

GECINA

French public limited company (*Société anonyme*) with a share capital of 565,225,830 euros
Registered office: 14-16 rue des Capucines, 75002 Paris.
Paris trade and companies register 592 014 476

ADDITIONAL REPORT OF THE BOARD OF DIRECTORS RELATING TO GECINA'S INCREASE IN CAPITAL DECIDED UPON JULY 17, 2017

Dear Sir, Dear Madam,

In accordance with the provisions of articles L.225-129-5 and R.225-116 of the French Commercial Code, we are pleased to inform you that the Board of Directors has used the delegation of authority granted by the 23rd resolution of the combined general meeting of the shareholders of Gecina (hereinafter the "Company") of April 26, 2017 relating to the increase in the share capital through the issue of shares or marketable securities entitling holders to access the capital reserved to members of a savings plan with waiver of preferential subscription rights in favor of the latter. This operation is implemented in the context of the decisions taken in order to encourage the subscription of the company's shares by its employees.

a) **Reminder of the principal terms and conditions of the delegation of authority granted to the Board of Directors by the 23rd resolution of the combined general meeting of April 26, 2017**

We would remind you that pursuant to its 23rd resolution, the combined general meeting of April 26, 2017 deciding pursuant to the quorum and majority conditions required for extraordinary meetings, delegated its competence to the Board of Directors for a term of 26 months, with the option to sub-delegate, pursuant to the terms and conditions determined by law, in order to decide to increase the Company's share capital, in one or several instalments, by a maximum nominal amount of 2 million euros, through the issue of shares or marketable securities entitling holders to access the capital, reserved to members of one or several employee savings plans.

b) **Decision of the Board of Directors of July 17, 2017:**

On July 17, 2017, the Company's Board of Directors pursuant to the delegation of authority conferred by the 23rd resolution of the general meeting of April 26, 2017 decided:

- to approve the principle to increase the capital with a waiver of preferential subscription rights reserved to members of the Company's group savings plan, pursuant to the use of the delegation granted to it by the combined (ordinary and extraordinary) general meeting of the Company's shareholders of April 26, 2017 in its twenty third resolution, subject to a maximum nominal amount of 2 million euros,
- that the subscription price of the shares, which may thereby be issued shall, in accordance with article L. 3332-18 of the French Employment Code, at least be equal to 80 % of the average of the opening prices preceding the date of the decision setting the opening of the subscription period,
- to sub-delegate to the Chief Executive Officer the necessary powers for the purpose of carrying out any operation or formality with a view to completing such increase in capital.

c) **Decision of the Chief Executive Officer of October 20, 2017**

The Chief Executive Officer, Mrs. Méka Brunel, using the delegation of authority conferred upon her by the decision of the Board of Directors of July 17, 2017 decided:

- to carry out an increase in the Company's capital in cash reserved to members of the Company's group savings plan, carried out for the amount of the capital securities individually subscribed to by the employees subject to the limitations determined by law;
- that the said shares shall be issued at a price equal to 80 % of the average of the opening stock exchange prices of Gecina's shares for the 20 trading sessions preceding the date hereof, namely 108.49 euros per share; taking into account the nominal value of 7.50 euros per share, the issue price shall be of 100.99 euros per share;
- that the new shares shall bear the right to dividends on January 1, 2017;
- that the subscriptions shall be carried out directly in shares by the beneficiaries, members of an employee savings plan and that the shares subscribed to shall not be transferable for a term of 5 years;
- that the subscription period shall be open as from October 20, 2017 (inclusive) and up until October 31, 2017 (inclusive);
- that the shares subscribed to shall have to be paid up in cash as soon as they are subscribed to;

and reiterated that:

- in accordance with the law, the increase in capital shall only be carried out up to the amount of the shares effectively subscribed to, without any minimum being required;
- the determination of the number of new shares to be issued in order to satisfy the subscription requests and the issue of the corresponding new shares shall be recorded in a decision subsequent to the closure of the subscription period.

The Chief Executive Officer shall report to the Board of Directors on the use of this delegation pursuant to the conditions provided for by the latter.

d) **Terms and conditions of the reserved increase in capital**

It is specified that, in accordance with article 4 of the group savings plan's regulations, the total of the voluntary payments (profit sharing included) carried out during the course of the same year may not exceed a quarter of the annual remuneration of an employee or the professional revenue subject to income tax in respect of the preceding year.

e) **Impact of the reserved increase in capital on the shareholders' situation**

Impact of the issue on the share of the consolidated equity capital

For information purposes, the impact of the issue of the shares on the share of the equity capital per share (on the basis of the consolidated equity capital as at June 30, 2017) is as follows:

	Share of consolidated equity capital (in euros)
Prior to the issue of the shares originating from the increase in capital	€ 142.74
Following the issue of 58 287 shares originating from the increase in capital reserved to employees	€ 143.06

Impact of the issue on the share of the company's equity share capital

For information purposes, the impact of the issue of the shares on the share of the equity capital per share (on the basis of the company's equity share capital as at June 30, 2017 amended by the increase in capital and the exchange offer) is as follows:

	Share of the company's equity capital (in euros)
Prior to the issue of the shares originating from the increase in capital	€ 70.50
Following the issue of a total of 58 287 shares originating from the increase in capital	€ 70.83

Impact of the issue on the shareholders' holdings

For information purposes, the impact of the issue of the shares on the capital holdings of shareholders holding 1 % of the Company's share capital prior to the reserved increase in capital and not subscribing to the latter (on the basis of the number of shares making up the capital as at June 30, 2017 as amended by the increase in capital and the exchange offer, namely 75 220 621 shares) is as follows:

	Holding of the shareholder (as a %)
Prior to the issue of the shares originating from the increase in capital	1 %
Following the issue of 58 287 shares originating from the increase in capital	0.999 %

f) Theoretical impact of the reserved capital increase on the current stock exchange value of the shares of the Company

	Stock exchange value (in euros per share)
Prior to the issue of the shares originating from the increase in capital	€ 135.60
Following the issue of 58 287 shares originating from the increase in capital	€ 135.58
Impact	(0,02)

g) As a reminder: Evolution of the capital and the net situation

In millions of euros	Capital	Merger and conversion issue premiums	Reserves	Revaluation difference	Carried forward	Net situation excluding the result for the financial year and subsidiaries	Result	Subsidies	Equity capital	Distribution of dividends
31/12/2014	473 286	1 898 971	819 241	453 351		3 644 849	229 508	1 260	3 875 617	
Increase in capital (employees)	1 169	6 322	(519)			6 971			6 971	
Transfer of items			7 816	(7 816)						
Other variations								87	87	
Allocation of the 2014 result			(60 849)			(60 849)	(229 508)		(290 357)	290 357
2015 result							284 497		284 497	
31/12/2015	474 455	1 905 293	765 689	445 535	0	3 590 971	284 497	1 347	3 876 815	
Increase in capital (employees)	1 305	13 623	130			15 058			15 058	
Transfer of items			16 620	(16 620)						
Other variations								169	169	
Allocation of the 2015 result			(29 286)			(29 286)	(284 497)		(313 783)	313 783
2016 result							469 119		469 119	
31/12/2016	475 760	1 918 916	753 153	428 915	0	3 576 743	469 119	1 516	4 047 378	313 783

This report hereof, as well as the Company auditors' additional report, shall be made available to the shareholders at the Company's registered office and shall be made known to the shareholders at the next general meeting.

Drawn up in Paris, on February 21, 2018

The Board of Directors