octant Sextant	Gecina	Western Crescent	Q3-18	37,800	225	202	23			100%	81%
Lyon Part Dieu - Sky 56	Gecina	Lyon	Q3-18	30,700	137	92	45			100%	87%
Paris - Guersant	Gecina	Paris	Q3-18	14,400	127	111	16			100%	62%
Total pre-let offices				**120,800**	**1,021**	**948**	**117**	**5.4%**	**3.4%**		**85%**
Issy les Moulineaux - Be Issy	Gecina	Western Crescent	Q2-18	25,100	163	132	31			100%	0%
Paris – Montmorency	Eurosic	Paris	Q3-18	13,800	150	139	11			99%	0%
Paris – Ibox	Gecina	Paris	Q3-18	19,200	162	128	34			100%	0%
Paris - Le France	Gecina	Paris	Q4-18	20,100	182	163	18			100%	0%
La Défense - Cours Michelet	Eurosic	Western Crescent	Q4-18	36,800	331	280	51			100%	0%
Hôtel du Génie	Eurosic	Paris	Q2-19	2,400	45	34	11			100%	0%
Neuilly – Graviers	Gecina	Western Crescent	Q2-20	14,500	128	94	34			100%	0%
Paris - 7, Rue de Madrid	Gecina	Paris	Q4-19	11,100	109	69	40			100%	0%
75 GA	Gecina	Paris	Q3-19	34,100	440	350	90			100%	0%
Total offices to be let				**177,100**	**1,710**	**1,385**	**321**	**5.7%**	**3.5%**		**0%**
Total offices				**297,900**	**2,729**	**2,304**	**425**	**5.6%**	**3.5%**		**34%**
Puteaux - Rose de Cherbourg	Gecina	Western Crescent	Q3-18	7,500	43	29	14			100%	na
Porte Brançion	Gecina	Paris	Q3-20	2,900	19	0	19			100%	na
Student residence project	Gecina	Inner Rim	Q3-21	7,200	41	0	41			100%	na
Paris - St Mandé	Gecina	Paris	Q4-19	700	4	0	4			100%	na
Total residential				**18,300**	**108**	**29**	**78**	**6.5%**	**4.9%**		**na**
TOTAL committed projects				**316,200**	**2,839**	**2,333**	**506**	**5.6%**	**3.5%**		
Total Controlled & Certain				**111,100**	**1,013**	**673**	**340**	**5.6%**	**3.4%**		
Total Controlled & Probable				**195,600**	**1,346**	**497**	**848**	**7.0%**	**3.6%**		
TOTAL				**622,900**	**5,198**	**3,503**	**1,695**	**6.0%**	**3.5%**		

Portfolio rotation accelerated

€655m of commercial properties sold or under preliminary sales agreements, with a +12.5% premium versus the appraisal values
When it announced its plans to acquire Eurosic, Gecina set out its ambition to accelerate the combined portfolio's rotation with a program targeting sales of at least €1.2bn, potentially rising to €2.2bn depending on market opportunities that the Group may want to capitalize on.

More than half of this minimum program has already been completed or secured, with an average premium of nearly +12.5% compared with the appraisal values, for €655m, with almost 66% from the former Eurosic scope.

Out of the €655m of sales completed or covered by preliminary agreements, €140m still need to be finalized. Alongside this, other preliminary agreements are currently being prepared.

- Nearly 41% of these completed or secured sales correspond to the sale of financial interests historically held by Eurosic in various assets in Paris (15 Laborde, 14 Londres, Stream Building, Laffitte Lafayette, Cotentin and Tombe Issoire).
- Nearly 41% of the completed or secured sales concern assets located outside of Paris (Bagnolet, Cergy-Pontoise, Romorantin, Saint-Ouen, …)
- 18% are linked to the sale of buildings in Paris from Eurosic's scope (Rez de Perreire - Paris 17, Le Ponant – Paris 15, Bessières – Paris 17, …).

€143m of unit residential sales completed or under preliminary agreements
By end-December 2017, Gecina had finalized €125.2m of sales of apartments on a unit basis when they become vacant, securing an average premium of nearly +36% versus the end-2016 appraisal values.
Alongside this, nearly €18m of unit-based sales were under preliminary agreements at end-2017, while preliminary agreements are currently being prepared for €6.5m of sales.

Two office buildings in the CBD and La Défense acquired since the start of the year

Since the start of the year, Gecina has also finalized its acquisition of two office buildings in key sectors for the Paris Region office market.

In this way, the Group acquired a building with nearly 5,000 sq.m on Rue de Courcelles in Paris' CBD for almost €63m excluding duties. This building is adjacent to an asset with nearly 20,000 sq.m already owned by Gecina (Le Banville), opening up opportunities for extensive real estate synergies.
On July 4, Gecina also finalized its acquisition of a 10,500 sq.m office building in La Défense, based on an immediate net yield of around 5.7%, for €78.5m. This building is fully let with a residual firm period of three years and is located in the ZAC Danton development zone, close to the T1&B buildings already owned by Gecina.

Lettings ramped up since the start of the year

Since the start of the year, Gecina has let, pre-let, relet or renegotiated nearly 136,000 sq.m, almost 2x higher than the volume of lettings from 2016.
Including the transactions concerning Eurosic's portfolio, the volume of transactions for the Group's scope represents nearly 250,000 sq.m (close to €98m of headline rent) for the full year in 2017.

The main transactions completed since the start of the year concern the Gecina scope (136,000 sq.m), with vacant buildings such as Dock-en-Seine in Saint-Ouen (9,000 sq.m) or Le Cristallin in Boulogne (11,600 sq.m), development programs such as Octant-Sextant in Levallois (28,500 sq.m), Sky 56 in Lyon-Part Dieu and several buildings in Paris - 20 Ville l'Evêque and Paris-Guersant – as well as certain buildings delivered recently such as 55 Amsterdam.
For the Eurosic scope (around 114,000 sq.m), the main transactions include a previously vacant building in Toulouse-Blagnac (15,500 sq.m) and progress made with letting a building delivered recently in Lyon (Terralta) for nearly 3,700 sq.m. Eurosic had also previously recorded the letting of the Le Jade building in Paris (22,000 sq.m), followed more recently by several buildings in Paris (rue de Naples in the CBD and rue de Crimée) and other French regions.

Based on the portfolio of projects under development at end-2016, nearly 50% of the space has already been or is about to be pre-let, compared with just 21% at the end of 2016.

Based on the portfolio of projects under development at end-2017, and considering the new projects that have been included in the pipeline and the deliveries of fully let assets, this rate is currently 34% and could rise to nearly 48% in the short term following the discussions that are currently being finalized.

Strong like-for-like portfolio value growth (+11.8% year-on-year)

The portfolio value (block) is up +61.4% to €19,648m, primarily factoring in the consolidation of Eurosic's portfolio, with like-for-like growth of +11.8% on a year-on-year basis. The bulk of this like-for-like growth is linked to the increase in the value of offices in the most central sectors and the Paris Region, as well as the residential portfolio.

Like-for-like, the **office portfolio** value is up +7.7% over 12 months, including +10.1% growth for the Paris portfolio. Although they have also seen growth, values have increased more slowly for certain sectors (+6.1% for the Western Crescent and La Défense), while valuation levels for office assets located in the Paris Region's Inner and Outer Rims or in other French regions are stable on a like-for-like basis.
Like-for-like, these appraisals reflect a 25 bp compression of capitalization rates for offices since the end of 2016 to 4.6% including retail units and **4.85% exclusively for offices**. This growth in value also includes a positive rent effect, indicating the effective upturn on the rental market, particularly in the Paris Region's most central sectors. **More than two third of this increase in value is linked to a "business plan-rental income" effect in the second half of the year**, with the rest resulting from the compression of capitalization rates.

The valuation retained for Gecina's **residential portfolio** shows a significant increase, up +26.8% like-for-like over 12 months, with a +3.1% increase for the second half of 2017. This strong increase primarily reflects the growing appetite among institutional investors for residential real estate, illustrated by several recent transactions used as a benchmark for the appraisals. Only half of this growth in value is linked to the compression of capitalization rates.

Breakdown by segment	Appraised values		Net capitalization rates		Like-for-like change	
In million euros	2017	2016	2017	2016	Dec 2017 vs. Dec. 2016[8]	Dec 2017 vs. Jun 2017[9]
Offices & Retail	**15,752**	9,526	**4.6%**	4.7%	**+7.7%**	**+2.4%**
Offices only	*14,322*	*8,228*	*4.8%*	*5.1%*	*+7.2%*	*+2.4%*
Paris CBD & 5-6-7 - Offices	4,772	2,702	4.0%	4.6%	+10.5%	+4.0%
Paris CBD & 5-6-7 - Retail	1,430	1,298	2.4%	2.6%	+10.1%	+1.1%
Paris - Other	2,614	1,218	5.4%	6.3%	+8.9%	+2.4%
Western Crescent - La Défense	**4,551**	3,399	**4.7%**	4.9%	**+6.1%**	**+2.2%**
Paris Region - Other	**1,130**	617	**6.8%**	6.2%	**-0.4%**	**+0.1%**
Other regions	**1,256**	293	**6.1%**	6.0%	**+0.6%**	**+1.9%**
Residential (block)	**3,160**	2,644	**3.5%**	4.4%	**+26.8%**	**+3.1%**
Other commercial assets	254	-	6.7%	na	na	Na
Hotels & finance leases	482	-	n.a.	na	na	Na
Group total	19,648	12,171	4.4%	4.6%	+11.8%	+2.6%
Total value: unit appraisals	20,101	12 788			+9.8%	+3.0%

Strong NAV growth supported by the strategy and favorable market trends

Diluted EPRA triple net NAV (block) came to €152.9 per share, with strong growth of +18.9%[10] year-on-year.
Diluted EPRA NAV (block) represents €153.3 per share, up +17.6%[10] year-on-year.

This performance reflects a compression of capitalization rates and a positive "business plan-rental income" effect, as well as the impacts of Gecina's total return strategy, through the growth in value achieved for assets acquired or delivered during the year, as well as the portfolio under development. The increase in value for the development portfolio has benefited from the pre-lettings secured during the year.

[8] Excluding Eurosic scope
[9] Including Eurosic scope
[10] Following the adjustment of the payout for preferential subscription rights linked to the capital increase from August 2017 (adjustment coefficient of 0.97391)

Growth in EPRA triple net NAV per share came to +€24.2 for 2017, with the following breakdown:

- 2016 dividend: - €5.1[11]
- Impact of recurrent net income: + €5.4
- Like-for-like value adjustment on Office assets: + €8.9
- Like-for-like value adjustment on Residential assets: + €9.6
- Net value increase for 2017 acquisitions and pipeline (incl. deliveries): + €5.3
- Net capital gains from sales completed or secured at end-2017: + €1.0
- Accretive impact of share buyback program: + €0.9
- Other: - €1.8

On a unit value basis, diluted EPRA NAV represented €159.3 per share at end-2017, compared with €139.8[10] per share at end-2016, up +14.0% over the year.

	Dec 31, 16		Jun 30, 17		Dec 31, 17	
In million euros	Amount / number of shares	€/share	Amount / number of shares	€/share	Amount / number of shares	€/share
Fully diluted number of shares	63,402,484		61,556,067		73,454,892	
Shareholders' equity under IFRS	8,276		9,031		10,986	
+ Receivable from shareholders	-		159.2		-	
+ Impact of exercising stock options	17.7		15.6		6.5	
Diluted NAV	8,294	€127.4[11]	9,205	€145.7[11]	10,992	€149.6
+ Fair value reporting of buildings, if amortized cost option has been selected	92.9		109.1		113.3	
+ Hotel business	0.0		0.0		43.0	
+ Optimization of transfer duties	68.9		66.8		121.8	
- Fair value of financial instruments	29.5		20.1		(13.1)	
- Deferred tax linked to impacts of entry into SIIC system	0.0		0.0		0.0	
= Diluted EPRA NAV	8,485	€130.3[11]	9,401	€148.7[11]	11,257	€153.3
+ Fair value of financial instruments	(29.5)		(20.1)		13.1	
+ Fair value of liabilities	(78.9)		(27.9)		(37.4)	
+ Deferred tax linked to impacts of entry into SIIC system	0.0		0.0		0.0	
= Diluted EPRA triple net NAV	8,377	€128.7[11]	9,354	€148.0[11]	11,233	€152.9

Residential portfolio: a core strategic focus for Gecina

Gecina is today confirming its commitment to keeping its portfolio of residential assets in areas of scarcity in the Paris Region. With a portfolio valued at €3.2bn, concentrated in sectors with a structural housing supply shortfall in Paris and the West of Paris in particular, Gecina serves nearly 20,000 users.

With the leading private portfolio of residential real estate in Paris, the Group has the scale needed to ensure the success of future initiatives.

This portfolio is currently being analyzed, making it possible to identify three key areas for creating value, justifying the residential portfolio's continued inclusion in the Group's scope.

1- **Capitalizing on the residential portfolio's focus on central sectors to identify opportunities** for value-creating investments. The Group's residential portfolio offers numerous opportunities for investment with strong potential for creating value (operations to increase density levels, extend properties, etc.). To date, nearly €195m of investments have already been identified, with an expected yield on cost of over 6.4%, including €107m of investments that are already committed to.
2- **Capturing rental reversion and optimizing the rental margin.** The Group has already estimated its portfolio's reversion potential above a minimum of +5%, and also plans to align its portfolio's management approach with best practices in order to increase the rental margin generated on portfolio in operations.
3- **Developing new markets, capitalizing on privileged access to users across our network of buildings.** The relationship with our tenants needs to move beyond the framework of leases to align itself with an approach for support and services on new markets, with their emergence supported by the economy's digitalization. In 2018, Gecina will be launching a first initiative focused on innovative services for Campusea users and, in time, it plans to roll out this type of service across its entire residential portfolio. Other complementary opportunities are also being looked into, including certain innovative partnerships.

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

Proposed dividend for 2017 up for the sixth consecutive year

A proposal will be submitted at the General Meeting on April 18, 2018 to approve a payout of €5.3 per share for 2017.
Once the 2017 dividend has been released for payment, a 50% interim payment (€2.65) will be made in cash on March 8, 2018, followed by the balance (€2.65) on July 5, 2018, for which shareholders will be able to choose to receive a payment in new shares or cash.

Model further strengthened, looking ahead 2018 with confidence

2018 will be marked by an acceleration in the volume of completion, mainly during the second half of the year, as well as the sales announced following Eurosic's acquisition. By the end of December 2017, €571m of sales had already been completed or secured. Based on the working assumption for an additional volume of sales of €1.2bn in 2018, recurrent net income (Group share) per share is expected to increase by +3% to +6% depending on the execution timeline.

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APPENDIX

1- Financial statements

Condensed income statement and recurrent income

At the Board meeting on February 21, 2018, chaired by Bernard Michel, Gecina's Directors approved the financial statements at December 31, 2018. The audit procedures have been performed on these accounts, and the certification reports have been issued after verifying the information contained in the annual report, included in the reference document.

In million euros	Dec 31, 16	Dec 31, 17	*Change (%)*
Gross rental income	540.0	558.9	*+3.5%*
Net rental income	498.9	516.9	*+3.6%*
Operating margin for other business	0.0	4.8	*na*
Services and other income (net)	1.3	3.6	*+166.5%*
Salaries and management costs	(63.2)	(71.8)	*+13.7%*
EBITDA	437.0	453.5	*+3.8%*
Net financial expenses	(86.0)	(80.4)	*-6.5%*
Recurrent gross income	351.0	373.0	*+6.3%*
Recurrent net income from associates	0.0	1.0	*na*
Recurrent minority interests	(0.2)	(7.5)	*na*
Recurrent tax	(3.4)	(3.0)	*-11.2%*
Recurrent net income (Group share) [(1)]	347.4	363.5	*+4.6%*
Gains from disposals	48.4	20.0	*-58.6%*
Change in fair value of properties	530.0	1,555.8	*+193.6%*
Real estate margin	0.0	0.5	*na*
Depreciation and amortization	(18.9)	3.6	*-118.9%*
Change in value of financial instruments and debt	(26.0)	12.7	*-148.8%*
Bond redemption costs and premiums	(64.2)	(23.8)	*-62.9%*
Impact of business combination	0.0	(28.6)	*na*
Expenses related to offer for Foncière de Paris	(4.2)	0.0	na
Other	1.1	(8.2)	*-871.3%*
Consolidated net income (Group share)	813.5	1,895.6	*+133.0%*

[(1)] EBITDA less net financial expenses, recurrent tax, recurring minority interest, and certain non-recurring costs

Consolidated balance sheet

ASSETS *In million euros*	Dec 31, 16	Dec 31, 17
Non-current assets	11,546.9	18,983.0
Investment properties	10,430.6	15,407.4
Buildings under redevelopment	1,038.7	2,806.4
Buildings in operation	61.1	244.0
Other property, plant and equipment	7.4	13.3
Goodwill		207.7
Intangible assets	6.3	5.9
Financial receivables on finance leases		224.3
Long-term financial investments	2.8	3.4
Investments in associates	0.0	44.7
Non-current financial instruments	0.0	17.7
Deferred tax assets	0.0	8.2
Current assets	798.8	1,123.1
Properties for sale	547.4	578.7
Inventories	0.0	156.3
Trade receivables and related	105.9	141.7
Other receivables	67.7	100.0
Prepaid expenses	17.6	22.3
Current financial instruments	1.5	2.1
Cash and cash equivalents	58.6	122.0
TOTAL ASSETS	12,345.7	20,106.1

LIABILITIES *In million euros*	Dec 31, 16	Dec 31, 17
Capital and reserves	8,289.7	11,014.4
Share capital	475.8	565.2
Additional paid-in capital	1,910.7	3,167.1
Consolidated reserves	5,076.1	5,358.1
Consolidated net income	813.5	1,895.6
Capital and reserves attributable to owners of the parent	8,276.0	10,986.0
Non-controlling interests	13.7	28.4
Non-current liabilities	3,230.9	6,982.6
Non-current financial debt	3,158.8	6,926.8
Non-current financial instruments	31.0	6.5
Deferred tax liabilities	0.0	12.6
Non-current provisions	41.0	36.8
Non-current taxes due & other employee-related liabilities	0.0	0.0
Current liabilities	825.1	2,109.0
Current financial debt	481.6	1,607.9
Current financial instruments	0.0	0.2
Security deposits	49.3	86.8
Trade payables and related	211.7	278.4
Current taxes due & other employee-related liabilities	41.2	57.3
Other current liabilities	41.3	78.4
TOTAL LIABILITIES	12,345.7	20,106.1

2- Investments during the year

In million euros	2017
Maintenance capex	48
Pipeline investments	277
Of which, capitalized financial expenses	*16*
Acquisitions	142
Total investments in 2017	466

3- Factors for like-for-like rental income changes in 2017 vs 2016

Offices (80% of Group rental income)

Like-for-like change	Indexes	Business effect	Vacancy	Other
+2.5%	+0.5%	+0.3%	+1.9%	-0.3%

Residential (16% of Group rental income excluding Healthcare)

Like-for-like change	Indexes	Business effect	Vacancy	Other
+0.9%	+0.3%	+0.1%	+0.4%	+0.1%

4- Rental risks

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

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

	2017
Public sector	9%
Insurance	4%
Other	7%
Banking	4%
Real estate	4%
Industry	11%
IT	7%
Luxury goods - retail	12%
Media - television	3%
Services	33%
Technology and telecoms	5%

Volume of rental income by three-year break and end of leases:

In million euros	2018	2019	2020	2021	2022	2023	2024	> 2024
Three-year breaks	111	117	76	58	35	36	22	100
End of leases	58	57	42	84	30	41	57	186

5- FINANCING

5.1 Debt structure

Gecina's gross financial debt[1] came to €8,453m at December 31, 2017, compared with €3,640m at end-2016; net financial debt[1] represents €8,331m at end-2017. This significant increase reflects the low level of gross debt at end-2016 following the healthcare portfolio's sale, while the volume at end-2017 includes the impact of Eurosic's acquisition and integration.

The main characteristics of the debt are as follows:

Debt structure	Dec 31, 2017	Dec 31, 2016
Gross financial debt (in million euros) [2]	**8,453**	3,640
Net financial debt (in million euros) [1]	**8,331**	3,582
Gross nominal debt (in million euros) [2]	**8,427**	3,616
Unused credit lines (in million euros)	**3,760**	2,245
Average maturity of debt (in years, restated for available credit lines)	**6.9**	6.7
LTV	**42.4%**	29.4%
LTV (including transfer taxes)	**40.0%**	27.7%
ICR	**5.6x**	4.9x
Secured debt / portfolio value	**3.6%**	6.5%

(1) Excluding fair value items linked to Eurosic's debt, with €8,412m including these items.
(2) Gross financial debt = Gross nominal debt + impact of the recognition of bonds at amortized cost + accrued interest not due + other items

Breakdown of gross nominal debt:

	Dec 31, 17
Bonds	60%
Corporate loans	11%
Mortgage loans	8%
Short-term resources covered by long-term credit lines	20%

5.2 Financing schedule

The following table presents the schedule for Gecina's financing facilities at December 31, 2017, including unused credit lines:

Maturities	2018	2019	2020	2021	2022	>2023
In million euros	110	911	1,401	1,503	1,220	5,327

All the credit maturities for the next two years were covered by available liquidity at December 31, 2017 (€2.2bn). In addition, 97% of drawn debt (after factoring in undrawn credit lines) has a maturity of over three years and nearly 64% has a maturity of over five years.

5.3 Bank covenants

Gecina's financial position at December 31, 2017 is compliant with the various limits likely to affect the conditions for repayment or early repayment clauses in the various credit agreements.
The following table presents the position for the main financial ratios covered under the agreements:

Ratios	Benchmark standard	Position at Dec 31, 17
Loan to value (block, excl. duties)	< 55% / 60%	42.4%
EBITDA (excluding disposals) / net financial expenses	> 2.0x	5.6x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	3.6%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0- 8.0	19.6

6- ANNUALIZED GROSS RENTAL INCOME

The change in annualized rental income between December 31, 2016 and December 31, 2017 reflects Gecina's strategic choices and external growth. Annualized rental income is up +39.7% from €479m at end-2016 to €669m at end-2017, driven primarily by Eurosic's integration (€205m), as well as the launch of redevelopment work for various assets in 2017 following the departure of their tenants (-€33m), which will have an accretive impact on Gecina's rental and valuation aggregates (o.w Le France, 75 GA in Paris and Neuilly Graviers), in addition to the acquisitions and deliveries[12] recorded during the year (+€19m) and the sales[12] finalized at end-December 2017 (-€12m).

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

In million euros	IFRS-2016	IFRS-2017
Offices	350	529
Traditional residential	114	106
Student residences	15	17
Other business		18
Total	479	669

7- PAYOUT

A proposal will be submitted at the General Meeting on April 18, 2018 to approve a payout of €5.3 per share for 2017.
Once the 2017 dividend has been released for payment, a 50% interim payment (€2.65) will be made in cash on March 8, 2018, followed by the balance (€2.65) on July 5, 2018, for which shareholders will be able to choose to receive a payment in new shares or cash.

[12] On Gecina perimeter excluding Eurosic