



French limited company (société anonyme) with a share capital of €571,221,757.50  
Registered office: 14-16 rue des Capucines, 75002 Paris, France  
Paris trade and companies register: 592 014 476

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**BOARD OF DIRECTORS' SUPPLEMENTARY REPORT CONCERNING GECINA'S CAPITAL INCREASE  
DECIDED ON JULY 19, 2018**

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Dear Sir or Madam,

In accordance with Articles L.225-129-5 and R.225-116 of the French commercial code (Code de commerce), we can inform you that the Board of Directors has used the delegation of authority granted by the 29th resolution from the combined general shareholders' meeting of Gecina (hereafter the "Company") on April 18, 2018 to increase the share capital by issuing shares or marketable securities entitling holders to access the capital reserved for members of savings plans, with their preferential subscription rights waived. This operation was carried out in connection with the decisions taken to encourage employees to invest in the Company's shares.

a) **Reminder of the main terms of the delegation of authority granted to the Board of Directors by the 29th resolution from the combined general meeting on April 18, 2018**

We would like to remind you that the combined general meeting on April 18, 2018, ruling under the quorum and majority conditions required for extraordinary general meetings, delegated, in its 29th resolution, to the Board of Directors for 26 months, with an option to subdelegate under the legal conditions in force, its authority to decide to increase the Company's share capital, on one or more occasions, for up to a maximum nominal amount of 2 million euros, by issuing shares or marketable securities entitling holders to access the capital reserved for members of one or more employee savings plans.

b) **Board of Directors' decision from July 19, 2018:**

Under the delegation of authority granted by the 29th resolution from the general meeting on April 18, 2018, the Company's Board of Directors decided:

- to approve the principle for a capital increase with preferential subscription rights waived, reserved for members of the Company's group savings plan, using the delegation granted to it by the Company's combined general shareholders' meeting (ordinary and extraordinary) on April 18, 2018 in its twenty-ninth resolution, up to a maximum nominal amount of 2 million euros,

- that the subscription price for the shares that may be issued will be, in accordance with Article L. 3332-18 of the French employment code (Code du travail), at least equal to 80% of the average opening listed prices preceding the date of the decision to set the opening of the subscription period,
- to subdelegate to the Chief Executive Officer the powers required to perform any operations and formalities with a view to carrying out this capital increase.

c) **Chief Executive Officer's decision from September 4, 2018**

The Chief Executive Officer, Ms. Méka Brunel, under the delegation of authority granted to her based on the Board of Directors' decision from July 19, 2018, decided:

- to carry out a cash-based increase in the Company's capital reserved for members of the Company's group savings plan, based on the amount of the capital securities subscribed for by the employees individually, subject to the legal limits in force;
- that the said shares will be issued at a price equal to 80% of the average opening prices for Gecina's share from the 20 stock market sessions prior to the date of this decision, i.e. 118.12 euros per share; taking into account the par value of 7.50 euros per share, the issue premium will be 110.62 euros per share;
- that the new shares will be entitled to dividends from January 1, 2018;
- that subscriptions will be carried out directly in shares by the beneficiaries, who are members of an employee savings plan, and the shares subscribed for will be unavailable for a five-year period;
- that the subscription period will be open from September 6, 2018 (inclusive) to September 19, 2018 (inclusive);
- that the shares subscribed for will need to be paid up on subscription in cash;

and issued a reminder that:

- in accordance with French law, the capital increase will only be carried out for the amount of the shares effectively subscribed for, without requiring any minimum level;
- the setting of the number of new shares that will be issued to fulfil the subscription requests and the issuing of the corresponding new shares will be recorded in a subsequent decision when the subscription period closes.

The Chief Executive Officer will report to the Board of Directors on the use made of this delegation under the conditions set by the latter.

d) **Conditions for the reserved capital increase**

In accordance with Section 4 of the group savings plan regulations, the total amount of voluntary payments (including profit-sharing) made during a given year cannot exceed one quarter of an employee's annual compensation or professional income subject to income tax for the previous year.

e) **Impact of the reserved capital increase on shareholder positions**

*Impact of the issue on the stake in consolidated shareholders' equity*

For information, the impact of the issue of shares on the stake in equity per share (based on consolidated shareholders' equity at June 30, 2018) is as follows:

|   | Stake in consolidated<br>shareholders' equity<br>(€) |
|---|--|
| Before issue of shares with the capital increase                              | €148.88  |
| After issue of 33,557 shares with the capital increase reserved for employees | €149.23  |

*Impact of the issue on the stake in statutory shareholders' equity*

For information, the impact of the issue of shares on the stake in equity per share (based on statutory shareholders' equity at June 30, 2018 adjusted for the capital increase and the payment of the dividend in shares) is as follows:

|  | Stake in statutory<br>shareholders' equity<br>(€) |
|--|---|
| Before issue of shares with the capital increase       | €72.49  |
| After issue of 33,557 shares with the capital increase | €72.87  |

*Impact of the issue on shareholders' interests*

For information, the impact of the issue of shares on the capital interest of a shareholder owning 1% of the Company's capital prior to the reserved capital increase and not subscribing for this capital increase

(based on the number of shares comprising the capital at June 30, 2018 adjusted for the capital increase and the payment of the dividend in shares, i.e. 76,221,100 shares) is as follows:

|  | Shareholder's interest<br>(%) |
|--|-------------------------------|
| Before issue of shares with the capital increase       | 1%                            |
| After issue of 33,557 shares with the capital increase | 1%                            |

**f) Theoretical impact of the reserved capital increase on the current market value of the Company's share**

|  | Market value<br>(€ per share) |
|--|-------------------------------|
| Before issue of shares with the capital increase       | €142.00                       |
| After issue of 33,557 shares with the capital increase | €141.99                       |
| Impact   | (0.01)                        |

**g) For reference: Change in share capital and net position**

| €'000                         | Capital        | Issue, merger and conversion premiums | Revaluation gain/loss | Reserves       | Retained earnings | Net position excl. earnings for year and subsidies | Income         | Subsidies    | Shareholders' equity | Dividend payments |
|-------------------------------|----------------|---------------------------------------|-----------------------|----------------|-------------------|--|----------------|--------------|----------------------|-------------------|
| <b>Dec 31, 2015</b>           | <b>474,455</b> | <b>1,905,293</b>                      | <b>445,535</b>        | <b>765,689</b> |                   | <b>3,590,971</b>                                   | <b>284,497</b> | <b>1,347</b> | <b>3,876,815</b>     |                   |
| Capital increases (employees) | 1,305          | 13,623                                |                       | 130            |                   | 15,058   |                |              | 15,058               |                   |
| Account transfers             |                |                                       | (16,620)              | 16,620         |                   |  |                |              |                      |                   |
| Other changes                 |                |                                       |                       |                |                   |  |                | 169          | 169                  |                   |
| 2015 income appropriation     |                |                                       |                       | (29,286)       |                   | (29,286)   | (284,497)      |              | (313,783)            | 313,783           |
| 2016 net income               |                |                                       |                       |                |                   |  | 469,119        |              | 469,119              |                   |
| <b>Dec 31, 2016</b>           | <b>475,760</b> | <b>1,918,916</b>                      | <b>428,915</b>        | <b>753,153</b> |                   | <b>3,576,743</b>                                   | <b>469,119</b> | <b>1,516</b> | <b>4,047,378</b>     |                   |
| Capital increases             | 88,395         | 1,244,465                             |                       |                |                   | 1,332,860  |                |              | 1,332,860            |                   |
| Capital increases (employees) | 1,071          | 11,935                                |                       |                |                   | 13,006   |                |              | 13,006               |                   |
| Account transfers             |                |                                       | (10,619)              | 10,619         |                   |  |                |              |                      |                   |
| Other changes                 |                |                                       |                       |                |                   |  |                | (236)        | (236)                |                   |
| 2016 income appropriation     |                |                                       |                       |                | 146,955           | 146,955  | (469,119)      |              | (322,163)            | 322,163           |
| 2017 net income               |                |                                       |                       |                |                   |  | 333,385        |              | 333,385              |                   |
| <b>Dec 31, 2017</b>           | <b>565,226</b> | <b>3,175,315</b>                      | <b>418,295</b>        | <b>763,772</b> | <b>146,955</b>    | <b>5,069,564</b>                                   | <b>333,385</b> | <b>1,280</b> | <b>5,404,230</b>     | <b>322,163</b>    |

This report, and the supplementary report prepared by the Company's statutory auditors, will be available to shareholders at the Company's registered office and will be brought to their attention at the next general meeting.

Paris, December 11, 2018

**The Board of Directors**