2018

gecina

Registration Document

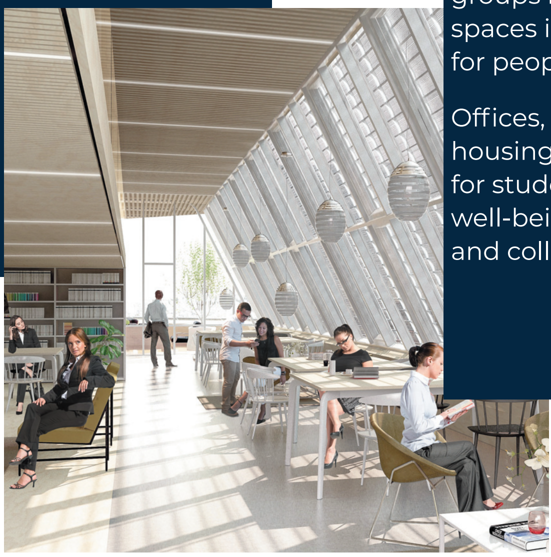
Including the Annual Financial Report

Contents

Annual Financial Report elements are clearly indentified in this table of content with the sign AFR

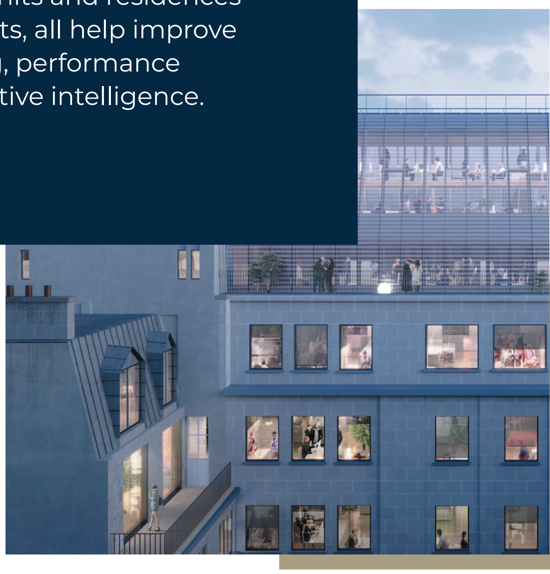
Registration Document 2018

Including the Annual Financial Report



As one of the leading real estate groups in Europe, Gecina develops spaces in the heart of cities for people to work and live.

Offices, collaborative work spaces, housing units and residences for students, all help improve well-being, performance and collective intelligence.



AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document was filed with the French securities regulator (Autorité des marchés financiers, AMF) on 02/25/2019, 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.

Copies of this Registration Document are available free of charge from Gecina (16, rue des Capucines – 75084 Paris Cedex 02) and on its website (http://www.gecina.fr), as well as on the website of the AMF (http://www.amf-france.org).

Strategic brief

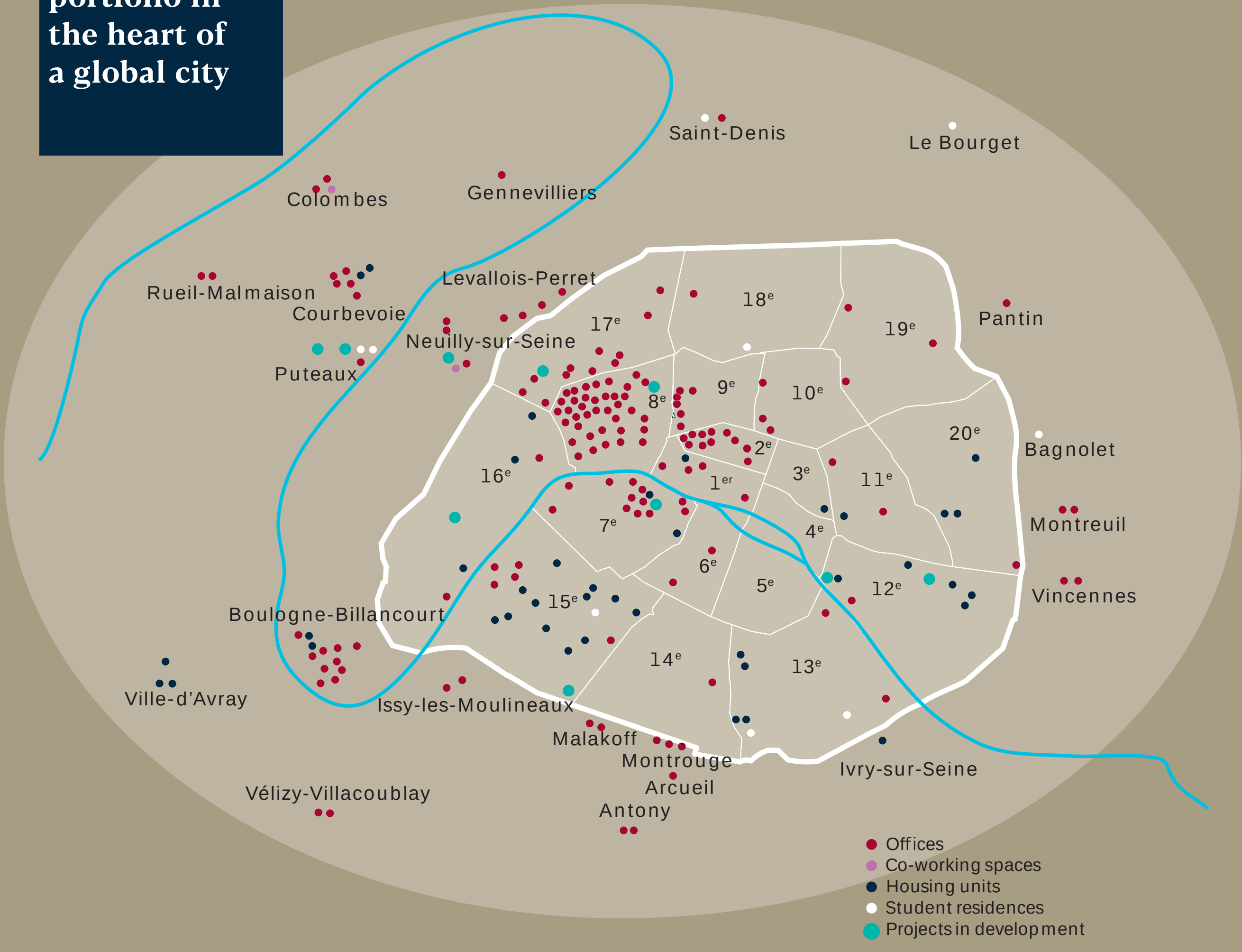
In the heart of urban life

Foreword

Be Issy, Issy-les-Moulineaux

This brief presents a comprehensive overview of Gecina and the resources we draw on to create value for our stakeholders.
The brief focuses on macro-trends in the market, as well as our strategic vision and our business model at the heart of a fast-changing environment.
It presents the Group's fundamentals and the resources, particularly human, which will enable us to deliver the expected level of financial performance.

A property portfolio in the heart of a global city



Our fundamentals: centrality, scarcity, innovation

The structure and location of its property portfolio make Gecina a unique player. Aside from these fundamentals, it is the special relations we have forged with our clients that differentiate us.

With a property portfolio of almost €19.3 billion, of which €15.4 billion in office buildings, plus an essentially Parisian portfolio of housing units and student residences valued at nearly €3.3 billion, Gecina is currently the leading office real estate company in Europe.

Aside from the size of the Group's property portfolio, Gecina also stands out for the central nature of its property assets, 97% of which are located in the heart of some of the most active areas of Paris and the Paris Region, with a strong focus on the capital, as well as municipalities in Western Paris, namely La Défense, Neuilly, Levallois and Boulogne-Billancourt.

On the basis of these strengths, our goal is clear: initiate and support the modernization of urban real estate by offering our clients efficient and responsible environments to live in that are capable of generating productivity and enhancing well-being. With a pipeline of development projects valued at €4.0 billion, we plan to achieve this goal through strong value creation operations over the coming years. In addition, we will continue to view our Corporate Social Responsibility policy as a source of value that contributes to our overall performance.

To further strengthen our ties with the occupants of our buildings, go beyond the simple "tenant" relationship and make customer relations the focus of our strategy, this year we launched a new brand, **YouFirst**, and made two commitments, namely to develop long-term, high-quality client relationships, founded primarily on the human dimension, and create innovative, high value-added services for our clients.

4th Largest European real estate company(1)

€19.3 billion

in real estate assets

Largest office property company in Europe(2)

€15.4 billion

in office assets

Largest private residential portfolio in Paris(3)
Largest integrated student residences company(4)

€3.3 billion

in traditional and student housing units

Largest GRESB-rated office property company in Europe

79%

of office surface area delivered with HQE™ Construction certification

Pipeline of projects

€4.0 billion

95%

of committed projects located in Paris City, the Western Crescent and La Défense

Financials ratings

Standard & Poor's:
A- stable outlook

Moody's:
A3 stable outlook

100,000

clients/users

New B2B2C brand

B2B B2C

youfirst

(1) By market capitalization as of 12/31/2018
(2) By portfolio value of offices, Group share
(3) By number of sq.m. in Paris City
(4) 1st investor-operator by number of beds

A solid foundation and a committed transformation

Bernard Carayon,
Chairman of the Board of Directors

Méka Brunel,
Chief Executive Officer

How do you view the year 2018?

Méka Brunel – Market dynamics combined with the efficiency of our organization allowed us to record remarkable operating performances in 2018: nearly 247,000 sq.m rented or renewed, including approximately 99,000 sq.m of buildings from the development pipeline, 2018 is a historical year for commercialization. Our net recurring income per share grew by +9% and our total return is up 8.4%. 2018 is also a noteworthy year for sustainable innovation: we concluded several responsible credit agreements linking our environmental and social objectives to our financial objectives, and finalized our investment in two funds specialized in the real estate and sustainable city sectors, Fifth Wall Venture and Paris Fonds Vert.

Bernard Carayon – We also worked hard to better meet the growing needs of investors. Gecina is at the cutting edge with regards to issues of diversity and gender parity in governance. Regarding the Board of Directors, 60% of its member are independent directors and there is perfect parity between men and women. In addition, its risk management and compliance policy is fully integrated into its decision-making and operational processes.

What are the major market trends?

M. B. – Our market is undergoing in-depth structural changes marked by the phenomenon of "metropolization". Wealth and talent are concentrated in the central neighborhoods. Market demand for diversity of usages is growing. Living spaces, offices or housing units, are closer. The quality of transport hubs and services is now key to the appeal of a neighborhood. In addition, technological development is a real game changer. By increasing the interfaces and the points of contact, digitalization replaces people at the heart of companies' concern. We are rapidly moving from a BtoB industry to a BtoBtoC industry.

> **"We are rapidly moving from a BtoB industry to a BtoBtoC industry."**
>
> **Méka Brunel**

> **"The financial strength of the Group allows us to start 2019 with confidence."**
>
> **Bernard Carayon**

Does the Parisian market dynamic seem favorable in your opinion?

B. C. – In the most central areas that are structurally marked by the scarcity of quality real estate offers in offices and housing, the trends remain extremely favorable. In the heart of Paris, the vacancy rate is down to less than 2%, illustrating the lack of quality offices offer in the most central areas. So, yes, with our portfolio mainly located in the hyper-center of the capital, where rental trends are the most favorably oriented, we are making the most of the market.

M. B. – Current massive investments, such as the extension of the RER E, the Grand Paris Express and the 2024 Olympic Games, are fueling momentum. By remapping the flows, we believe that the Grand Paris Express will strengthen the existing activity sectors, in which Gecina is present, at best locations.

The quality and centrality of your assets are thus your best advantages?

M. B. – These advantages are strong but not adequate in themselves. We must transform ourselves. We have started to do this by internally integrating the most efficient technologies, which basically means applying the concepts that we will develop for our occupants to the "Gecina customer". To best serve our clients, we have also launched a major project to overhaul our CRM. These areas of focus have enabled us to create synergies. They have also laid down the bases of a new relationship with our 100,000 clients (80,000 office occupants and 20,000 residential and student customers). This relationship is underpinned by two pillars: customer culture and service culture, with high added-value services. To best affirm our goals, we have revamped our visual identity and launched YouFirst, our relational brand.

What is the content of this new brand?

M. B. – YouFirst places our customers at the center of attention and provides them the guarantee of high-quality service. One name to cover the four activities in which Gecina is present – *bureau, collaborative, residence and campus* – it is attached to the current trend in customer usages, characterized by an increasingly marked convergence of work spaces, mobility and housing, but also of professional life and private life.

What are your major challenges for 2019?

M. B. – The positive market trends in the central and scarcity sectors, which are our preferred playing fields, are set to continue. We will therefore continue to create value by being proactive in the process of renting, and renewing our pipeline of development projects that have strong value creation potential. However, our capacity to extract value from our portfolio will also depend on our ability to establish long-term relationships with our customers and provide them with high added-value services. That is the main goal of YouFirst, whose promise will gradually take shape, throughout 2019, with tangible results.

B. C. – Gecina has benefited from favorable market conditions to consolidate its financial structure. This anticipatory work allows us, today, to meet our next deadlines without being forced to conduct transactions. Changes in our credit ratings, with an A- stable outlook from Standard & Poor's and an A3 stable outlook from Moody's, bears witness to the financial solidity of the Group and enables us to start 2019 with confidence.

Around us, a world in movement

Our business activities are affected by social, societal and environmental macro-trends, as well as by the expectations of our ecosystem.

A global phenomenon of metropolization

55% of the global population currently lives in cities. According to the UN, by 2050 this figure will have reached 68%. All over the world, cities are attracting more and more inhabitants. These are the places where wealth and talent are focused. Businesses want to locate in the most central urban areas, where demand for housing, especially rented accommodation, is strong. City dwellers aspire to living close to where they work, or vice versa. To meet their expectations, the government and local authorities are working to improve transport infrastructures: in the Paris Region, work being conducted to extend the suburban train system (RER E) and the Grand Paris Express project bear witness to these efforts.

Tour Horizons, Boulogne-Billancourt

Sky 56, Lyon Part-Dieu

The dual revolution of the real estate industry

At the same time, the real estate industry is faced with the twofold challenge of the energy transition and the digital revolution. As a categorical imperative, environmental responsibility is an obligation for all. This means aiming for reasonable energy consumption and the advent of a new circular economy model.

As for the digital revolution, by blurring the boundaries between professional and private life, a new requirement has emerged: that of a continuity of experience between the different living spaces. By multiplying the number of interfaces and points of contact, it enables players in the real estate industry to interact more efficiently with their clients, better understand their expectations, and even anticipate them thanks to Big Data. It is now possible to provide occupants of buildings with made-to-measure services, such as concierge services, shared areas, etc. In addition, digital innovations driven by players in the digital economy (GAFA), which are diversifying, and by operators such as Uber, Deliveroo and WeWork, are prompting the convergence of usages between living and working areas, between professional and private life, and between BtoB and BtoBtoC.

A strategy in tune with our ecosystem

We are aware that reaching our objectives depends on our ability to respond to these new aspirations. As such, we have mapped our ecosystem of stakeholders and identified their respective expectations and contribution to our strategy. This enables us to anticipate and activate the correct levers required to create shared value.

Stakeholder mapping

Stakeholders *Expectations*

Citizens

Inclusive city: accessible to the middle classes, culturally and socially tolerant, high quality, affordable rented housing, implantation of local brands and companies.

Government and administration

Contribution to the energy transition and to the national policy for the creation of housing, as well as to enhancing national appeal among international investors (Brexit), payment of taxes, compliance with laws and regulations.

Local authorities

Creation of local jobs, contribution to the preservation of national heritage and urban renewal, compliance with regulations, rebalancing of centrality.

Investors

Implementation of strategy, compliance with the principles of corporate governance, financial transparency, performance.

Clients

Quality of long-term human relationships, high quality services, innovation, contribution to attracting talents and enhancing the well-being of occupants, high quality housing units located in city centers and close to transport hubs.

Employees

Career development through skills acquisition, well-being in the workplace, motivating compensation.

Credit rating agencies and analysts

Respect for financial balance, transparency, comprehensiveness and comparability of financial and non-financial information, availability of management.

Peers, competitors and professional associations

Participation in public debates concerning the industry and in building the industry's image, application of industry reporting standards, exchange of best practices.

Suppliers

Clarity of specifications, balance of remuneration and relationship, speed of payment times, transparency and integrity of selection procedures, joint development of a partnership approach.

Influencers, local communities, associations and NGOs

Optimization of local impacts, reduction of environmental footprint and development of societal impacts.

Our strategy

To adapt to the changes in our environment and meet the expectations of our stakeholders, we rely on our solid fundamentals as well as the relevance of our strategic choices.

Gecina's strategic priorities, which contribute to its financial and non-financial performance and sharing the value created by its activities, are as follows:

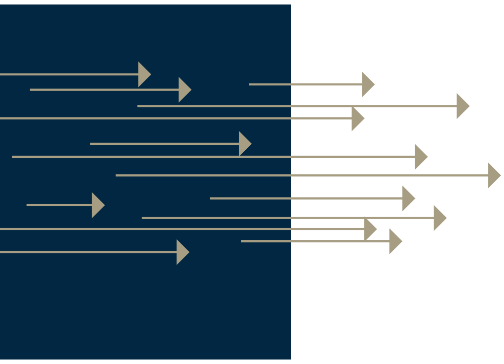
To aim for and achieve operational excellence by putting relationships with our tenants and the users of our buildings at the center of our day-to-day concerns. To optimize all of our operational processes while controlling costs in order to improve our commercial performance over the long term.

To identify the most promising investment opportunities in terms of value creation, and extract their full potential.

To be open to portfolio rotation opportunities: disposal of non-strategic or mature assets and acquisition of assets or portfolios with high growth potential in the Group's preferred areas.

Le France, Paris 13th arrondissement

32 Guersant, Paris 17th arrondissement



Ibox, Paris 12th arrondissement

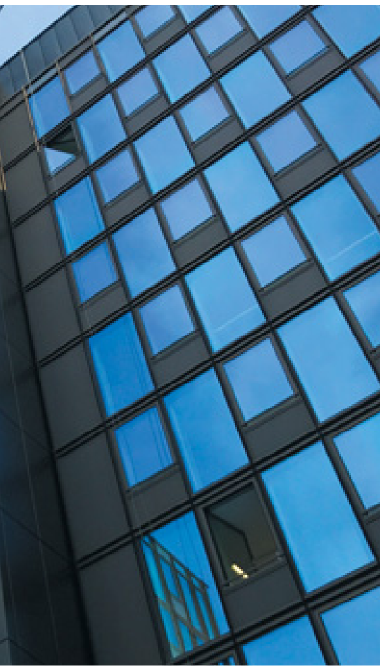
To integrate innovation as a central feature of our strategy in order to capitalize on emerging trends in real estate markets, and to seize new business opportunities.

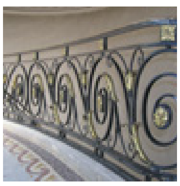
To integrate CSR into the day-to-day management of our activities, around the four pillars of well-being, biodiversity, the circular economy and low carbon, and to focus these efforts not only on our new projects, but also on our existing assets.

To be concerned about our “license to operate.” In other words, being attentive to the quality of our reputation and our public affairs approach.

To promote our status as a real estate investment trust (REIT). This status is a tremendous advantage for the French economy as it attracts massive foreign investment into the country. To invest, restructure, rent long-term: our vision is a long-term vision.

To develop our new YouFirst relationship brand. YouFirst set out our convictions for understated, fluid and inclusive cities. It is underpinned by two commitments: the quality of customer relationships over the long term, based on the human dimension; and the development of high added-value services.





youfirst

Our role:
build the city of tomorrow ded

Our resources

Human
- 510 FTE* employees
- Strong internal know-how

Expertise
Expertise in property management

Product
- €19.3 billion in real estate assets
- More than 2.2 million sq.m

Economic
- €7.4 billion of debt,
- LTV** of 38.4%
- €375 million in capex

Societal
- 1,800 suppliers
- A local network of building, maintenance and intellectual service providers
- Partner to local authorities

Material
Building materials for projects

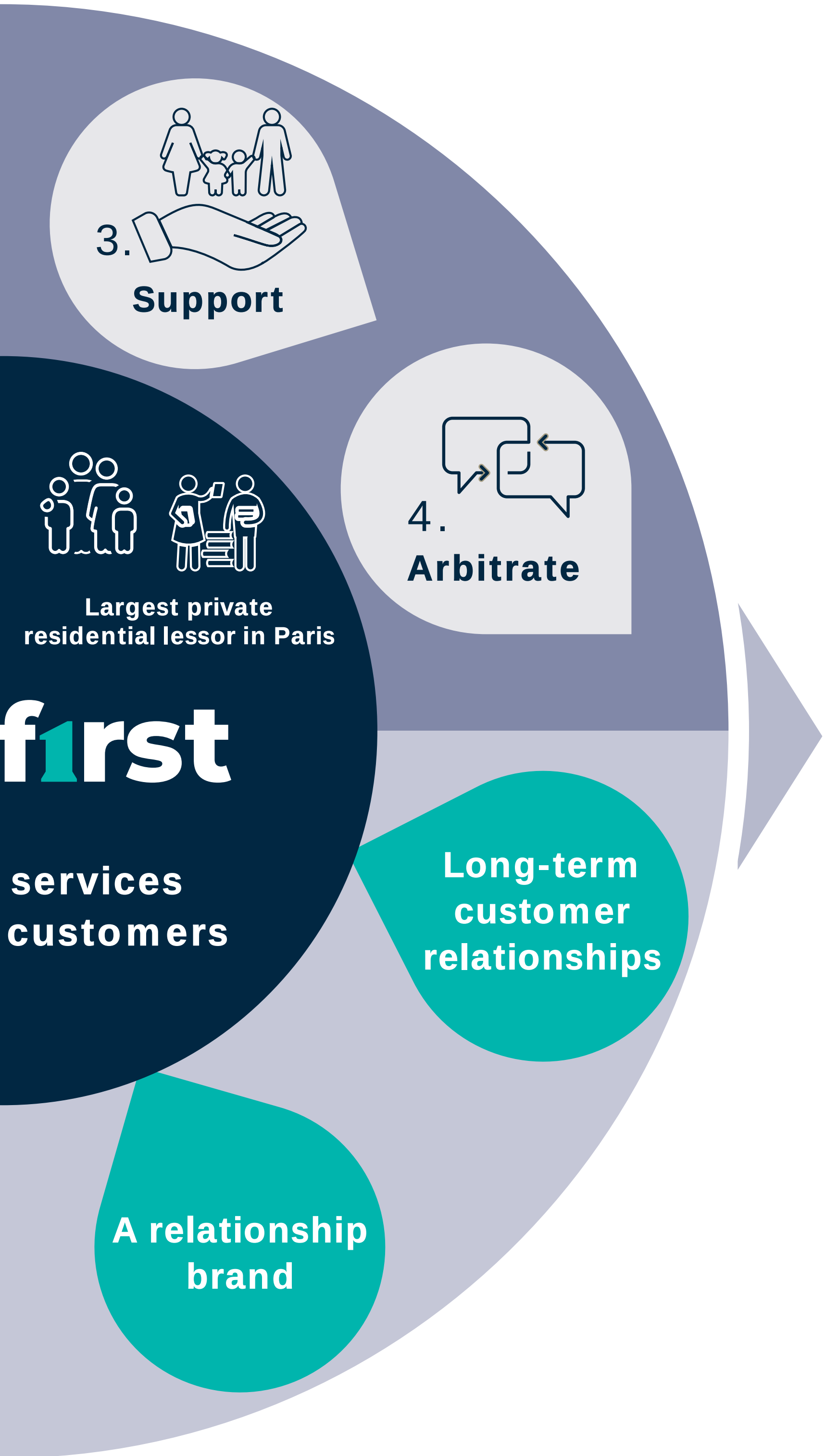
* *Full-Time Equivalent.*
** *Loan to value*

The 4 pillars of

Our a

icated to occupants

our strategy



ssets

Our value creation

Economic

- Recurrent net income per share of **€5.93**, an increase of **+9%**
- EPRA NAV per share of **€161.6**, an increase of **+5.4%**
- **€661.7 million** in gross rental income

Environmental

- The equivalent of **36%** of surface area vegetated
- **79%** of delivered projects certified Excellent or Exceptionnal levels
- **284 metric tons** of CO_2 avoided thanks to the reuse of material on the "l1ve" project
- **-35% CO_2/sq.m** since 2008 in the office and **-27%** in the residential sector

Societal

- **4,900** jobs supported (10 times more than Gecina's total FTEs)
- **88%** of Gecina's office buildings contribute more to the productivity of their occupants than a standard building

Customer lifetime value

Our approach: transforming to create value

Faced with the fundamentals of our markets and the macro trends in our environment...

Scarcity and centrality are 2 key factors in value creation

- Shortage of quality surface area (vacancy rate and supply at historic lows) which favors the pre-lettings of projects before their delivery, in sectors where Gecina has a strong presence
- Strong endogenous demand in the heart of Paris

The city is changing and becoming more sustainable

- CSR regulations are becoming clearer. The Métropole du Grand Paris (Greater Paris metropolis) is aiming, for example, for a reduction of 75% in greenhouse gas emissions from residential assets and 80% from commercial properties by 2050 as compared to 2005
- Environmental certifications are becoming more widespread: 98% of office buildings being built in Paris and the Western Crescent seek environmental certification (as a percentage of surface area)

Uses are changing

- The needs of users are not being fully met: only 38% consider that their offices allow them to work very efficiently
- Our large corporate clients are competing fiercely for talent and they need attractive locations and adaptable work spaces to be able to retain the best employees

2.3% vacancy rate Paris City,

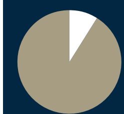
91% of endogenous demand in Paris CDB

98% of projects in Paris and the Western Crescent are bidding for environmental certification

... We are drawing on our resources and expertise...

63% of the committed pipeline in Paris City,

95% including the Western Crescent and La Défense



91% of offices in the portfolio in Paris City and the Western Crescent

79% of surface area delivered in 2018 boasted a high level of HQE certification

4 building permits, and

6 building permit amendments obtained in 2018

Our financial approach

- A property portfolio focused on central areas where there is scarcity and a high potential for value creation
- €1.7 billion in ongoing development projects (€364 million still to be expensed)
- 86% of our development pipeline consists of the redevelopment of assets historically owned by the Group
- An additional pipeline of projects that can be redeveloped in the medium to long-term of almost €2.4 billion

Our environmental expertise

- Method for analyzing greenhouse gas emissions caused by the building of real estate programs over their lifetime
- Ability to quarter the energy consumption of a building after renovation
- 79% of the surface areas delivered in 2018 were certified with a high level of HQE Construction/Renovation certification. The WELL® and BiodiverCity® labels were obtained for respectively 55% and 37% of surface area delivered during the year

Our societal integration

- 4 building permits and 6 building modification permits obtained in 2018, a sign that Gecina is a trusted third party for local authorities
- Projects that are an integral part of current and future urban development plans: densification of space and pooling of services.

Our human capital

- A collective effort between the development and operating teams that helps us to anticipate new usages and the creation of new services
- Projects managed collectively and coordinated by our operational and support teams, working closely with the different outside contributors

Octant-Sextant, Levallois-Perret

… To create value

€330 million of value creation on assets delivered in 2018

Average annual of **66 kWhEF/sq.m** for the projects

Transformation of **12,000 sq.m** of office space into housing units under review

Economic value

- Expected yield on cost of the committed pipeline estimated at 5.6%, compared with 3.4% for the end-2018 prime yield
- A potential rental income from the committed pipeline of around €93 million
- 41% of surface areas pre-let
- 174,000 sq.m delivered during 2018 for a potential annualized rental income of €80 million

Environmental value

- An average annual of 66 kWhEF/sq.m for 10 development projects where a dynamic thermal simulation has been carried out
- 69% of surface areas delivered include the production of renewable energy (photovoltaic panels)
- No land artificialization and very little CO_2 caused by to occupier travelling as these projects were developed in the center of the city

Societal value

- Creation of a range of services to facilitate the well-being of the occupiers
- Contribution towards achieving the sustainable development goals of the City of Paris and the preservation of its heritage
- Transformation of 12,000 sq.m of office space into housing units under review and the first two housing programs in La Défense for 30 years (Grande Arche and Rose de Cherbourg)

"L1ve", a showcase project for the Gecina approach

Financial aspect

- Total investment in the project: €478 million
- Significant potential for value creation in the Paris CBD in a very dynamic, rapidly changing local environment

Environmental responsibility

- Experimenting with the circular economy: reuse, resale and donations of materials to non-profit organizations wherever possible
- Contribution to biodiversity: 2,800 sq.m of gardens, terraces and rooftops
- Modest use of energy: maximum operating consumption of energy targeted at an annual 70 kWhEF/sq.m
- Ambitious plans for certification levels: HQE® BD Exceptionnel, LEED Platinum, WELL Gold, BiodiverCity and WiredScore

Societal contribution

- A number of services planned for the wellbeing of the occupiers: auditorium, modular work spaces, a gym, a gallery

€478 million invested*

284 metric tons of CO_2 avoided through reuse, resale and donations of materials

Live, Paris 16th arrondissement

Live, Paris 16th arrondissement

* Value of the building + capex.

A strategy in line with market trends

The office market in the Paris Region: strong momentum in the central areas and zones of scarcity

Property trends in the office and investment market, as well as in the rental market in the Paris Region, were again very favorable in 2018. There are no indications that these trends will slow in 2019, despite a macroeconomic trend for the year that seems less promising than initially expected. Property trends are still very favorable in the heart of the most central areas where the shortage of quality offerings creates a situation of scarcity favorable for growth in rental prices.

Office portfolio

At the end of 2018, Gecina managed a portfolio of nearly 1,600,000 sq.m of office and retail assets, including nearly 1,400,000 sq.m that are in operation, which breaks down (in value) as follows:

- **60%** in the City of Paris;
- **37%** in the Western Crescent and La Défense;
- **3%** in the other regions and abroad.

Breakdown of assets in operation by size (in value):

- properties with floor space of more than 10,000 sq.m representing **68%** of the portfolio;
- **18%** of the portfolio comprises properties between 5,000 and 10,000 sq.m;
- properties with less than 5,000 sq.m of floor space now account for only **14%** of the property portfolio.

T1&B, La Défense

A very dynamic rental market, particularly in Paris

In 2018, trends in the Paris Region office market were impacted by a very strong rental dynamic in the most central markets:

- strong performance in rental transactions with take-up close to 2.5 million sq.m – nearly the highest level in the last 10 years. This is mainly buoyed by the high demand of tenants for the most central areas within Paris City where available supply is historically low;
- the vacancy rate continued to drop, coming out at 5.1% at the end of 2018 (compared with 5.9% at the end of 2017). This was particularly the case in the Central Business District of Paris (CBD) where it has fallen below the 2% mark (to 1.7%) compared with 3% at the end of 2017, reflecting a historical shortage in the heart of the capital. The contraction in the number of vacancies is however less marked in the rest of the Paris Region;
- the shortage in Paris is palpable since Paris accounts for 42% of take-up, but only 13% of the immediately available supply. This ratio is reversed in the other areas of the Paris Region. In Paris, the immediately available supply fell by 20% over a year (compared to -13% for the Paris Region overall) to reach a historically low level, notably in the Paris Central Business District (CBD). This shortage in the heart of Paris does not, however, appear to have dampened rental transactions, given that companies are increasingly positioning themselves upstream on transactions which are still under development;
- the shortage of immediately available supply in Paris promotes pre-lettings upstream before delivery. The expected volume of deliveries in the CBD in 2019 and 2020 has, therefore, already mostly been let;
- the result is an increase in headline rents in the most central locations, primarily in the CBD. The 12% increase in rental values observed on average rents in Paris City in 2018 (source: Immostat) should therefore be maintained in 2019. Although the context is improving in the other areas in the Paris Region, this significant increase seems to be a trend limited to Paris City.

10-12 place Vendôme, Paris 1st arrondissement

A solid investment market

With €19.1 billion invested in office real estate in the Paris Region, i.e. an increase of +12% in one year, 2018 was a historical year, buoyed partly by the strength of large transactions (greater than €200 million). Paris City alone represented nearly half of investments, a sign of strong investor demand for Gecina's preferred areas.

This large volume of investment confirmed the levels of capitalization rates with premium rates remaining stable over the year. As the risk premium is historically high and cash abundant, Cushman & Wakefield does not expect any rate increase in 2019.

2018 was marked by the massive inflow of foreign investment capital into France, a sign of renewed confidence in the French economic model, and the attraction of the Paris market place as an alternative investment to London in light of Brexit. The weight of domestic investors thus shrunk for the second consecutive year to 53% (compared with 62% in 2017 and 64% in 2016), giving way to North American and Asian investors, who confirmed their renewed appetite for continental Europe and notably France.

Investor appetite for office real estate in the Paris Region remained strong this year again and may not slacken in 2019. Investors continue to prefer core assets, of which there are fewer for sale now.

Residential markets in the Paris Region: prices on the upswing, especially in the heart of Paris

Economic conditions remained very favorable for housing sales in 2018, exceptionally so in that sales easily surpassed the levels of the "high period" of 1999-2007. Prices are still trending upward in the Paris Region, with a rise of +4.5% over 12 months at the end of September 2018, outperforming the other regions (+2.6%). The Paris market, where the average price has now reached €9,500 per sq.m, i.e. an increase of 6.2%, remains a special market marked by the scarcity of available assets. Although volumes are high, they are struggling to expand, and unmet demand continues to push prices up.

With a few exceptions, by the end of September 2018, all markets had recorded price increases over the year, but the tension was stronger in the heart of Paris than in surrounding areas. The Chamber of Notaries estimates that prices in Paris will continue to rise in 2019 except in the event of a reversal in the economic confidence of households, insofar as the structural ingredients remain unchanged in a still-active market even if the rate of price increases should start to slow in the second quarter of 2019.

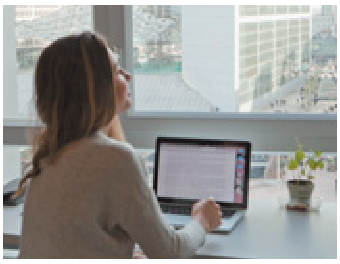
Traditional residential portfolio

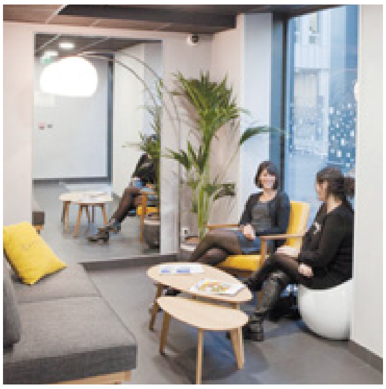
At end 2018, Gecina managed a housing portfolio of more than **450,000 sq.m**, of which more than **390,000 sq.m** in operation, broken down (in value) as follows:

- **78%** in the City of Paris;
- **22%** in the Paris Region.

Student housing portfolio

At the end of 2018, Gecina managed **18** student residences, 10 of which in the Paris Region and 8 in the Rest of France, i.e. nearly **3,200** beds.





Residence for students, Grande Arche, La Défense

Risk management, key to long-term performance


Residence for students, Rose de Cherbourg, La Défense

Our strategy is protected by the dynamic management of financial and non-financial risks and the identification of opportunities.

A holistic approach to risk management

In 2018, the Executive Management, under the guidance of the Chairman of the Board of Directors, continued to reinforce the holistic approach to risk management as a key element in achieving the objectives set by the Board of Directors and in keeping with the predefined risk profile, which takes into account the Company's long-term strategy and values.

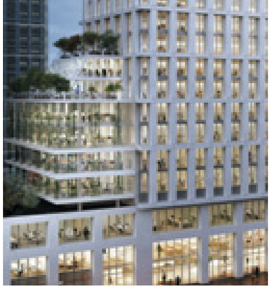
At the strategic level, property portfolio turnover further strengthened the Group's specialization in scarcity and central zones less exposed to risks of vacancy and declines in the rental market, and contributed to deleveraging the Group. The risk management approach of this strategy was established in 2018 with the inclusion of the Risk Management and Compliance Department in budget reviews and in the committees making key decisions about changes in the property portfolio (investments, developments, financing and commercialization).

The growing involvement of the operational and functional departments working with the Risk Management and Compliance Department has made it possible to integrate risk management into all activities, especially via the digital transformation of the Group. This policy relies on risk identification and analysis, followed by the establishment of control mechanisms involving all departments. This work involves the participation of Executive Management, the Chairman, the Audit and Risk Committee, and the Board of Directors, thus ensuring that they are taken into account before the Group makes important decisions.

Main accomplishments of the past year in terms of risk management

In 2018, the implementation of this approach resulted in a series of concrete actions that will continue in 2019:

1. Appointment on April 18, 2018 of Bernard Carayon as Chairman of the Board of Directors of Gecina, strengthening the Company's risk management expertise in view of his considerable experience in this field;
2. Appointment of a Risk Management and Compliance Director, member of the Management Committee;
3. External recruitment of an Executive Director of Risk and Internal Audit, member of the Executive Committee as of January 1, 2019. This drive to strengthen the function will continue into 2019;
4. Integration into risk mapping of emerging risks related mainly to digitalization (cybersecurity). These have been analyzed and specific action plans drawn up;



Ibox, Paris 12th arrondissement

5. Implementation of sensitivity analyses for the main Group indicators (LTV, ICR, NAV, Net Recurring Income) pegged to the main exogenous parameters related to the real estate market that could affect them, including interest rate, margin and liquidity risks;

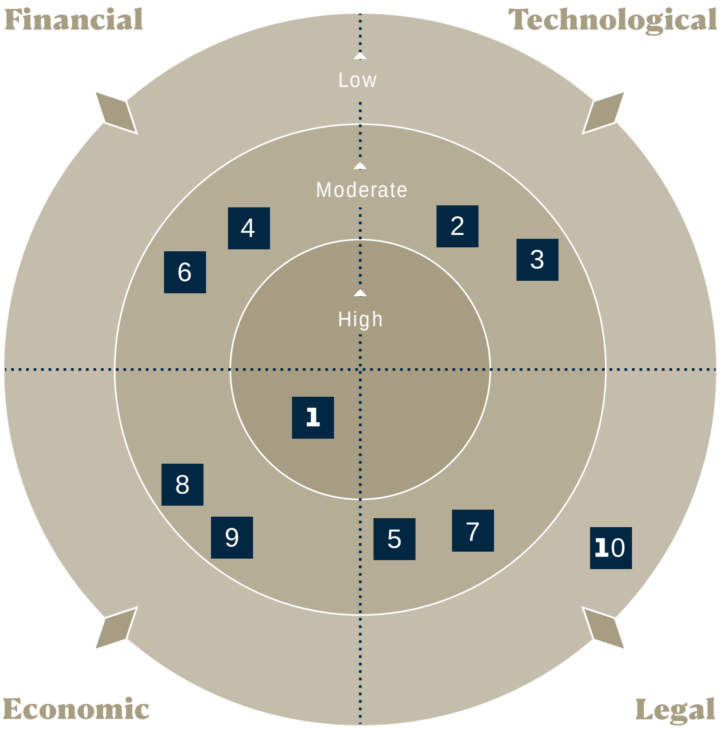
   As part of the Group's dynamic asset-portfolio management, the integration, twice a year, of a risk assessment in the budget review process provides an in-depth analysis of market trends, and a detailed analysis of assets held, taking into account risk factors depending on the possible scenarios;
6. Prior risk and sensitivity analysis is carried out by the Risk Management and Compliance Department and reported at twice a month meetings of the Development, Investment and divestment, Financing, and Commercialization (DIFC) Committee. The purpose of this Committee is to carry out a review, shared with all the other departments, of the case files in the presence of the members of the Executive Committee, which may then be presented to the Board of Directors;
7. Analysis of non-financial risks and opportunities developed in accordance with the Non-financial Performance Statement (DPEF). The members of the Executive Committee participated in the risk and opportunity identification process. In view of their specific characteristics, the nine non-financial risks and opportunities identified are dealt with under Section 6.1.2 of this Reference Document;
8. All employees that could be exposed to such risks received training in the fight against corruption and in ethics by the Risk Management and Compliance Department;
9. Involving the Risk Management and Compliance Department in monitoring disputes has helped to make progress in the legal procedure regarding the criminal dealings committed by the Group's former Chief Executive Officer, Joaquin Rivero, which resulted in a judgment in Gecina's favor on December 5, 2018.

Graphic representation of the principal residual risk factors

The graphic below shows the principal risk factors faced by the Group. The assessment of these risks, as well as the impacts on the Group, and the respective control processes, are presented in Chapter 5.

Overall, the number of risks declined in 2018 due to the strengthening of control processes within the operational and functions departments and the improvement in the risk management culture driven by the Executive Management.

1. Real estate market
2. Cybersecurity
3. Digital
4. Corporate - Commercial Communications
5. Legal dispute in Spain
6. Decline in the financial occupation rate
7. Property risks
8. Development/Buildings
9. Acquisitions/Disposals
10. Corruption and tax evasion



Engaged governance and collective spirit

Governance was strengthened in 2018, with the addition of strong and exceptional skill sets, supporting effective implementation of Gecina's strategy.

10
directors

60%
of independent directors

50%
gender breakdown

Separation of the duties of Chairman and Chief Executive Officer

Directors with extensive executive and international experience, coming from different fields: real estate, banking, insurance, industry

Term of office:
4 years

Average age:
62

Average seniority:
5 years

A strengthened Board of Directors

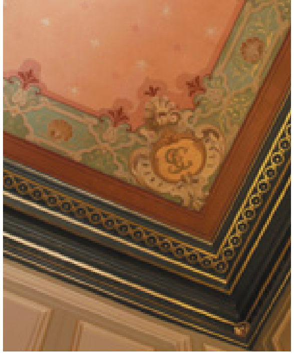
In 2018, the Board of Directors of Gecina was strengthened by the integration of key skills in risk management and new technologies. On April 18, 2018, Bernard Carayon was appointed Director and Chairman of the Board of Directors, and Gabrielle Gauthey, Director.

These two directors bring considerable expertise to the Board of Directors in the fields of banking, CSR and anticipation and risk management, and exceptional expertise in new technologies and innovation.

The terms of Méka Brunel and Jacques-Yves Nicol were also renewed.

Directors	Age	Gender	Nationality	Number of shares held in the Company	Number of corporate offices held in listed companies outside Gecina	Independent
Bernard Carayon*, *Chairman*	69	M	French	200	0	yes
Méka Brunel, *CEO*	62	W	French	28,425	0	
Laurence Danon Arnaud	62	W	French	203	3	yes
Predica *Represented by* Jean-Jacques Duchamp	64	M	French	9,718,418 (Predica)	2	
Dominique Dudan	64	W	French	45	2	yes
Ivanhoé Cambridge Inc. *Represented by* Sylvain Fortier	53	M	Canadian	11,575,623 (Ivanhoé Cambridge concert)	0	
Gabrielle Gauthey	56	W	French	40	0	yes
Claude Gendron	66	M	Canadian	40	0	
Jacques-Yves Nicol	68	M	French	45	0	yes
Inès Reinmann Toper	61	W	French	46	1	yes

* *Bernard Carayon was appointed Chairman of the Board of Directors on April 18, 2018. Before this, he was an Observer of the Company..*
M: man. W: woman.



Mercy-Argenteau,
Paris 9th arrondissement

Bernard Carayon
Chairman of
the Board of Directors,
Independent director

Méka Brunel
Director,
Chief Executive Officer

Laurence Danon Arnaud
Independent director

Jean-Jacques Duchamp
Permanent representative
of Predica, Director

Dominique Dudan
Independent director

Sylvain Fortier
Permanent representative
of Ivanhoé Cambridge Inc.,
Director

Gabrielle Gauthey
Independent director

Claude Gendron
Director

Jacques-Yves Nicol
Independent director

Inès Reinmann Toper
Independent director

Start of term	End of present term	Years of Board membership	Board meeting attendance rate	Membership of one or more committees
2018	2022 OGM	1	100%	●
2014	2022 OGM	5	100%	●
2017	2021 OGM	2	90%	●
2002	2019 OGM	16	100%	●
2015	2019 OGM	3	100%	●
2016	2021 OGM	2	100%	●
2018	2022 OGM	1	100%	●
2014	2020 OGM	4	100%	●
2010	2022 OGM	8	100%	
2012	2020 OGM	6	100%	●

10
Board meetings

97%
Attendance rate

1 evaluation of
the work of the Board
and its Committees

1 strategy seminar

Specialized Committees with enhanced skill sets

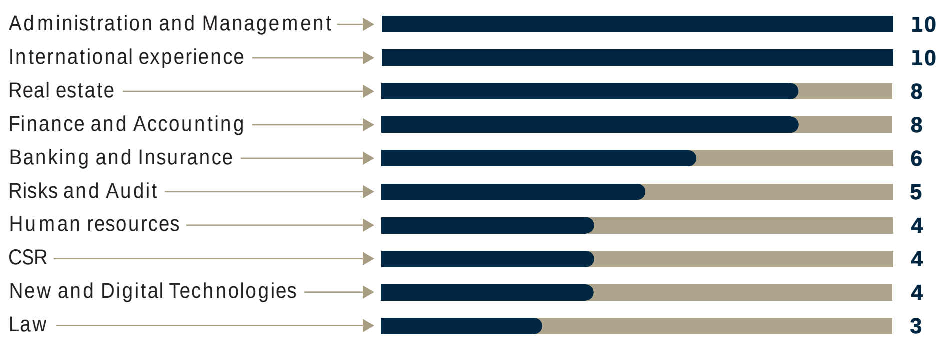
The committees play a supporting role as advisers to the Board of Directors. They were strengthened in 2018 with the addition of members with new and substantial skills.

Committees	Strategic and Investment Committee	Audit and Risk Committee	Governance, Appointment and Compensation Committee
Structure	4 members, 1 of whom is an independent director: ▪ **Ivanhoé Cambridge Inc., Mr. Sylvain Fortier (Chairman)** ▪ Ms. Méka Brunel ▪ Mr. Bernard Carayon* ▪ Predica, Mr. Jean-Jacques Duchamp	6 members, 4 of whom are independent directors: ▪ **Ms. Gabrielle Gauthey* (Chairwoman)** ▪ Ms. Laurence Danon Arnaud* ▪ Ms. Dominique Dudan* ▪ Mr. Claude Gendron ▪ Predica, Mr. Jean-Jacques Duchamp ▪ Ms. Inès Reinmann Toper*	3 members, 2 of whom are independent directors: ▪ **Ms. Inès Reinmann Toper* (Chairwoman)** ▪ Ms. Laurence Danon Arnaud* ▪ Mr. Claude Gendron
Number of Meetings in 2018	7	8	7
Overall attendance rate	100%	100%	100%
Main duties	The Committee advises the Board of Directors and makes recommendations relating to the determination and implementation of Company strategy proposed by the Chief Executive Officer, as well as to major projects and investments and their impact on the accounts. It ensures that the major financial indicators remain balanced and monitors the Company's performance in terms of societal and environmental responsibility.	The Committee monitors the Company's financial information, oversees the proper functioning and effectiveness of the internal control and risk management systems and any significant off-balance sheet commitments. It monitors the assessment of the quality of service provided to tenants.	The Committee examines the terms and conditions of director and corporate officer compensation. It plays a role in the renewal of directorships, the selection of new directors and the appointment of executive corporate officers. It reviews the functioning of the Board of Directors and its Committees and makes proposals to improve corporate governance.

** Independent Directors.*

For further information about the functioning, structure and work undertaken by the Board of Directors and its Committees in 2018, please refer to Chapter 4.

Areas of expertise



Mercy-Argenteau, Paris 9th arrondissement

A strengthened Executive Committee

In 2018, Gecina expanded its Executive Committee with the appointments of an Executive Director R&D, Innovation and CSR, an Executive Director Communications and Public Affairs and an Executive Director Risks and Internal Audit. The Executive Committee was thus strengthened with the addition of new skill sets in line with Group strategy.

Méka Brunel
Director,
Chief Executive Officer

Thibault Ancely
Executive Director
Investments and Development

Valérie Britay
Executive Director
Offices

Sabine Desnault
Executive Director R&D, Innovation and CSR

Nicolas Dutreuil
Executive Director
Finance

Julien Landfried
Executive Director
Communications and Public Affairs

Franck Lirzin
Executive Director
Residential

Cyril Mescheriakoff
Executive Director
Risks and Internal Audit

Philippe Valade
General Secretary

Frédéric Vern
Executive Director
Legal Affairs

Engaged teams

Gecina's true wealth is our employees. As the key players involved in the Group's profitable performance, our employees are inextricably implicated in the success of our Company: 86% of them are Gecina shareholders. The Company's transformation can only be successfully achieved with motivated teams. While the members of the Board of Directors and the Executive Committee are naturally the first to commit, the Group can also count on the mobilization of all of its employees. Gecina is an operational company that combines a very wide range of skills. In 2018, the Group implemented a major training program for all managers, without exception.

Gecina's true wealth is our employees.

7 rue de Madrid, Paris 8th arrondissement

A transformation above all underpinned by our teams

Human capital reinforced by new talents

- **The Group's workforce has grown from 504 to 510 employees.**

  This quasi-stability does not reflect the impetus provided by the integration of the 128 employees recruited, both on open-ended contracts in the case of 55 of them, on fixed-term contracts or work-study contracts for another 73.

  The recruitment of high-potential profiles that complement the skills of the teams in place combined with dynamic management of the flows reflects the quest for excellence targeted by the Group.

- **Gecina launched the first edition of its graduate program to attract and develop the best talents coming from the Grandes Écoles.**
  - Of the 215 applications received for the graduate program, 8 candidates were successful. Eight young graduates of the Grandes Écoles, recruited on permanent contracts, for 18 months live a full immersion, professional experience in which they discover the Group's businesses.

55 permanent recruitments in 2018

8 participants in the graduate program

- **Signing of a 4-year partnership with ESSEC's Real Estate and Sustainable Development Chair.**
  - In this context, the managers and directors of the Group provide training to students and offer mentoring and tutoring on study projects.
- **Gecina is an attractive employer: a large number of applications were received in 2018.**
  - Nearly 12,000 applications for positions advertised by the Group were received this year, reflecting candidates' aspirations to join a leading company with a high-quality portfolio and their receptiveness to the company's social values and commitments.

A new head office for more collaborative ways of working...

We are developing our work spaces and tools to adapt them to the changing needs of our business lines, and our clients' usages. Common areas were enlarged and individual work places opened up and condensed to stimulate exchange between the teams. These changes at the Group's head office were based on the conviction that the creation of well-being for Gecina employees is a driver of productivity. The computer equipment and tools were chosen to facilitate collective work, enable interactive meetings and enhance user comfort. All the employees have the same tools and IT consultants were present on the premises to provide support during the change process.

- 2,194 hours of training were provided in addition to this presence in the work spaces.
- 98% of employees claim to be satisfied with the support provided for the change in ways of working and the computer tools.

20 hours of training per permanent contract employee on average

98% of employees satisfied with training in new IT tools

1st in rankings for the feminisation of large French companies for the last 3 years

… that reinforce Gecina's current business lines

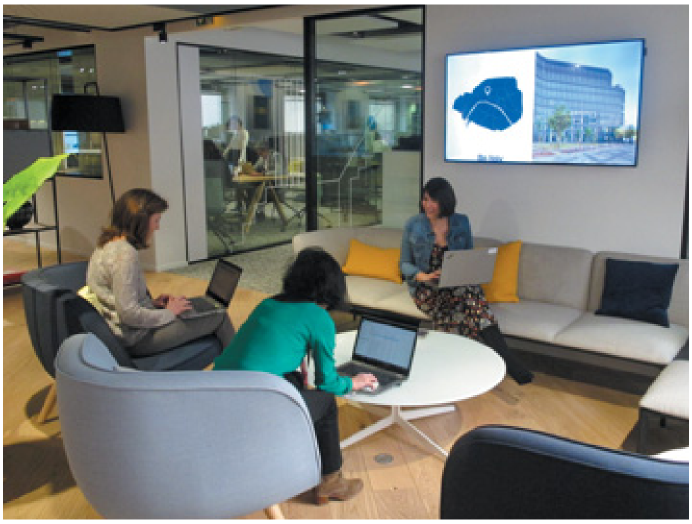
Several skills are key to the success of Gecina's performance:

- **customer relationship management** to maintain a premium position by meeting strong and evolving customer needs, related to the goals of the relationship brand YouFirst;
- **technical project management,** to ensure the quality of projects developed and managed by Gecina, control of the full cost and scheduling of the project;
- **coordination** of the numerous parties involved in the real estate projects both under development and in operation in the portfolio;
- **applying and anticipating essential regulations** in a highly regulated environment, to control the risks associated with acquisitions and disposals, real estate developments and contracting with lessees;
- **driving and optimizing the performance of capital** in development or operation, as well as controlling financing costs and guaranteeing access to financial markets;
- **digital for meeting the growing expectations of the clients and real estate developers** who are gradually transforming practices in the sector;
- **sustainable innovation,** because process and technology innovations can catalyze sustainable progress at all stages of the value chain.

Management rallying behind the transformation

Launch in October of a management training program for 171 managers, including the members of the Executive Committee. Gecina's aim is to transform its managerial culture to make it more agile and cross-functional, and improve delegation and empowerment. This program is in response to the areas for improvement identified by an employee survey conducted in 2017. This training spans 17 months and schedules five work days led by an expert third party, as well as remote modules.

171 participants in the management training



Gecina headquarters, Paris 2nd arrondissement

Equal pay obtained in 2014

A structure to stimulate collective intelligence

After reorganizing the structure around three business divisions last year, Gecina is continuing to develop its business lines to facilitate cross-functional working. Within the Offices Division, the Technical Department has set up teams of in-house experts and a Purchasing Department to ensure that its needs are pooled and that the services purchased are in line with expectations.

Innovation, R&D and CSR have been brought together within the same department under an Executive Director.

Employees motivated by results

Gecina associates its employees in achieving its major strategic and financial objectives. In fact, 86% of staff members are shareholders in the Group and Gecina has also awarded performance shares to 20% of employees in recognition of their contribution to the company's success. Lastly, the overall compensation related to the incentive scheme and profit sharing amounts to 18.4% of the total payroll.

A long-term relationship built on trust

Gecina pays a lot of attention to players in the financial markets, whether they are individual shareholders, institutional investors or financial analysts.

With our shareholders, trust is built on transparency

Establishing a relationship built on trust with all our stakeholders is essential for us. We favor constructive dialog, whether about financial results or our latest news and strategy. Gecina regularly holds events to facilitate meetings with the management and showcase its property portfolio, and provides precise and transparent financial information on a regular basis.

Quality dialog, recognized as such

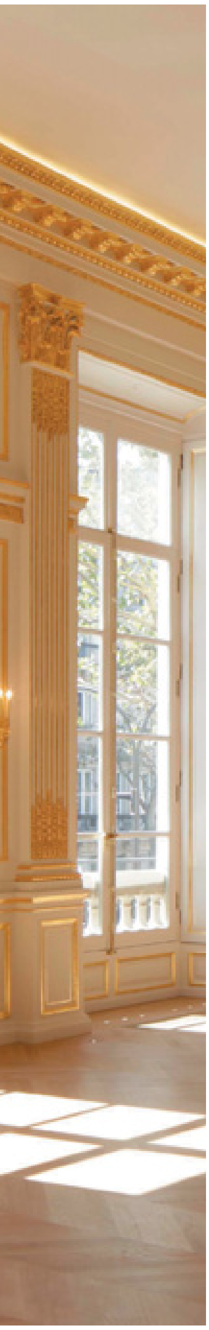
- **Trophée d'Argent 2018** for the best shareholder services – *Le Revenu*.
- **Grand Prix FAS 2017** for employee shareholders – French Federation of Employee and former Employee Shareholder Associations – FAS.
- **Trophée de Bronze 2017** for the best shareholder services – *Le Revenu*.
- **Trophée d'Argent 2016** for the best shareholder relations – *Le Revenu*.
- **Trophée d'Or 2016** for the best digital communication – *Le Revenu*.
- **Trophée d'Argent 2016** for the best General Meeting – *Le Revenu*.
- **2016 prize** for best Reference document and General Meeting – *Les Échos, Investir - Le Journal des Finances* and Mazars.

Dedicated expertise

Gecina provides shareholders with a securities and trading department (Titres & Bourse) that offers direct and free-of-charge management of their registered securities account and enables them to benefit from the expertise of a dedicated team and customized, instructive support to facilitate their understanding of the stock exchange and securities. It is one of the few companies listed on the SBF120 to integrate all securities-related services (account keeping, record keeping, centralization of the General Meeting) on behalf of its direct registered shareholders, thus committing to an everyday relationship of proximity and dialog with its shareholders.

Proximity creates dialog

In 2017, Gecina also created a Shareholders' Club. Its members receive useful and detailed information about the life of the Company, its financial performances, the General Meeting and news of the Club, and enjoy numerous benefits, such as invitations to conferences. Every year, Gecina also takes part in shareholders' meetings organized in the regions by the Federation of Individual Investors and Investment Clubs (F2IC) or by the magazine Le Revenu. These encounters are excellent opportunities to meet and discuss with individual investors who then have concrete information with which to manage their wealth.



Mercy-Argenteau, Paris 9th arrondissement

Analysts and investors, a special relationship

Executive Management and the financial communications team attach particular importance to relations with institutional investors and financial analysts, by promoting constructive debates and as such fostering a climate of trust. The financial communications team regularly reports and exchanges with all market players on the company's results as well as on its news and strategy.

More than 470 meetings in 2018

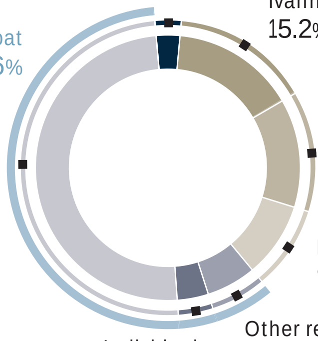
In 2018, in addition to the regular meetings held to present the annual and half-yearly results, Gecina met with more than 470 investors and financial analysts at conferences and during an intensive program of roadshows in France, the United States, the main European capital cities and in Asia, as well as at meetings with individuals and during property visits.

In addition, the financial communications team organizes an annual Investors' Day. It offers participants a chance to talk with Gecina's management about current issues affecting the real estate market in general and the Company in particular. It also makes it possible to showcase certain development projects or iconic property assets in the Gecina property portfolio for investors and analysts. In 2018, the annual Investors' Day was held in Paris on June 14. It was devoted to strategy and involved visits of a number of property assets. Some of these were under development, while others were assets from the Eurosic property portfolio or housing residences for students.

Citylights, Boulogne-Billancourt

A balanced shareholding structure

Shareholding structure at December 31, 2018



Stock market performance

Data sheet

ISIN Code: FR0010040865

Mnemonic: GFC

Bloomberg Code: GFC FP

Reuters Code: GFCP.PA

Exchange: Euronext Paris - Compartment A (Large Caps)

PEA: Non-eligible

SRD: Eligible

ICB sector classification:
ICB Industrial & Office REITs 8671

Main indices:

CAC Next 20, SBF 120, Euronext 100, CAC Large 60, FTSE4Good, DJSI Europe & World, STOXX Global ESG Leaders, ASPI Eurozone, EPRA, GPR 250, IEIF REITS, Euronext Vigeo Eiris, Euronext CDP environment

Credit rating

Standard & Poor's: A- / stable outlook

Moody's: A3 / stable outlook

GRESB: 92/100 (leading office real estate company in Europe)

MSCI: AAA (in the top 9%)

Sustainalytics: 88/100 (3rd in the sector)

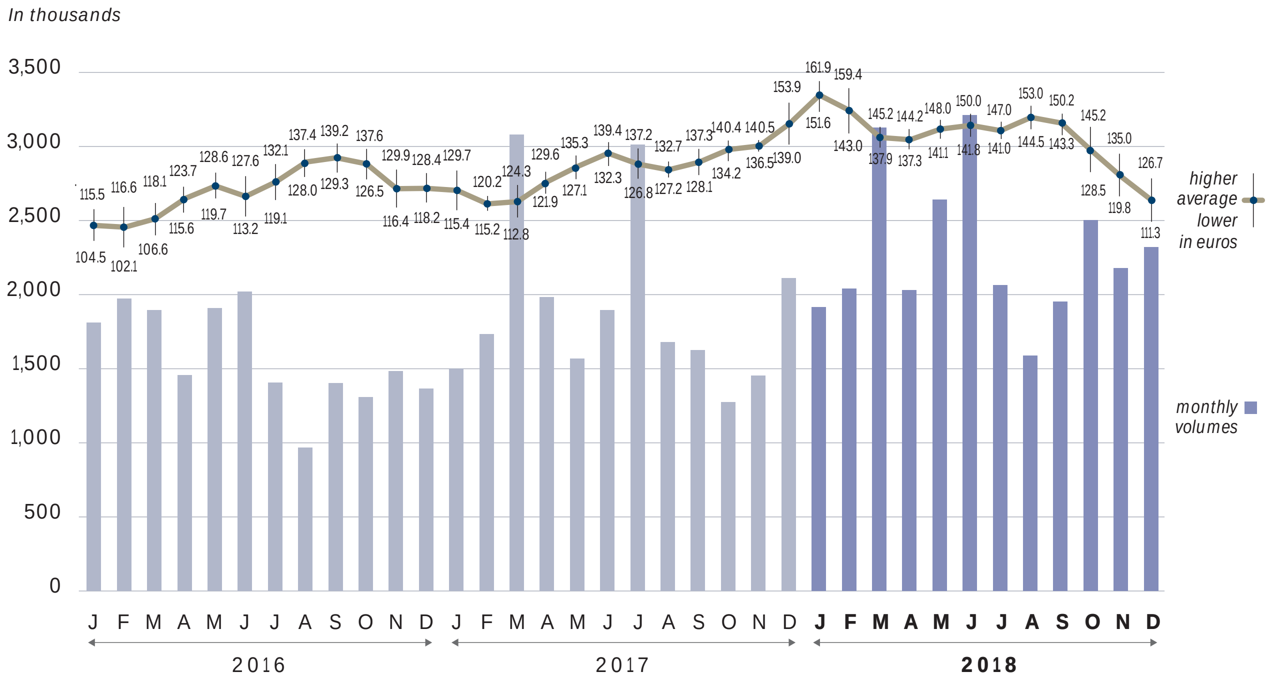
Nominal value: €7.50

Capitalization at 12/31/2018: €8.618 billion

Number of shares listed at 12/31/2018: 76,265,492

10-12 place Vendôme, Paris 1st arrondissement

Change in the share price and volume of securities traded over 3 years



In 2018, the share fell by -26.6%, compared with declines of -11.7% for the SBF 120 and -11.2% and -21.5%, respectively, for the sector indices EPRA Europe and IEIF SIIC France.

The total number of Gecina shares traded between January 2 and December 31, 2018 on Euronext Paris was 27,567,035 (22,908,302 in 2017), with average daily volume of 108,106 shares (89,836 in 2017). Over this period, the share price reached a high of €161.90 and a low of €111.30.

Performance over 3 years

Gecina vs. SBF 120, SIIC France and EPRA: comparative performance in terms of total shareholder return (TSR) over 3 years (base = 100)

Gecina steers its business in view of the creation of long-term valuation and returns for its shareholders. Gecina's performance indicator for shareholders is the TSR (Total Shareholder Return), which takes into account the change in the valuation of the share in the stock market and also the dividends paid. For example, since January 1, 2016, the total shareholder return offered by Gecina shares (+16.4%) has outperformed that of the SBF 120 (+12.0%) and the Euronext IEIF SIIC France index (+6.5%).

At December 31, 2018 and over a period of 10 years, the Total Shareholder Return (TSR), was +295% for Gecina shares compared with +130% for the SBF120 index dividends reinvested.

Dividends have grown continuously since 2013

As regards the payment of dividends to shareholders, Gecina conducts an attractive long-term policy. Payment is regular and, on average, up +3.8% annually since 2013.

In respect of 2018, a cash dividend of €5.50 per share will be proposed to the General Meeting of April 17, 2019. For the 2018 dividend, an interim cash dividend of €2.75 will be paid on March 6, 2019, followed by the balance – also in cash – of €2.75 on July 3, 2019.

Our performance in figures

In € million	Change	2018	2017
Gross rental income	**+18.4%**	**661.7**	**558.9**
Offices	+22.0%	523.9	429.4
▪ Paris CBD & 5-6-7 - Offices	+9.8%	140.3	127.8
▪ Paris CBD & 5-6-7 - Retail	+2.6%	36.3	35.4
▪ Paris other	+50.2%	89.7	59.7
▪ Western Crescent - La Défense	+14.9%	163.5	142.3
▪ Other Paris Region	+32.2%	54.7	41.4
▪ Other French regions / International	+72.5%	39.4	22.8
Residential	-1.9%	121.7	124.1
Other commercial assets	n.a.	16.1	5.4
NET RECURRING INCOME (GROUP SHARE) (1)	+20.3%	437.2	363.5
Value in block of property holding (2)	**-1.9%**	**19,270**	**19,648**
Offices	-2.6%	15,354	15,760
▪ Paris CBD & 5-6-7 - Offices	+5.8%	5,050	4,772
▪ Paris CBD & 5-6-7 - Retail	+6.0%	1,515	1,430
▪ Paris other	+5.6%	2,760	2,614
▪ Western Crescent - La Défense	+3.0%	4,688	4,551
▪ Other Paris Region	-23.7%	862	1,130
▪ Other French regions / International	-62.1%	479	1,264
Residential	+4.2%	3,291	3,160
Other commercial assets	-10.3%	221	246
Hotels & financial lease	-16.1%	404	482
NET YIELD ON PROPERTY HOLDING (3)	-6 BP	4.13%	4.19%

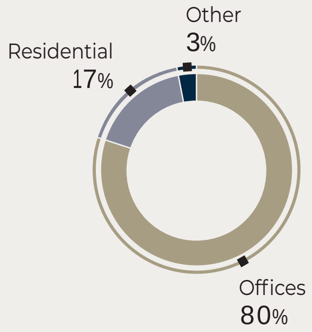
Data per share in €	Change	2018	2017
Net income (Group share)	+9.0%	5.93	5.44
EPRA diluted NAV (4)	+5.4%	161.6	153.3
EPRA NNNAV (4)	+5.0%	160.5	152.9
Net dividend (5)	+3.8%	5.50	5.30

Number of shares	Change	2018	2017
Comprising the share capital as at December 31	+1.2%	76,266,750	75,363,444
Excluding treasury stock as at December 31	+1.3%	74,126,324	73,193,833
Diluted number of shares excluding treasury stocks	+1.3%	74,375,424	73,454,892
Average number of shares excluding treasury stocks	+10.4%	73,709,602	66,783,047

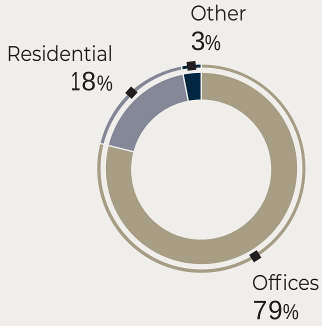
(1) EBITDA less net financial expense and recurring tax (see Note 1.1.3. "Net recurring income")
(2) See Note 1.3 Appraisal of property holdings
(3) Like-for-like basis 2018
(4) See Note 1.5 Net Asset Value
(5) Dividend 2018 submitted for approval by General Meeting 2019.

Non-financial performance	Change	2018	2017
Priority 1: low carbon buildings – % reduction in CO_2 emissions since 2008			
Offices	n.a.	-35.2%	-36.7%
Residential	n.a.	-27.4%	-26.8%
Priority 2: circular economy – % of site waste recycled as raw material	**+33.3%**	**84%**	**63%**
Priority 3: comfort and well-being of occupants – % of office buildings making a greater contribution to productivity than a standard building	**+8.6%**	**88%**	**81%**
Priority 4: biodiversity – % of greenification of plots in the property portfolio in bare land equivalents			
Offices	-40.8%	29%	49%
Residential	+1.9%	52%	51%

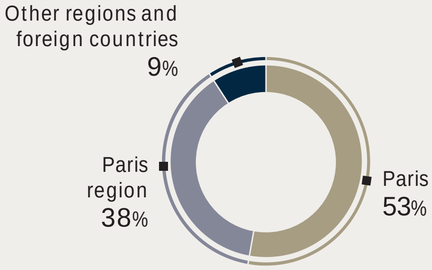
Property holding appraisal by business



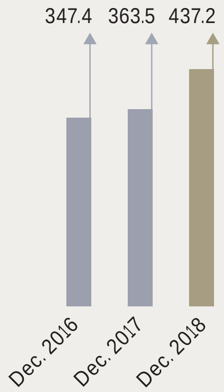
Breakdown of rental revenues by business



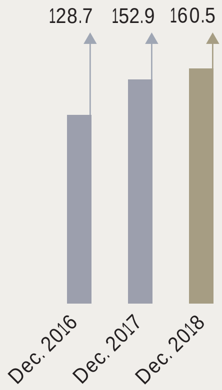
Geographic breakdown of rental revenues



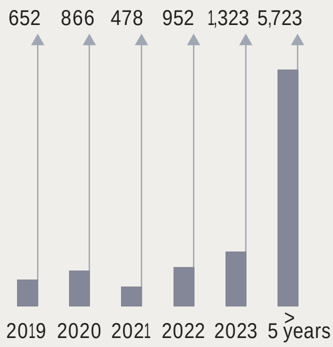
Net recurring income – Group share
(€ million)



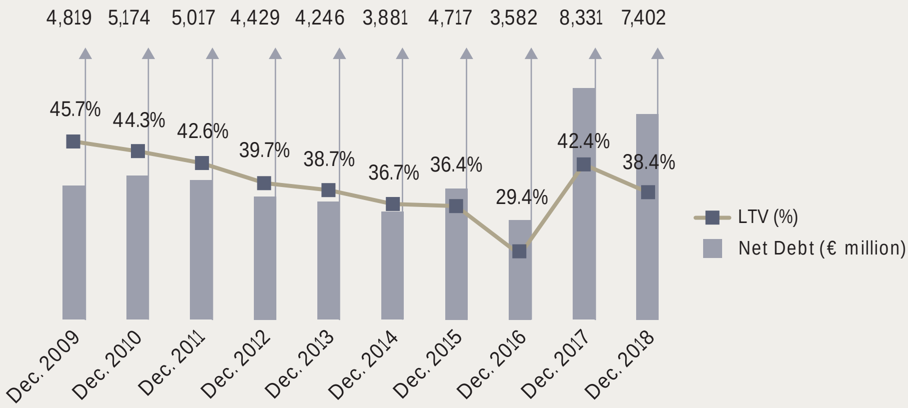
EPRA NNNAV
(€)



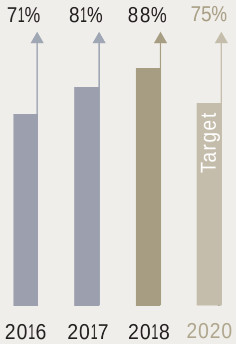
Schedule of authorized financing (including unused credit lines and excluding commercial paper)*(€ million)*



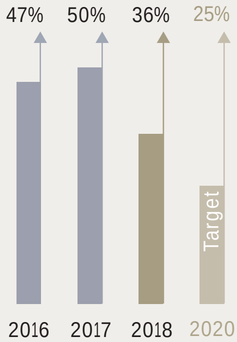
LTV ratio



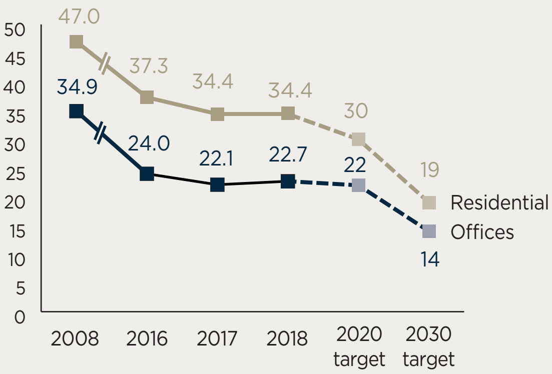
Office buildings that promote the well-being and productivity of the occupants



Greenification of plots in the property portfolio in bare land equivalents



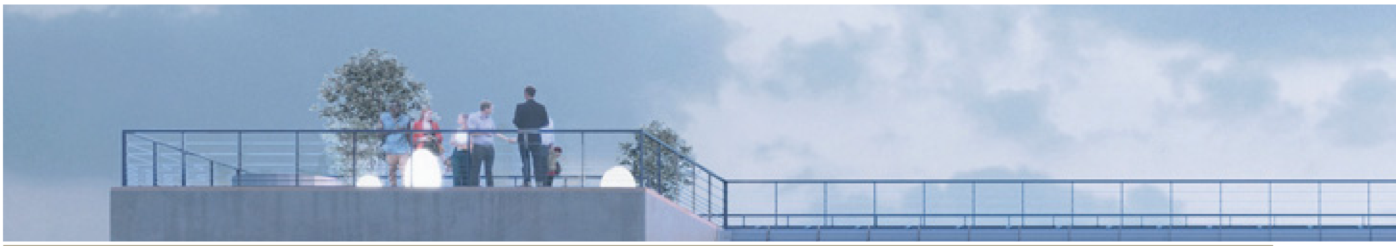
Change in GHG emissions* *(in $kgCO_2$/sq.m)* **related to the property portfolio compared to 2008**



** with specific uses of occupants*

gecina is 60 years old!

Key dates, highlights



2018	▪ Bernard Carayon is appointed Chairman, replacing Bernard Michel. ▪ Sale of assets in the provinces from the Eurosic portfolio.	▪ First responsible credit agreements indexed to non-financial performance. ▪ Launch of YouFirst, the customer relationship brand.
2017	▪ Méka Brunel is appointed as Chief Executive Officer. ▪ Acquisition of Eurosic.	▪ Gecina is the leading office real estate company in Europe in the GRESB ranking and the second largest in the world in the DJSI's. ▪ Recognition of climate targets by the SBT.
2016	▪ Sale of 3.4% of the share capital corresponding to Blackstone's share of the capital following the dissolution of the previously formed concert party with Ivanhoé Cambridge.	▪ Gecina files a public offer tender for Foncière de Paris, competing with the offer initiated by Eurosic. Eurosic acquires Foncière de Paris. ▪ Disposal of the healthcare portfolio.
2015	▪ Disposal of the last office building in Spain. ▪ Acquisition of the T1&B towers and the historic head office of the PSA Group, on Avenue de la Grande Armée, from Ivanhoé Cambridge.	▪ Sale by Gevrey Investissement of close to 3.4% of the share capital, relating to the shares held by The Blackstone Group. ▪ Gecina is the first real estate company to be ISO 50001-certified by Afnor.
2014	▪ The concert party Blackstone and Ivanhoé Cambridge acquires a 22.98% stake in Gecina. ▪ Disposal of the Beaugrenelle shopping center.	▪ Sale by Metrovacesa of all its shares (26.74%) to institutional investors, including Blackstone and Ivanhoé Cambridge, Crédit Agricole Assurances and Norges Bank.
2013	▪ Philippe Depoux is appointed as Chief Executive Officer in June, Bernard Michel remains the Chairman of the Board of Directors.	▪ Disposal of the hotels property portfolio.
2012	▪ "Newside" is the first building to obtain triple certification (HQE™, LEED® et BREEAM®). ▪ Disposal of the logistics property portfolio.	▪ The "96-104" building in Neuilly-sur-Seine is the first building to obtain the BBC (low-energy building) label.
2011	▪ Bernard Michel is appointed as Chairman and Chief Executive Officer.	▪ Inclusion in the STOXX Global ESG Leaders index.
2010	▪ Withdrawal from Spain begins with the closure of the local branch and the sale of the equity stake in Sanyres.	▪ Bernard Michel is appointed Chairman to replace Joaquín Rivero. ▪ Inclusion in the FTSE4Good and DJSI indices.
2009	▪ Christophe Clamageran appointed as Chief Executive Officer. ▪ Launch of a mandatory public offer on Gecimed through which Gecina obtains 98.5% of the share capital.	▪ Definitive waiving of the Separation Agreement ▪ The "Mercure" building is the first HQE™ Operations certified building. ▪ Signing of the first green lease with Barclays.

7 rue de Madrid, Paris 8th arrondissement

2008

- Launch of the Corporate Foundation.
- Launch of "Campuséa", the student residences brand.

2007

- Signing of a Separation Agreement among Metrovacesa shareholders.
- On completion of the first phase of this Separation Agreement, Metrovacesa holds only a 27% stake in Gecina, Mr. Rivero 16% and Mr. Soler 15%.
- Merger by absorption of Société des Immeubles de France by Gecina
- Creation of an energy/carbon mapping of all the property assets.

2006

- Public tender offer on Sofco, which becomes Gecimed, and purchase of 28 clinics from Générale de Santé.

2005

- After a public tender offer, Metrovacesa holds 68.54% of Gecina's share capital.
- Joaquín Rivero is appointed Chairman of Gecina at the General Meeting.
- First investments in new types of assets, hotel properties and logistics.
- The "Cristallin" building in Boulogne is the first HQE™ Construction certified building.

2003

- Gecina adopts the status of a Société d'investissement Immobilier Cotée (SIIC) (Listed Real Estate Investment Trust).
- Gecina absorbs Simco.
- Creation of the Risk Management and Sustainable Development Function.

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).

1999

- Gecina absorbs Sefimeg (which holds Fourmi Immobilière founded in 1879) followed by Immobilière Batibail.

1998

- GFC absorbs UIF and acquires Foncière Vendôme. GFC becomes Gecina.

1997

- GFC acquires Foncina.

1991

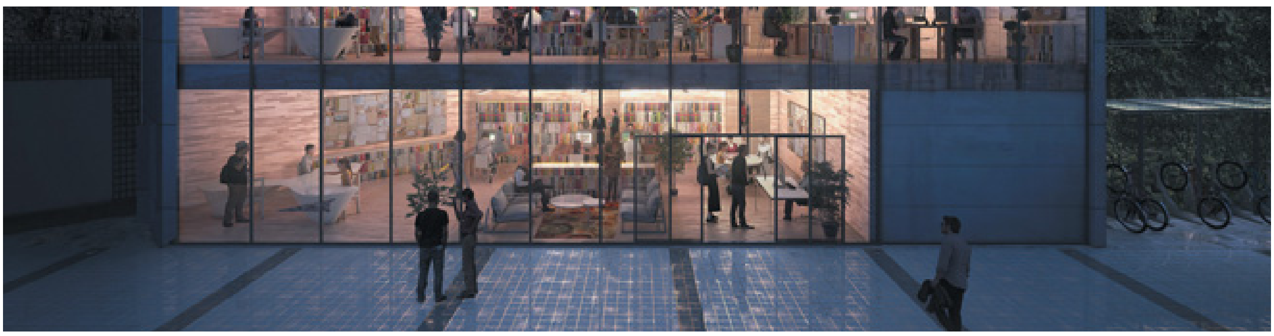
- GFC absorbs GFII.

1963

- Listing of GFC on the Paris Stock Market.

1959

- Foundation of Groupement pour le Financement de la Construction (GFC).



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Comments on the fiscal year

1.1 Business review

The Group's consolidated net earnings 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 benefits in kind and net management fees) represents income from operations related to the properties and service businesses.

The company also uses net recurring income as an indicator (which is EBITDA less net financial expenses and recurring tax, and adjusted from some expenses of an exceptional nature see note 1.1.3). This indicator is used to assess changes in the Group's earnings from operations before disposals, valuation adjustments and non-current taxes.

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

1.1.1 Strong rental income growth

Total gross rental income came to €661.7m for 2018, up +18.4%, with like-for-like growth of +2.5%, clearly outperforming indexation.

On a current basis, the +18.4% increase primarily factors in a significant change in scope with Eurosic's integration, the projects delivered, the vacating of properties already transferred or identified for transfer to the pipeline, as well as a historically high volume of sales over the last 18 months.

Eurosic's integration during the second half of 2017 contributed +€102.3m (net of sales carried out on this scope) to rental income growth. This increase also reflects the impact of the delivery of nine assets in 2018 (+€27.8m), the various acquisitions (+€3m) and like-for-like growth (+€9.9m). In addition, rental income includes the impact of the non-strategic assets sold from Gecina's like-for-like scope (-€11.5m) and the loss of rent linked to assets with strong value-creation potential that have been or will be transferred to the development pipeline (-€28.7m).

This performance benefits from like-for-like growth of +2.5%, outperforming the slight increase in indexation, up to +1.1%, as well as a reduced vacancy rate and a positive incoming-outgoing differential.

GROSS RENTAL INCOME *(IN MILLION EUROS)*	Dec 31, 18	Dec 31, 17	Change (%) Current basis	Change (%) Like-for-like
Offices	523.9	429.4	+22.0%	+2.7%
Traditional residential	104.9	108.9	-3.7%	+2.0%
Student residences	16.8	15.1	+11.3%	+2.9%
Other commercial assets	16.1	5.4	na	na
TOTAL GROSS RENTAL INCOME	**661.7**	**558.9**	**+18.4%**	**+2.5%**

Annualized rental income

Annualized rental income is down -€15m from December 31, 2017, factoring in the loss of rent due to the sales completed (-€65m), as well as tenants vacating buildings to be redeveloped (-€13m). This loss of rent is only partially offset by the deliveries of nine buildings, primarily in Paris (+€56m), as well as the organic trends and various effects (+€6m).

ANNUALIZED RENTAL INCOME *(IN MILLION EUROS)*	Dec 31, 18	Dec 31, 17
Offices	517	529
Traditional residential	105	106
Student residences	18	17
Other commercial assets	14	18
TOTAL	**654**	**669**

Offices: positive trends in the most central sectors

Like-for-like, office rental income is up +2.7%, exceeding the Group's expectations. This growth reflects the improvement in the financial occupancy rate, against a backdrop of an upturn on the Paris Region's office markets (+0.9%), and an improving level of indexation (+1.2%).

The performance levels achieved mask a good contribution by the most central sectors.

Rental reversion's contribution to like-for-like growth represents +0.6pts for the Paris CBD and the 6th and 7th arrondissements, is limited to +0.2pts for the Western Crescent, and is still negative for the rest of the Paris Region (-0.6pts), highlighting the differences in rental trends, which are more positive for the Paris Region's most central sectors.

With this organic performance, against a backdrop of improvements in market rental conditions in the most central sectors, the Group expects organic growth in office rental income in 2019 to benefit from a positive trend of around +1.7% to +2.0%, generated by indexation and rental reversion, confirming the solidity of Gecina's underlying markets. There is limited visibility at this stage for the change in rental vacancies, but this could have a negative impact in 2019.

On a current basis, rental income from offices is up +22.0%, benefiting in particular from Eurosic's integration net of the sales carried out on this scope (+€91.3m). The recent acquisitions (Adamas building in La Défense in 2017 and the 8 Graviers building in Neuilly in 2018) generated +€3.0m of additional rental income, while the additional rent received from the buildings delivered in 2017 (55 Amsterdam in Paris and Septen in Lyon) and 2018 (Ville l'Evêque, Guersant, Le France, Le Jade and Penthemont in Paris, and Sky 56 in Lyon) represent +€26.2m. In addition, the change on a current basis reflects the impact of the sales completed on Gecina's historical scope (-€5.3m), while the loss of rent from buildings with strong value creation potential launched as redevelopment programs represents -€28.4m, with more than two thirds linked to the redevelopment of the building at 75 avenue de la Grande Armée in Paris' CBD, the PSA Group's former headquarters, renamed "Live".

GROSS RENTAL INCOME - OFFICES *(IN MILLION EUROS)*	Dec 31, 18	Dec 31, 17	Change (%) Current basis	Change (%) Like-for-like
OFFICES	**523.9**	**429.4**	**+22.0%**	**+2.7%**
Paris CBD & 5-6-7 - Offices	140.3	127.8	+9.8%	+2.4%
Paris CBD & 5-6-7 - Retail	36.3	35.4	+2.6%	+2.7%
Paris - Other	89.7	59.7	+50.2%	-2.5%
Western Crescent - La Défense	163.5	142.3	+14.9%	+3.8%
Other Paris Region	54.7	41.4	+32.2%	+0.9%
Other French regions / International	39.4	22.8	+72.5%	na

Traditional residential: positive organic trends

Like-for-like, rental income for traditional residential properties is up +2.0%, compared with organic growth of just +0.6% in 2017.

This performance factors in indexation of +0.9% and the improvement in the financial occupancy rate, as well as the positive reversion (+0.3%) achieved on apartments relet since January 1, 2018, averaging out +5.6% higher than the previous tenant's rent. This significant reversion reflects the first effects of the reorganization of the residential portfolio division, delivering a clear outperformance compared with the average reversion of +1.9% recorded between 2014 and 2017.

On a current basis, the -3.7% contraction in rental income to €104.9m 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.

Student residences: first effects of the three new residences delivered in 2017 and 2018

Rental income from student residences shows a significant increase on a current basis (+11.3%), reflecting the impact of the delivery of two residences in Puteaux and Marseille in summer 2017 and the new "Rose de Cherbourg" residence in La Défense for the start of the 2018 academic year.

Like-for-like, the good rental trends reflect the positive consequences of the operational turnaround of two residences in Lille and Paris.

1

1.1.2 Occupancy rate still close to 95%

The average financial occupancy rate in 2018 was 94.9%, down -50bp year-on-year. This contraction is linked to the integration of Eurosic, whose average occupancy rate (91.1%) is lower than the rate for Gecina (excluding Eurosic), which represents 96.4%.

AVERAGE FINANCIAL OCCUPANCY RATE	Dec 31, 17	Mar 31, 18	Jun 30, 18	Sep 30, 18	Dec 31, 18
OFFICES	**95.3%**	**95.3%**	**95.4%**	**94.9%**	**94.7%**
DIVERSIFICATION	**95.9%**	**96.8%**	**96.3%**	**96.1%**	**96.0%**
Traditional residential	96.9%	97.6%	97.6%	97.5%	97.5%
Student residences	90.3%	92.5%	88.7%	87.6%	87.0%
Other commercial assets	95.9%	97.8%	97.3%	97.4%	97.5%
GROUP TOTAL	**95.4%**	**95.6%**	**95.6%**	**95.1%**	**94.9%**

Rental margin

The rental margin represents 91.7%. The contraction in the rental margin for the office portfolio (-120bp to 94.3%) is linked to the delivery of the Be Issy building, which is now 65% let, and the impact of the development pipeline. The lower rental margin on traditional residential properties is linked to new expenditure planned in connection with improving the quality of the residential buildings, intended to help capture rental reversion potential.

	Group	Offices	Residential	Student
Rental margin at Dec 31, 2017	92.5%	95.5%	82.6%	77.8%
RENTAL MARGIN AT DEC 31, 2018	**91.7%**	**94.3%**	**81.9%**	**75.0%**

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

Recurrent net income (Group share) is up +20.3% to €437.2m (+9% per share to €5.93), exceeding the Group's initial expectations. This performance reflects Eurosic's integration and the conditions for financing this acquisition, as well as the operational and financial synergies achieved. The year was also affected by the first impacts of the high volume of assets sold during the year, with this trend to continue in 2019. In addition, performance has benefited from the acceleration in the pace of asset deliveries over the second part of the year.

Portfolio rotation: +€93.7m net change in rental income

This growth reflects the portfolio's rotation in 2017 and 2018, primarily with Eurosic's acquisition in 2017, as well as the progress made with the sales program announced when this real estate company was acquired.

Eurosic's acquisition contributed +€102.3m to the increase in rental income (net of the sales completed since then for this scope). Other recent acquisitions (one building in La Défense and another in Neuilly) contributed just +€3m to rental income growth.

The loss of rent resulting from the sales carried out on Gecina scope (excluding Eurosic) represents -€11.5m. A significant percentage of the sales carried out were finalized during the second half of the year, including two portfolios located in other French regions apart from Paris for nearly €775m.

The annualized impact of all the sales completed in 2018 is around -€65m.

Operations relating to the pipeline (deliveries and launch of redevelopment work): -€0.9m net change in rental income

The change in recurrent net income (Group share) also reflects the impact of operations relating to the pipeline. The additional rental income generated by the recent deliveries of buildings under development represents +€27.8m (two office buildings and two student residences delivered in 2017, then nine buildings in 2018). Alongside this, the buildings transferred to the pipeline in 2017 and in 2018 account for a temporary drop in rental income for -€28.7m, including the building "Live" located at 75 avenue de la Grande Armée, the PSA Group's previous headquarters.

Optimization of financial expenses

Financial expenses show an increase of just +€13.3m, while the average gross debt volume is up from €5.7bn in 2017 to €8.3bn for 2018, linked primarily to Eurosic's acquisition. This moderate increase in financial expenses with regard to the change in scale for the Group's liabilities takes into account the reduction in the average cost of total debt to 1.4% at end-2018, versus 1.7% in 2017 and 2.2% in 2016 (including costs of undrawn credit lines), while the average maturity of debt has been further extended to 7.3 years (vs. 6.9 years at end-2017).

In million euros	Dec 31, 18	Dec 31, 17	Change (%)
GROSS RENTAL INCOME	**661.7**	**558.9**	**+18.4%**
NET RENTAL INCOME	**606.9**	**516.9**	**+17.4%**
Operating margin for other business	12.7	4.8	+161.1%
Services and other income (net)	3.5	3.6	-3.3%
Salaries and management costs	(86.9)	(71.8)	+21.0%
EBITDA	**536.1**	**453.5**	**+18.2%**
Net financial expenses	(93.7)	(80.4)	+16.5%
RECURRENT GROSS INCOME	**442.4**	**373.0**	**+18.6%**
Recurrent net income from associates	1.5	1.0	+53.7%
Recurrent minority interests	(1.7)	(7.5)	-77.4%
Recurrent tax	(5.0)	(3.0)	+64.9%
RECURRENT NET INCOME (GROUP SHARE)	**437.2**	**363.5**	**+20.3%**
RECURRENT NET INCOME (GROUP SHARE) PER SHARE	**5.93**	**5.44**	**+9.0%**

1.1.4 Portfolio rotation accelerated

€2.0bn of sales completed or secured since Eurosic's acquisition, further strengthening the Group portfolio's centrality and reducing its LTV to 38.4%

Since Eurosic's acquisition, Gecina has sold or secured sales for almost €2.0bn of assets with an average premium of +5.8% versus their latest free appraisal values, with €1.5bn since the start of the year (including €148m of sales under preliminary agreements at end-December 2018). In total, almost €1.8bn of commercial assets have been sold or are subject to preliminary agreements, with the rest made up of residential assets. These volumes of sales are in line with the Group's commitments to further strengthening its portfolio's centrality, while reducing its debt levels. 80% of the commercial sales carried out over the past 18 months concern assets from the previous Eurosic scope.

€1.8bn of commercial assets sold (or under preliminary agreements), with €1.4bn in 2018

The breakdown of the commercial sales completed in 2018 is as follows:

- Nearly 72% –or almost €1bn– concern buildings located outside of the Paris Region, with 92% from the previous Eurosic scope. These sales were primarily finalized in the second half of 2018;
- Around 18% in the Paris Region excluding Paris City;
- 10% in Paris.

In this way, Gecina's portfolio has increased its exposure to the Paris Region's most central sectors.

- The Paris Region represents 97% of the office portfolio, compared with 92% at the end of 2017;
- Paris City represents 61%, compared with 56% at end-December 2017 and 53% at end-2015, while the Western Crescent (including La Défense) represents 31% of the Group's office portfolio (versus 29% at end-2017).

Furthermore, based on the appraisal values from end-2018, the LTV is around 38.4% (36.2% including duties), down -6pts since Eurosic's acquisition, in line with the Group's ambition to reduce its LTV to less than 40%.

Lastly, as this sales program reflects a loss of rental income of around 5% and concerns assets that are considered to be mature or non-strategic, it is also making it possible to finance investments in the committed or controlled and certain pipeline offering a yield on cost of 5.8% and extensive value creation reserves.

Nearly €103m of residential sales completed or secured in 2018

Alongside this, Gecina completed nearly €84m of residential sales on a vacant unit basis in 2018, achieving an average premium of +24.1% versus the end-December 2017 appraisals. In addition, €5m of block sales were completed, with a 3% premium versus the latest appraisal values.

€14m of vacant unit-based sales were covered by preliminary sales agreements at the end of 2018 and will be finalized during the first quarter of 2019.

Key areas for investment identified on the residential portfolio for the future and already driving performance improvements in 2018

Recap on Gecina's core strategies for residential

Densification: capitalizing on our portfolio's centrality

In connection with the review of its residential portfolio underway since mid-2017, Gecina has identified several key areas for creating value on this portfolio.

In terms of densification: Gecina has identified potential for over 20,000 sq.m of new builds on sites that are already owned by the Group, with building permits currently being drawn up, primarily in Paris City. These operations would represent an investment outlay of around €80m. These densification operations make it possible to achieve yields on cost that are significantly higher than usual investments as the Group owns plots where buildings are already located and they will be retained and renovated alongside this to extract their reversion potential. Including the development operations that are already underway or to be launched shortly, the investment volume represents €197m, with €151m still to be paid out by 2022.

Extracting and maximizing reversion potential

Renovation of existing properties: Gecina is rolling out a program to renovate existing assets with a view to improving the quality and appeal of the residential buildings within its portfolio. This program will help capitalize on rental reversion potential and position expected rents above median market levels. These investments will make it possible to maximize the Group's performance in terms of robust organic growth. Over the next five years, this program is expected to represent a total investment volume of around €100m. Illustrating this, the work launched to renovate an existing building in Paris' 12th arrondissement is expected to make it possible to benefit from reversion potential of over +7% when its tenants rotate.

Refurbishment of vacated apartments: following the conclusive results achieved with the first operations benefiting certain apartments in Paris' 15th arrondissement, the Group plans to refurbish apartments when they are vacated in order to maximize their rental potential. The total budget set aside for this type of operation is expected to represent almost €40m over the next five years.

Main achievements and effects in 2018

64,000 sq.m of residential projects already underway, to be launched in 2019 or under review

Gecina's residential division has already launched four development projects representing almost 20,900 sq.m (two student residences and two traditional residential programs), with deliveries expected for 2020 and 2021.

Two other projects have been identified for nearly 15,000 sq.m and are expected to be launched in 2019, while another six are currently under review for 28,200 sq.m.

First effects of the reduced vacancy rate and the reversion captured

The processes put in place since the start of the year have already made it possible to reduce the residential portfolio's vacancy rate by 0.6pts. Moreover, the reversion potential captured in 2018 shows a significant improvement compared with previous years, with the new leases signed achieving +5.6% higher rents on average than the levels paid by the previous tenants. This performance compares favorably with the average reversion of +1.9% per year observed between 2014 and 2017. As a result, organic growth in residential rental income came to +2.1% in 2018, significantly outperforming indexation.

1.1.5 Lettings ramped up since the start of the year

2018 followed on from a particularly dynamic year in 2017 in terms of lettings. Since the start of the year, Gecina has let, relet or renegotiated nearly 247,000 sq.m of offices, representing €95m of annualized rental income, reflecting both the positive trends on the Paris market and the Group's commitment to anticipating its letting challenges.

On the scope for relettings or renewals, Gecina has secured an average positive reversion of +4.5% for headline rents.

- This performance has been driven by the capital's core, with +10% reversion in the CBD and the 6th and 7th arrondissements, and +2% for the rest of Paris. For reference, 61% of Gecina's office portfolio is located in Paris City.
- However, the reversion achieved is zero for La Défense and negative for the Paris Region's other sectors and outside of the Paris Region.

These performance levels, achieved through tenant rotations, confirm the Group's strategic focus on the most central sectors.

The Group has notably secured nearly 100,000 sq.m of pre-lettings on buildings upstream from their delivery. Regarding the scope for office buildings delivered in 2018 or to be delivered in 2019, the pre-letting rate is now 77% (including the lease signed on February 14, 2019 for 5,800 sq.m of the Be Issy building).

Main lettings in 2018 for assets under development:

- Gecina has let the entire Le France building in Paris for over 20,000 sq.m to the WeWork Group under a firm 12-year lease, with this building delivered in the last quarter of 2018.
- The 14,400 sq.m Paris-Guersant building in the 17th arrondissement, delivered in the third quarter of 2018, has also been fully let (versus 62% at end-2017).
- A firm 10-year lease has been signed with the pharmaceutical group MSD for 29% of the space in the 37,200 sq.m Carré Michelet building.
- In addition, the MAP building, which will be delivered during the first half of 2019, has been fully pre-let to the Lacoste Group under a firm seven-year lease.
- The building on Rue de Madrid in Paris' central business district, which will be delivered in 2020, has been fully let to the WeWork Group with a firm 12-year lease for 11,100 sq.m.
- The Ibox building located at Gare de Lyon, in Paris City, with over 19,200 sq.m of space, has been fully let to several tenants. It will be delivered during the first half of 2019.
- Nearly 65% of the Be Issy building's space has now been let to two tenants. A lease was signed on February 14 for 5,800 sq.m with the Edenred Group.

At this stage, more than half of the assets expected to be delivered in 2019 have already been pre-let. In Paris City, only 1,800 sq.m of the space to be delivered in 2019 still need to be pre-let, highlighting the good level of the rental markets in the most central sectors and especially Paris City.

1.1.6 Project pipeline topped up to €4.0bn and 174,000 sq.m delivered in 2018

Nine projects delivered in 2018

Gecina delivered nine projects in 2018, representing 174,000 sq.m, including eight office buildings. Five of them are located in Paris: Le Jade, Ville l'Eveque, 32 Guersant, Le France and Penthemont 1. These buildings in Paris are fully let. Gecina has also delivered the Sky 56 building in Lyon Part-Dieu, with 95% of its space let, primarily to the Orange Group, as well as the Octant-Sextant building in Levallois-Perret, 81% let, and the Be Issy building in Issy-les-Moulineaux in the Western Crescent, 65% let. In addition, the "Rose de Cherbourg" student residence in La Défense was delivered for the start of the 2018-19 academic year.

On these nine buildings, Gecina has already recorded a net value creation of €330m since their redevelopments were launched.

€3.2bn of projects committed or to be committed in the short term

€1.7bn of committed projects (deliveries for 2019-2021)

Nearly 63% of this committed pipeline is located in Paris City, with 32% in the Western Crescent's best business districts (Neuilly and La Défense) and the remaining 5% comprising a student residence and a residential program in the Paris Region.

Four new projects representing 26,200 sq.m were transferred to the pipeline at the end of 2018, with three office projects (two in the Paris CBD and one in La Défense) and one residential project in the Paris Region.

With an expected yield on cost of 5.6%, the committed pipeline represents a potential rental income volume of around €93m as the various assets are delivered. At this stage, 41% of the projects scheduled for delivery between 2019 and 2021 have been pre-let. The pre-letting rate represents 60%[1] for the nine committed projects scheduled for delivery in 2019-2020.

At end-2018, €364m were still to be invested on committed projects, with €163m in 2019, €144m in 2020 and €57m in 2021.

€1.5bn of "controlled and certain" projects (deliveries for 2020-2024)

The "controlled and certain" pipeline groups together 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 periods.

This pipeline includes 13 projects that will be transferred to the committed pipeline when they are vacated by their current tenants. In 2018, €42m of rental income was received on these buildings, which are scheduled to be vacated before being redeveloped.

These projects are scheduled for delivery between 2020 and 2024, and 78% are located in Paris City, with an average expected yield on cost of 6.1%.

€590m will be invested in these controlled and certain projects once they have been launched, with €21m to be paid out in 2019 and €115m in 2020.

€0.9bn of "likely" controlled projects over the longer term (possible deliveries in 2022-2026)

The "likely" 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 6.6% with a portfolio of potential projects focused primarily on Paris (50%). These projects will be launched as decided by Gecina in line with real estate market developments at the time of their potential launch. The greenfield operations will be able to be launched or sold based on the opportunities that arise.

(1) On the office portfolio

Concise overview of the developments pipeline

PROJECT	Location	Delivery date	Total space (sq.m)	Total invest. (€m)	Already invested (€m)	Still to invest (€m)	Yield on cost (net)	Prime yields (BNPPRE)	Pre-let	Average rental entry date (on leases signed)
Paris – Ibox	Paris	Q1-19	19,200	167	159	8			100%	Q3-19
La Défense - Carré Michelet	La Défense	Q2-19	37,200	338	316	22			29%	Q3-19
Paris - MAP	Paris	Q2-19	13,800	156	149	7			100%	Q2-19
Paris - Penthemont 2	Paris 7th	Q4-19	2,400	53	40	13			100%	Q4-19
Paris - 7, Rue de Madrid	Paris CBD	Q2-20	11,100	109	73	36			100%	Q2-20
Neuilly - 157 Charles de Gaulle	Western Crescent	Q1-21	11,200	103	64	39			0%	
Paris - L1ve	Paris CBD	Q3-21	33,500	478	364	113			0%	
Paris - Pyramide	Paris CBD	Q3-19	2,119	35	33	2			100%	Q3-19
La Défense - Guynemer	La Défense	Q3-19	12,203	96	83	13			0%	
Paris - Friedland	Paris CBD	Q4-19	1,795	28	22	5			0%	
TOTAL OFFICES			**144,517**	**1,562**	**1,304**	**258**	**5.6%**	**3.3%**	**41%**	
Paris - St Mandé	Paris	Q2-20	700	4	1	4			na	
Paris - Porte Brançion	Paris	Q2-21	2,900	19	0	19			na	
Ivry sur Seine - Ynov	Inner Rim	Q2-21	7,200	41	4	37			na	
Ville d'Avray	Inner Rim	Q3-21	10,100	49	3	45			na	
TOTAL RESIDENTIAL			**20,900**	**113**	**8**	**106**	**5.1%**	**3.9%**		
TOTAL COMMITTED PIPELINE			**165,417**	**1,675**	**1,312**	**364**	**5.6%**	**3.4%**		
Controlled and certain: Offices			138,059	1,415	870	545	6.2%	3.3%		
Controlled and certain: Residential			14,968	84	39	45	4.3%	3.4%		
TOTAL CONTROLLED AND CERTAIN			**153,027**	**1,499**	**909**	**590**	**6.1%**	**3.3%**		
TOTAL COMMITTED + CONTROLLED AND CERTAIN			**318,444**	**3,174**	**2,220**	**954**	**5.8%**	**3.3%**		
Likely redevelopments			90,564	650	389	261	6.0%	3.4%		
Greenfield			75,000	223	4	219	8.6%	5.0%		
TOTAL CONTROLLED AND LIKELY			**165,564**	**874**	**393**	**480**	**6.6%**	**3.8%**		
TOTAL PIPELINE			**484,008**	**4,048**	**2,614**	**1,434**	**6.0%**	**3.4%**		

1

1.2 Financial resources

The year 2018 was highlighted by the consolidation of the financial structure of Eurosic and the completion of a major disposal plan that significantly reduced Group's indebtedness and which was initiated following the acquisition of Eurosic. The market environment has seen a certain volatility due to the slowdown of the buyback program of the European Central Bank and uncertainties in the global geopolitical environment.

As such, in 2018 Gecina was again actively focused on optimizing the financing and management of the liabilities. The Group raised €1.9 billion in long-term financing (including the first two sustainable credit agreements). At the same time, the Group repaid or canceled €2.4 billion in financing. The repayments concerned loans carried by Eurosic but also by Gecina in order to optimize the structure and the consistency of the combined liability structure. Moreover, the private bond investments previously borne by Eurosic and Foncière de Paris were transferred to Gecina SA following the bondholders' approval at the General Meetings held in June 2018. Due to all of these transactions, the consolidation of the financial structure of Eurosic was completed successfully. At December 31, 2018, Gecina SA carried 98% of the Group's financing and 98% of the Group's financing are corporate financing arrangements.

These transactions have enabled the Group to continuously improve the main liability aggregates while preserving significant flexibility and liquidity:

- decrease in the average cost of drawn debt to 1.1% (-30 bp compared to 2017);
- lengthening of the average maturity of debt to 7.3 years (+0.4 years compared to the end of 2017);
- decrease in LTV to 38.4% (down 4 points following the completion of the disposal plan), to below 40%, as announced at the time of the Eurosic acquistion in June 2017;
- 0.1x growth in ICR compared to 2017, hence reaching 5.7x.

The Group's liquidity totaled €4,287 million at December 31, 2018, allowing for significant flexibility and largely covering the credit maturities for the next two years.

The year 2018 was also marked by an improvement and convergence of the Group's credit ratings. Moody's revised its rating upward from A3 negative outlook to A3 stable outlook and, since October, Gecina has been rated A- stable outlook by S&P.

1.2.1 Debt structure at December 31, 2018

Net financial debt amounted to €7,402 million at the end of 2018, down by €929 million compared with last year due to the completion of the disposal plan launched following the acquisition of Eurosic.

The main characteristics of the debt are:

	12/31/2017	12/31/2018
Gross financial debt (in € million)(2)	8,453	7,433
Net financial debt (in € million)(1)	8,331	7,402
Gross nominal debt (in € million)(2)	8,427	7,406
Unused credit lines (in € million)	3,760	4,255
Average maturity of debt (years, adjusted for available credit lines)	6.9	7.3
LTV	42.4%	38.4%
LTV (including duties)	40.0%	36.2%
ICR	5.6x	5.7x
Secured debt/Properties	3.6%	1.0%

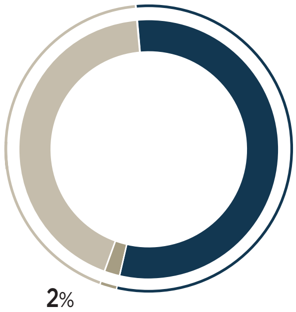
(1) Excluding fair value related to Eurosic's debt, €7,455 million including these items.

(2) Gross financial debt (excluding fair value related to Eurosic's debt) = Gross nominal debt + impact of the recognition of bonds at amortized cost + accrued interest not yet due + miscellaneous.

Debt by type

Breakdown of gross nominal debt

Breakdown of authorized financing (including €4,255 million of unused credit lines at December 31, 2018)



The Group's sources of financing are diversified, and long-term bonds make up 75% of the Group's nominal debt and 55% of the Group's authorized financings.

At December 31, 2018, Gecina's gross nominal debt comprised:

- €5,520 million of bonds issued under the EMTN (Euro Medium Term Notes) program;
- €219 million of bank loans, of which €189 million of mortgage financing and €30 million of corporate financing;
- €1,667 million in short-term resources (of which €1,267 million in commercial papers and €400 million in short-term private EMTN placements) covered by confirmed medium and long-term credit lines.

1.2.2 Liquidity

As at December 31, 2018, Gecina had €4,287 million available liquidity, of which €4,255 million of unused credit lines and €32 million cash, easily covering all credit maturities for the next two years (€2,200 million). Net of the short-term resource hedge, liquidity amounts to €2,620 million.

Financing or refinancing transactions completed during the financial year amounted to €1,9 billion with an average maturity of 7.7 years and included:

- one bond issue of €0.5 billion with a 12 year maturity and a coupon of 1.625%;
- the signing of 11 bilateral revolving credit facilities amounting to €1.4 billion with a 6.2 year average maturity.

In addition, Gecina repaid and canceled €2.4 billion of financing with an average maturity of 3 years, including:

- the early repayment of €1.4 billion of bank loans, including €0.5 billion of mortgages;
- the early termination of €0.9 billion of credit lines;
- the maturity of a private placement of €45 million.

Gecina updated its EMTN program with the AMF in March 2018 and its NEU CP program (commercial papers) with the Banque de France in May 2018, with ceilings of €8 billion and €2 billion, respectively.

In 2018, Gecina continued to use short-term resources via commercial papers and EMTN private placement with short maturities in order to maintain flexibility and to adapt to the delivery of the disposal plan. As of December 31, 2018, the Group's short-term resources amounted to €1,667 million, compared with €1,714 million at the end of 2017. The average short term resources volume in 2018 was €1,886 million, compared with €964 million in 2017.

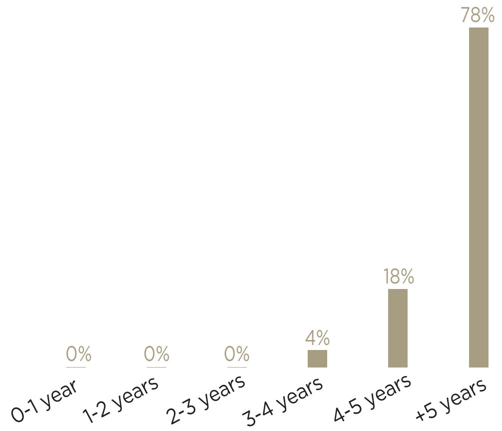
The main objectives of this liquidity are to provide sufficient flexibility to adapt the volume of debt to the pace of acquisitions and disposals, hedge the refinancing of short-term maturities, allow refinancing under optimal conditions, meet the criteria of the credit rating agencies and finance the Group's investment projects.

1.2.3 Debt repayment schedule

As at December 31, 2018, the average maturity of Gecina's debt is 7.3 years, 0.4 years longer compared with December 31, 2017.

The following chart breaks down Gecina's debt maturity at December 31, 2018 (after allocation of unused credit lines):

In 2018, the Group also strived to optimize and streamline the financing maturities schedule. After allocation of unused credit lines, the Group has no maturities in the next three years and 78% of debt has a maturity of more than five years.

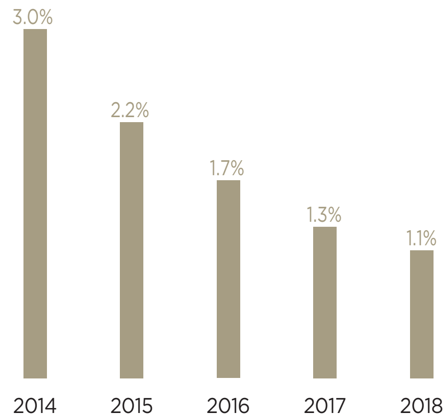


1.2.4 Average cost of debt

The average cost of drawn debt decreased in 2018, down from 1.3% in 2017 to 1.1%. This favorable development is mainly due to the rapid consolidation of Eurosic's financial structure and the continuation of the Group's financial strategy (credit rating, financial structure, hedging policy, active management of the credit schedule, etc.).

The following chart shows the evolution in the average cost of Gecina's drawn debt during the last five financial years and its constant improvement.

The average cost of overall debt also improved, falling from 1.7% in 2017 to 1.4% in 2018.



Capitalized interest on development projects amounted to €18.1 million in 2018 (compared with €16.1 million in 2017).

1.2.5 Credit rating

The Gecina group is rated both by Moody's and Standard & Poor's:

- Standard & Poor's revised its BBB+ positive outlook credit rating up to A- stable outlook in October 2018;
- in August, Moody's raised Gecina's A3 negative outlook to A3 stable outlook.

The increase and alignment of ratings to the single A class is a recognition of the quality of the Group's assets, the continuous optimization and improvement of Gecina's liability fundamentals. Moreover, it shows the rapid completion of the disposal program that allowed to lower the LTV below 40%, as announced at the time of the acquisition of Eurosic, and in line with the Group's financial policy.

1.2.6 Management of interest rate risk hedge

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

Gecina has pursued the global hedge management strategy of the combined structure that aimes at:

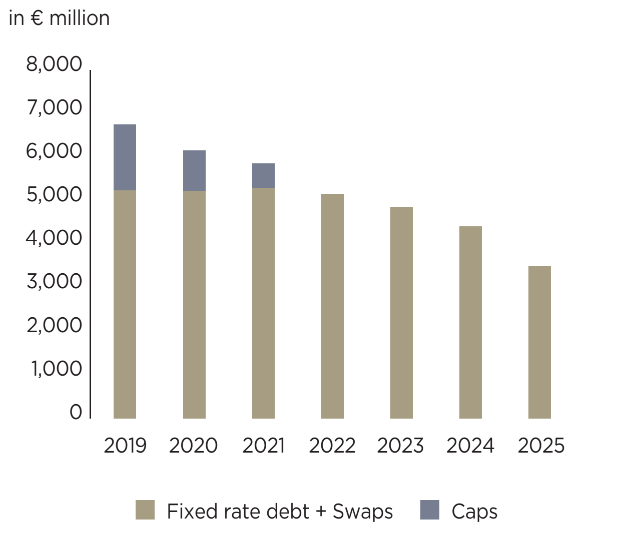
- maintaining an optimal hedging ratio;
- adapting its hedging portfolio following fixed-rate bond issues, and changes in the debt volume;
- raising the average maturity of hedges (fixed-rate debt and derivative instruments); and
- securing favorable long-term interest rates.

For this purpose, Gecina issued a fixed-rate bond in the amount of €500 million with a 12-year maturity and put in place three caps for a total amount of €350 million.

The combination of these transactions also helped maintain the average duration of the Group's firm hedge portfolio beyond 7 years, at 7.1 years at December 31, 2018, compared with 7.5 years at the end of 2017.

As of December 31, 2018, based on the level of projected debt volume, the average hedging ratio reaches 71% over the next 7 years.

The chart below shows the profile of the hedge portfolio:



Gecina's interest rate hedging policy is implemented at the Group level and over the long-term; it is 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 accounted for in the income statement.

Measuring interest rate risk

Gecina's anticipated net financial debt in 2019 is hedged up to 92% against interest rate increase (depending on observed Euribor rate levels, due to caps).

Based on the existing hedge portfolio, contractual conditions as at December 31, 2018, and anticipated debt in 2019, a 50 basis-point increase in the interest rate would generate an additional expense of about €8 million in 2019. A 50 basis-point decrease in interest rates would cut financial expenses by about €6 million in 2019.

1.2.7 Financial structure and banking covenants

Gecina's financial situation as at December 31, 2018, meets all requirements of the various covenants of loan agreements the company has contracted.

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

	Benchmark standard	Balance at 12/31/2018
LTV Net debt/revalued block value of property holding (excluding duties)	Maximum 55%/60%	38.4%
ICR EBITDA (excluding disposals)/net financial expenses	Minimum 2.0x	5.7x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	1.0%
Revalued block value of property holding (excluding duties), in € billion	Minimum 6/8	19.3

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

LTV stood at 38.4% at December 31, 2018, down on December 31, 2017 due to the completion of the disposal plan. ICR reached 5.7x, slightly higher than in 2017.

1.2.8 Guarantees given

The amount of consolidated nominal debt guaranteed by real sureties (*i.e.* mortgages, lender's liens, unregistered mortgages) amounted to €189 million at year-end 2018, compared with €700 million at year-end 2017.

At December 31, 2018, the total amount of financing guaranteed by mortgage-backed assets amounted to 1.0% of the total block value of the property portfolio, *versus* 3.6% at December 31, 2017, for an authorized maximum limit of 25% in the various loan agreements.

1.2.9 Early repayment in the event of a change of control

Some loan agreements to which Gecina is party and bonds issued by Gecina provide for mandatory early repayment and/or cancellation of loans granted and/or a mandatory early repayment liability, if control of Gecina changes.

On the basis of a total amount of authorizations of €10.0 billion (including unused credit lines) at December 31, 2018, €3.9 billion of bank debt and €5.5 billion of bonds are concerned by such a clause relative to a change of control of Gecina (in most cases, this change must lead to a downgrading in the credit rating to Non-Investment Grade for this clause to be activated).

In the case of bonds issued by Gecina, a change of control resulting in a downgrade in the credit rating to a Non-Investment Grade that is not restored to Investment Grade level within 120 days may result in the early repayment of the loan.

1.3 Appraisal of the property portfolio

All of the Gecina group's real estate assets are assessed each year on June 30 and December 31 by a panel of independent experts: CBRE Valuation, Cushman & Wakefield and Crédit Foncier Expertise on the Gecina property holdings prior to the consolidation of the Eurosic portfolio, and CBRE Valuation, Cushman & Wakefield, BNPP Real Estate, Catella, Euroflemming Expertise and Christie, on the former Eurosic holdings as at December 31. Regarding the historic Gecina portfolio, the property appraisers were selected in January 2016 under the supervision of the Group Audit and Risk Committee and on the basis of specifications. The selected contracts have six-year terms for a firm period of three years. For the former Eurosic holdings, the agreements resulting from the selection of experts were signed on June 30, 2017 for an expected duration of three years. The appraisers' fees are based on the number of assets appraised, not on the value of those assets.

The values presented in this chapter were obtained from the appraisals made by the property appraisers appointed by Gecina for this purpose. The Group's property portfolio is made up of tertiary assets (offices and shops), residential buildings, hotels, and other assets (business premises, restaurants, etc.). For the 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.

Each asset that is appraised is valued by an appraiser from the Board, and each appraiser receives a portfolio of properties to appraise. The appraisers determine the fair value of the properties using two approaches: the disposal of entire buildings (appraised block value) plus, for residential buildings only, the individual disposal of units of buildings (appraised units value). The method used by the appraisers is described in Note 2.5.3.1.1 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.

Information on the sensitivity of the property portfolio valuation to changes in the economic situation is indicated in the Consolidated financial statements section, in Note 2.5.6.8.

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.

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.

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 yield linked to the type of asset under review in the case of income-based methods.

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

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 10-year Discounted Cash Flow (DCF), the appraiser will use, at the end of each lease under consideration, the market rental value of the surface areas that have been released.

Evolution of the appraisal of the property portfolio

The 2018 change in the balance sheet fair value according to the Group's accounting standards is as follows:

	Block value			Current basis		Like-for-like basis	Like-for-like basis
In € million	12/31/2018	06/30/2018	12/31/2017	12/31/2018 *vs* 12/31/2017	12/31/2018 *vs* 06/30/2018	12/31/2018 *vs* 12/31/2017	12/31/2018 *vs* 06/30/2018
OFFICES	**15,354**	**15,930**	**15,760**	**-2.6%**	**-3.6%**	**+2.5%**	**+0.8%**
Paris City	9,325	9,028	8,816	+5.8%	+3.3%	+4.0%	+1.8%
▪ Paris CBD & 5-6-7	6,565	6,375	6,202	+5.9%	+3.0%	+4.3%	+2.0%
▪ Paris CBD & 5-6-7 - Offices	5,050	4,898	4,772	+5.8%	+3.1%	+3.6%	+1.7%
▪ Paris CBD & 5-6-7 - Retail	1,515	1,477	1,430	+6.0%	+2.6%	+6.3%	+2.9%
▪ Paris - Other	2,760	2,653	2,614	+5.6%	+4.0%	+3.0%	+1.2%
Western Crescent - La Défense	4,688	4,706	4,551	+3.0%	-0.4%	+0.7%	-0.6%
Paris Region - Other	862	927	1,130	-23.7%	-7.0%	-2.0%	-1.1%
Other French regions / International	479	1,269	1,264	-62.1%	-62.2%	+1.8%	+1.1%
RESIDENTIAL	**3,291**	**3,229**	**3,160**	**+4.2%**	**+1.9%**	**+7.5%**	**+4.4%**
OTHER COMMERCIAL ASSETS	**221**	**239**	**246**	**-10.3%**	**-7.8%**	**-0.2%**	**-0.7%**
HOTELS & FINANCIAL LEASE	**404**	**438**	**482**	**-16.1%**	**-7.7%**	**N/A**	**N/A**
GROUP TOTAL - BLOCK VALUE	**19,270**	**19,836**	**19,648**	**-1.9%**	**-2.9%**	**+3.4%**	**+1.5%**
TOTAL GROUP - UNIT APPRAISALS	**19,745**	**20,322**	**20,101**	**-1.8%**	**-2.8%**	**+3.4%**	**+1.3%**

The property portfolio had a block value of €19,270 million, corresponding to a drop of €378 million in 2018 (*i.e.* down -1.9%).

This decrease is mainly due to the asset disposals for €1,330 million offset by the increase in assets on a like-for-like basis (+€488 million including €72 million of investments) and the increase in value of assets delivered and under development (+€495 million, of which €302 million of investments).

The main changes in the property portfolio in the financial year are the following:

On a current basis:

(i) decline of €1,245 million (value at December 31, 2017) corresponding to block disposals for a sales price of €1,227 million;

(ii) decrease of €68 million in unit-by-unit asset sales following the disposals in the year for a sales price of €84 million;

(iii) increase of €488 million on a like-for-like basis to €14,856 million;

(iv) growth of €254 million of the pipeline (€111 million in investment) including Carré Michelet at La Défense and *La Tour Ibox* in the Paris 12th arrondissement. The pipeline totals €1,603 million at December 31, 2018;

(v) increase of €241 million relating to 2018 deliveries of nine office buildings (including *Le France* in Paris 13th and Sky 56 in Lyon) and student residence building (Rose de Cherbourg in Puteaux) for a value of €1,812 million at December 31, 2018 (CAPEX amount of €191 million);

(vi) growth of €29 million representing the 2018 acquisitions (investments of €31 million);

(vii) decrease of €8 million of land reserves (including -€17 million related to sales);

(viii) reduction in value of €30 million on buildings in block disposal for a value of €340 million at December 31, 2018;

(ix) decrease of 49 million in the financial lease portfolio.

On a like-for-like basis :

Gecina's like-for-like scope at €14,856 million increased €488 million over the year (*i.e.* +3.4%) including €72 million in expenses and improvement works:

(i) +2.5% increase in the offices portfolio, equivalent to +€286 million. Net capitalization rates remained globally stable (-1 bp at 4.31%).

(ii) Overall increase in the residential portfolio: up by +7.5% *i.e.* +€202 million. This breaks down as follows: +7.7% or +€187 million for traditional residential properties and +5.7% or +€15 million for student residences. Unit valuations increased by +6.9%.

The value per square meter of traditional residential properties stood at €6,702/sq.m as at December 31, 2018 with a net capitalization rate of 3.12%. The value per square meter of student residences was €4,757/sq.m with a net capitalization rate of 4.67%.

Yield rate and capitalization rate

Net capitalization rates excluding duties dipped by 5 basis points, like-for-like.

	Net yield (incl. duties)		Net capitalization rate (excl. duties)	
In € million	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
OFFICES	**4.03%**	**4.05%**	**4.31%**	**4.32%**
Paris City	3.53%	3.61%	3.78%	3.86%
▪ Paris CBD & 5-6-7	3.17%	3.26%	3.40%	3.48%
▪ Paris CBD & 5-6-7 - Offices	3.57%	3.63%	3.84%	3.88%
▪ Paris CBD & 5-6-7 - Retail	2.11%	2.24%	2.26%	2.41%
▪ Paris - Other	4.71%	4.77%	5.02%	5.09%
Western Crescent - La Défense	4.49%	4.39%	4.80%	4.69%
Paris Region - Other	6.10%	5.88%	6.53%	6.30%
Other French regions / International	5.06%	5.02%	5.17%	5.19%
RESIDENTIAL	**3.06%**	**3.28%**	**3.27%**	**3.49%**
TOTAL LIKE-FOR-LIKE BASIS(1)	**3.86%**	**3.92%**	**4.13%**	**4.19%**

(1) Like-for-like 2018

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

Discount rate and risk premium

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 with reference to the French Treasury's ten-year OAT (with an interest rate of 0.70% as at December 31, 2018).

	Discount rate December 2018		Specific risk premium December 2018	
OFFICES	**3.00%**	**9.90%**	**2.30%**	**9.20%**
Offices - Paris	3.00%	8.60%	2.30%	7.90%
Offices - Paris Region	4.00%	9.90%	3.30%	9.20%
Regions Offices	3.05%	7.25%	2.35%	6.55%

Breakdown of the portfolio value by segment

The breakdown of the portfolio value by segment as at December 31, 2018 is the following:

SEGMENTS	2018 *(in € million)*	2018 *(in %)*
Offices	15,354	80%
Residential	3,291	17%
Hotels and Finance leases	404	2%
Other commercial assets	221	1%
TOTAL GECINA	**19,270**	**100%**

Reconciliation of portfolio value with book value

In accordance with the EPRA guidelines, the table below presents the reconciliation between the book value of buildings on the balance sheet and the total appraisal value of the property holdings:

In € million	12/31/2018
BOOK VALUE	**19,101**
Operating buildings (Hotels)	+53
Operating buildings (head office)	+114
Other	+1
PROPERTY PORTFOLIO VALUE	**+19,270**
Company fair value accounted for under the equity method	+2
APPRAISAL VALUE	**19,273**

1.3.1 Buildings in the office properties portfolio

Valuation of the buildings in the office properties portfolio

In € million	12/31/2018	12/31/2017	Change
Block value on a current basis	15,354	15,760	-2.6%
Block value on a like-for-like basis	11,790	11,504	+2.5%

Current basis

The office property portfolio totaled €15,354 million at December 31, 2018, down -2.6% (-€406 million), due mainly to sale transactions amounting to €1,225 million which were partially offset by the increases in the constant portfolio of €286 million and in the pipeline of €250 million.

In 2018, the office properties investment market remained dynamic in an environment featuring abundant liquidity and low interest rates. The yield rates reached their lowest levels in all market segments. The Group's office portfolio located in the Central Business District and the 5th, 6th and 7th districts of Paris grew by +4.3%.

Like-for-like

The block value of the office properties portfolio increased by +2.5% in 2018.

Over the year, the growth in value of the office properties portfolio results from:

- a positive rate effect (+1.0%) mainly in the 1st semester;
- a positive business plan effect (+1.5%) homogeneous over the 1st and 2nd half-years.

After recognition of costs and upgrade works (€56 million), the change in valuation was +€229 million (+2.0%).

Assets in the office property portfolio on a like-for-like basis

	Block value *(In € million)*	Value/sq.m *(in euros)*	Gross capitalization rate	Net capitalization rate
Paris City	7,138	13,584	3.90%	3.78%
▪ Paris CBD & 5-6-7	5,479	17,926	3.51%	3.40%
▪ Paris CBD & 5-6-7 - Offices	3,964	15,586	3.96%	3.84%
▪ Paris CBD & 5-6-7 - Retail	1,515	48,887	2.33%	2.26%
▪ Paris - Other	1,659	7,551	5.17%	5.02%
Western Crescent - La Défense	3,651	8,178	4.95%	4.80%
Paris Region - Other	852	3,312	6.73%	6.53%
Other French regions / International	148	3,511	5.33%	5.17%
TOTAL	**11,790**	**9,372**	**4.44%**	**4.31%**

On a like-for-like basis, 60.5% of the Group's offices property portfolio is located in Paris and 38.2% in the Paris Region.

Net capitalization rates overall stable at 4.31%. Potential rents per square meter remained mostly stable at €431/sq.m. Average valuation per square meter was €9,372.

The office property assets located in the CBD & 5-6-7 benefited from the market appetite for that asset class and earned +4.3% over the year on a like-for-like basis (+2.0% in the second half of the year). The result was a net capitalization rate of 3.40% and 2.26% for retail assets. The net capitalization rate of the Western Crescent offices was 4.80%.

1.3.2 Buildings in the residential property portfolio

Valuation of properties in the residential properties

In € million	12/31/2018	12/31/2017	Change
Block value on a current basis	3,291	3,160	+4.2%
Block value on a like-for-like basis	2,895	2,693	+7.5%
Unit value on a current basis	3,760	3,577	+5.1%
Unit value on a like-for-like basis	3,311	3,097	+6.9%

Current basis

The residential portfolio increased +4.2% to €3,291 million due to the increase in metric values observed on the market and the decline in yields linked to the investor appetite for this category of assets located in Paris and the near west suburbs. This increase was partly offset by disposals.

Like-for-like

Benefiting from these favorable market conditions, the residential portfolio increased +7.5% on a like-for-like basis, reaching €2,895 million for the year (+4.4% in the second half of the year).

On a like-for-like basis, the traditional residential portfolio increased 7.7% over the year (€2,616 million, an increase of +€187 million).

The appreciation of traditional residential assets can be explained by:

- a positive rate effect (+3.6%);
- a positive business plan effect (+4.1%).

Taking account of the capital expenditure on traditional residential buildings (€15 million), the annual change in value was up €172 million (+7.1%).

Student residences valuation increased by +5.7% for the full year (€279 million, +€15 million).

Buildings in the residential property portfolio on a like-for-like basis

	Block value *(in million euros)*	Value/sq.m *(in euros)*	Gross capitalization rate	Net capitalization rate
Paris Region	2,806	6,644	3.86%	3.21%
Other regions	89	3,341	6.52%	5.12%
TOTAL	**2,895**	**6,448**	**3.94%**	**3.27%**

On a like-for-like basis, approximately 96.9% of the Group's residential property portfolio is based in the Paris Region. Of this 73.2% is located in Paris. The average rate of net capitalization is 3.27%, down by 22 bp and the average metric valuation is €6,448/sq.m.

On a like-for-like basis, for traditional residential assets, the block/unit overall discount was at 12% as at December 31, 2018. Unit values increased 7.5% to €2,982 million for the full year. The block value per square meter of these property assets stood at €6,702/sq.m as at December 31, 2018 with the net capitalization rate down by 22 bp at 3.12%.

1.3.3 Condensed report of property appraisers

General background to the appraisal engagement

General background

The Gecina group consulted the property appraisers:

- CBRE Valuation;
- Cushman & Wakefield;
- Crédit Foncier Expertise;
- BNP Paribas Real Estate;
- Euroflemming Expertise;
- Catella Valuation Advisors;
- Christie & Co.

To obtain the updated value of its portfolio of real estate assets, break down as follows:

In € million	Assets number	Valuation at 12/31/2018
CBRE Valuation	63	7,035
Cushman & Wakefield	71	6,181
Crédit Foncier Expertise	76	3,570
BNP Paribas Real Estate	15	603
Euroflemming Expertise	13	821
Catella Valuation Advisors	11	376
Christie & Co	1	19
Other independent appraisers	5	257
Gecina Internal Valuation	68	411
TOTAL	**323**	**19,273**

In accordance with Gecina's instructions, the property appraisers drafted appraisal reports and determined the requested fair values, the objective valuation as at December 31, 2018.

No conflict of interest was recognized.

This engagement accounts for less than 5% of the annual revenue of each real estate appraiser. The fees of property appraisers are determined on the basis of a lump sum per asset examined and never on the basis of an amount proportional to the value of the building.

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

Mission (see detailed report, "Mission summary table")

All the concerned real estate assets have been inspected by the appraisal teams over the last five years, including 74 assets in 2017 and 2 assets in 2018.

To carry out this appraisal, no technical, legal, environmental, administrative, or other audit was required. The valuation was based on the documents provided by the principal, namely:

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

Performance conditions

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

The appraisal procedures and assessments were made in accordance with:

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

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

- comparison method;
- revenue method;
- cash flow method;
- “developer’s balance sheet” method (only applied to buildings under construction).

The valuation methodology is summarized in Note 2.5.3.1.1 to the consolidated financial statements.

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

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

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

Others

Fair 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 fair 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 RegistrationDocument.

CBRE Valuation	Cushman & Wakefield	Crédit Foncier Expertise	BNP Paribas Real Estate	Euroflemming Expertise	Catella Valuation Advisors	Christie & Co

1.4 Business and earnings of main companies

1.4.1 Gecina

1.4.1.1 Business and earnings

2018 rental income amounted to €251 million compared with €250 million in 2017. Residential sector rents fell from €103 million to €99 million as a result of asset disposals in 2017 and 2018. Rental income from the commercial sector increased to €152 million in 2018 (€147 million in 2017). This increase is mainly explained by the end of some free periods in 2017 and 2018.

Write-backs on provisions in 2018 concern rent receivables for €1.5 million and employee commitments for €1.6 million.

Operating income includes recharges to tenants for €50 million and recharges of intercompany services for €49 million (classified in "other income").

Operating expenses for financial year 2018 came to €255 million (compared to €246 million for the previous year).

External charges rose by €18 million year-on-year. These expenses include €3 million in management fees and €10 million in advising fees.

The consolidation of the companies of the Eurosic group in the Group's agreements entails an increase in Gecina's G&A expenses, that are partly recovered from its subsidiaries.

Depreciation totaled €61 million, in line with 2017.

Operating income thus stood at €100 million (€96 million for the previous year).

Net financial income constituted net profit of €192 million, compared to net income of €88 million the previous year. This reflects in particular:

- interest and related expenses (net of cash revenue) of €65 million (including €4 million linked to financial termination expenses following the restructuring of transactions on financial hedging instruments);
- dividends received from subsidiaries and income from equity investments of €259 million;
- write-downs and provisions for liabilities on securities and receivables of subsidiaries in the amount of €4 million.

Exceptional net profit of €177 million included €120 million in capital gains on property disposals, €59 million in damages and interest linked to the legal dispute with the former Gecina officer Joaquín Rivero.

In 2017, exceptional items included a net profit of €150 million, including €117 million in capital gains on property disposals and €54 million in net write-backs of provisions on properties, and a net loss of -€21 million on bond and treasury share buybacks.

Financial year 2018 net income amounted to a profit of €468 million, up from €333 million for 2017.

1.4.1.2 Financial position

As at December 31, 2018, the company reported total assets of €13,909 million, compared to €12,258 million as at December 31, 2017.

The property portfolio directly held by Gecina totaled €3,441 million at the end of 2018 compared with €3,573 million at the end of 2017.

The changes were as follows:

In € million	
▪ net book value of assets sold	(111)
▪ capitalized expenditures	40
▪ depreciation	(60)
▪ net allocations to provisions	(1)
CHANGE IN THE PORTFOLIO VALUE	**(132)**

Equity investments and related receivables represented a total net amount of €8,824 million as at December 31, 2018, compared to €7,108 million at the end of 2017.

In € million

▪ net increase in related receivables	1,712
▪ net change in provisions	4
CHANGE IN EQUITY INVESTMENTS AND RELATED RECEIVABLES	**1,716**

The net increase in related receivables results mainly from long-term advances put in place by the companies acquired in 2017.

At December 31, 2018, the most significant equity investments were as follows, in gross value: Eurosic (€2,375 million), Geciter (€782 million) and Avenir Danton Défense (€476 million).

Other financial investments include mainly the Eurosic OSRA for €890 million and treasury shares held by the company for €241 million.

Gecina holds a total 2,140,426 treasury shares, *i.e.* 2.81% of the share capital.

Current assets amounted to €329 million at December 31, 2018, *versus* €297 million at December 31, 2017. These include:

- other receivables (€283 million net), comprised mainly of intra-group receivables (€217 million, including the €20 million receivable on Bami Newco entirely written down), damages and interests to receive following the litigation with the former Gecina officer, Joaquin Rivero, as well as tax and VAT receivables;
- rent receivables for a net amount of €5 million;
- cash for €11 million;
- prepaid expenses for €29 million primarily concern loan issuance costs.

The €193 million increase in shareholders' equity can be explained as follows:

In € million

SHAREHOLDERS' EQUITY AT DECEMBER 31, 2017	**5,404**
Capital increase linked to the distribution of share-based dividends	108
Capital increase and merger premium resulting from the exercise of stock options and subscriptions to the company savings scheme (PEE)	5
Dividends paid in 2018	(388)
Net income for the year 2018	468
SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2018	**5,597**

Financial debt as at December 31, 2018 totaled €8,129 million compared with €6,706 million at the end of 2017, of which €840 million in intra-group debt.

The company issued a new bond for €500 million and a short-term private placement in the amount of €100 million. In addition, bonds initially carried by Eurosic and Foncière de Paris for €720 million were transferred to Gecina.

Provisions for liabilities and charges amounted to €30 million, compared with €31 million the previous year. The provisions concern €12 million for pension commitments and long service awards, €7 million for tax risk incurred following a number of tax audits, €6 million for property disputes and €5 million for subsidiary losses.

Disclosures about Gecina's terms of payment (Article D. 441-4 of the French Commercial Code)

The tables below present the analysis of trade payables and account receivables as at December 31, 2018:

	Invoices issued and not paid as of the close of the financial year and whose terms have expired					
Amounts including all taxes (In €'000)	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) LATE PAYMENT TRANCHES						
Number of invoices concerned	149					504
Amount of invoices concerned	1,382	935	150	248	343	1,677
Percentage of the total amount of purchases in the financial year	1.0%	0.6%	0.1%	0.2%	0.2%	1.2%
(B) INVOICES EXCLUDED FROM (A) RELATING TO PAYABLES AND DEBT DISPUTED OR NOT ENTERED						
Number of invoices	1,126					

	Invoices issued and not paid at the close of the financial year and whose terms have expired					
Amounts including all taxes (In €'000)	**0 days**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) LATE PAYMENT TRANCHES						
Number of invoices concerned						11,407
Amount of invoices concerned		5,332	94	198	7,190	12,814
Percentage of revenue of the financial year						3.2%
(B) INVOICES EXCLUDED FROM (A) RELATING TO PAYABLES AND DEBT DISPUTED OR NOT ENTERED						
Number of invoices						

1.4.2 Business and earnings of the main subsidiaries

Geciter

This subsidiary, which is wholly owned by Gecina, owns 27 office buildings with a block value, excluding duties, of €2.0 billion as at December 31, 2018.

The amount of rental income totaled €48.3 million compared with €48.1 million in 2017. Net income in 2018 showed a profit of €33 million, compared to €19 million in 2017. This growth stemmed from the €9.7 million increase in exceptional items (following the sale of the 34 rue de Guersant and Les Bordes in Brétigny buildings for a total price of €71 million in 2018).

For the financial year 2017, in 2018 Geciter distributed a dividend of €216.02 per share *i.e.* €37.7 million.

Eurosic

This subsidiary, which was 99.70% owned by Gecina at December 2018, owns 32 buildings with a block value, excluding duties, of €1.2 billion as at December 31, 2018.

The amount of rental income totaled €22.2 million compared with €27.9 million in 2017. This decrease stems in particular from the redevelopment of the Guynemer building and asset disposals made during the year.

In 2018, Eurosic sold its investments in Eurosic Palmer, Delos, Multimédia, ER1, ER2, ER3, ER5 and ER6.

Net income in 2018 showed a profit of €224.7 million, compared with €167.2 million in 2017.

For the financial year 2017, in 2018 Eurosic distributed a dividend of €2.52 per share i.e. €119.2 million.

Foncière de Paris

This subsidiary, which is 99.96% owned by Eurosic, owns 45 office buildings with a block value, excluding duties, of €1.7 billion at December 31, 2018.

The amount of rental income totaled €51.6 million compared with €47.6 million in 2017. The amount of financial leases (legacy activity) totaled €26.4 million compared with €31.6 million in 2017. Net income in 2018 showed a profit of €67.2 million, including non-recurring elements totaling €41.3 million, *versus* a net loss of -€33 thousand in 2017 (including exceptional items of -€25.5 million).

In 2018, Foncière de Paris did not distribute a dividend relative to the 2017 financial year.

1.4.3 Related party transactions

1.4.3.1 Transactions between Gecina group and its shareholders

As at December 31, 2018, Gecina had no material transactions with the company's major shareholders, other than those described in Note 2.5.9.3 to the Consolidated financial statements.

1.4.3.2 Transactions between Group companies

The Group structure is highly centralized. Gecina is the direct employer of most of its administrative staff, with the exception of the Locare sales teams, the Gecina Management teams and property personnel, who are employed by the property companies. They re-invoice their subsidiaries for services and operating resources.

All the Group's financing requirements are organized by Gecina, with the exception of some financing specific to certain assets held by the 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 between the different branches.

1

1.5 Triple Net Asset Value

EPRA NNNAV (Triple Net Asset Value - block)

The EPRA NNNAV is calculated according to the EPRA[1] recommendations. The calculation is based on the Group's shareholders' equity obtained from financial statements, which include the fair value by block, excluding duties, of investment properties, buildings under reconstruction and properties held for sale, as well as financial instruments.

The foregoing elements are restated of the Group's shareholders' equity to calculate EPRA NAV and EPRA NNNAV:

- unrealized capital gains on buildings valued at their historic cost such as operating building and inventory buildings are calculated on the basis of block appraisal values excluding duties, determined by independent appraisers;
- the fair value of fixed-rate financial debts and hotel commercial properties.

Registration fees are determined by taking into account the most appropriate mode of disposal of the asset: sale of the asset or company shares. When the sale of the company appears to be more advantageous than the sale of the asset, the resultant registration rights replace those deducted from the property appraisals.

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

The diluted EPRA NNNAV amounted to €11,941 million at December 31, 2018 or €160.5 per share. The diluted EPRA NAV totaled €12,019 million at December 31, 2018, or €161.6 per share.

The EPRA NNNAV came to €166.9 per share as at December 31, 2018, compared with €159.0 per share as at December 31, 2017.

The table below, compliant with EPRA recommendations, presents the transition between the Group's shareholders' equity derived from financial statements and the EPRA NNNAV.

Net Asset Value – block

	12/31/2018		12/31/2017	
In € million	Amount/No. of shares	€/share	Amount/No. of shares	€/share
Fully diluted number of shares	74,375,424		73,454,892	
SHAREHOLDERS' EQUITY UNDER IFRS	**11,722** *		**10,986** *	
+ Impact of exercising stock options	4.0		6.5	
DILUTED NAV	**11,726**	**€157.7**	**10,993**	**€149.6**
+ Fair value reporting of assets at amortized cost	125.6		113.3	
+ Hotel commercial properties	53.1		43.0	
+ Transfer duties adjustment	116.4		121.8	
- Fair value of financial instruments	(2.9)		(13.1)	
- Deferred taxes	0.5			
= DILUTED EPRA NAV	**12,019**	**€161.6**	**11,257**	**€153.3**
+ Fair value of financial instruments	2.9		13.1	
+ Fair Value of liabilities	(80.4)		(37.4)	
+ Deferred taxes	(0.5)		0.0	
= DILUTED EPRA NNNAV	**11,941**	**€160.5**	**11,233**	**€152.9**

* *Including €208 million of Goodwill*

(1) *European Public Real Estate Association*

1.6 Strategy and outlook

Gecina launches YouFirst

Dedicated brand for office and residential users

On December 6, 2018, Gecina announced the launch of YouFirst, its relational brand for all its clients: office, collaborative, residential and student. YouFirst is effectively aligned with their needs for continuity across their experiences and high-quality services between their various living spaces.

YouFirst sets out Gecina's convictions for tomorrow's city, understated, fluid and inclusive, built around two commitments:

- The quality of the client relationship, over the long term, founded primarily on the human dimension;
- The development of high value-added services.

YouFirst will be rolled out as follows:

- Youfirst bureau, for commercial;
- Youfirst collaborative, for shared workspaces;
- Youfirst residence, for the rental residential offering;
- Youfirst campus, for student residences.

Survey conducted with our clients in 2018-2019 revealing the key challenges for our sector

Over several months in 2018-2019, Gecina carried out a survey with major office users, making it possible to identify the main challenges for the industry: flexibility, human resources performance, productivity and wellbeing, optimization of uses, connectivity, responsibility.

The real estate industry can meet these major challenges with an offering that is flexible in terms of uses and commitments, central with a focus on the most central and accessible sectors, connected and digital in line with the smart office model, while also promoting wellness and productivity within a responsible approach.

Gecina's first ambitions, favorably positioned on centrality sectors: YouFirst Collaborative

Within this framework, Gecina is announcing two major initiatives for the deployment of "YouFirst Collaborative". The Group will gradually roll out a flex offer across its portfolio over the coming years, aiming to offer more than 40,000 sq.m, representing 5% of its portfolio in Paris City. The offer will focus on the Paris Region's central sectors and primarily Paris City, where Gecina has various clusters: CBD-Etoile, CBD-Opéra/Bourse, 6th and 7th arrondissements, Monceau-Courcelles, Neuilly-Porte Maillot and La Défense. Gecina also intends to extract additional value from its portfolio by developing the pooling of service spaces for these clusters with shared auditoriums, restaurants, fitness centers, meeting rooms, etc.

Stronger model making it possible to look ahead to the future with confidence

The project deliveries completed in 2018 and scheduled for 2019 are expected to offset to a great extent the impacts of the sales carried out in 2018, the expected loss of rent on assets currently being redeveloped or to be launched for redevelopment shortly, and the reduction in capitalized financial expenses. Excluding the impacts of the sales carried out on Eurosic's previous scope following its acquisition, recurrent net income (Group share) per share is expected to increase by around +2% in 2019 (excluding potential impacts of acquisitions or sales not currently committed to), representing around €5.70 to €5.75 per share.

Over the longer term, the pipeline projects currently underway and the projects to be launched over the coming half-year periods are expected to generate a significant net rental gain. Taking into account the loss of rent involved with freeing up assets with strong value creation potential, as well as the annualized residual effect of the sales carried out in 2018, IFRS gross rental income could see growth of €130m to €140m by 2024, thanks exclusively to these internal dynamics developed by the Group.

1.7 Post-balance sheet events

On February 13, 2019, Foncière de Paris SIIC sold a property complex located at 159 rue de Crimée and 68 quai de Seine in the 19th arrondissement of Paris, mainly related to the Holiday Inn Express.

The transaction was carried out through the sale of the shares of SAS Hotelière de la Villette (the company owning the business of the hotel) and the related building lease for a total price including commissions and fees (building and business) of €42 million.

1.8 EPRA reporting at December 31, 2018

Gecina applies the EPRA[1] best practices recommendations regarding the indicators listed hereafter. Gecina has been a member of EPRA, the European Public Real Estate Association, since its creation in 1999. The EPRA best practice recommendations include, in particular, key performance indicators to make the financial statements of real estate companies listed in Europe more transparent and more comparable across Europe.

Gecina reports on all the EPRA indicators defined by the "Best Practices Recommendations" available on the EPRA website.

Moreover, EPRA defined recommendations related to corporate social responsibility (CSR), called "Sustainable Best Practices Recommendations". Gecina publishes all these indicators on its website (*www.gecina.fr*, CSR section).

	12/31/2018	12/31/2017	See Note
EPRA Earnings *(in € million)*	431.1	361.7	1.8.1
EPRA Earnings per share	€5.85	€5.42	1.8.1
EPRA NAV *(in € million)*	12,018.5	11,257.4	1.8.2
EPRA NNNAV *(in € million)*	11,940.5	11,233.2	1.8.2
EPRA Net Initial Yield	3.01%	3.69%	1.8.3
EPRA "Topped-up" Net Initial Yield	3.66%	4.05%	1.8.3
EPRA Vacancy Rate	5.1%	4.6%	1.8.4
EPRA Cost Ratio (including direct vacancy costs)	21.6%	22.1%	1.8.5
EPRA Cost Ratio (excluding direct vacancy costs)	20.7%	21.2%	1.8.5
EPRA Property related capex *(in € million)*	406	467	1.8.6

1.8.1 Net recurring EPRA Earnings

The table below indicates the transition between the net recurring income disclosed by Gecina and the EPRA Earnings:

In €'000	12/31/2018	12/31/2017
Net recurring income (Group share)[1]	437,232	363,463
- Depreciations, net impairments and provisions	(6,137)	(1,795)
EPRA EARNINGS	**431,096**	**361,668**
EPRA NET RECURRING INCOME PER SHARE	**€5.85**	**€5.42**

(1) *EBITDA adjusted for net financial expenses, recurring taxes, non-controlling interests, net income from equity-accounted investments and certain exceptional expenses (see Note 1.1.3 Net recurring income).*

(1) *European Public Real Estate Association*

1.8.2 EPRA NAV and EPRA NNNAV

The calculation for the EPRA NNNAV is explained in section 2.5 “Triple Net Asset Value”.

In €/share	12/31/2018	12/31/2017
Diluted NAV	€157.7	€149.7
EPRA NAV	**€161.6**	**€153.3**
EPRA NNNAV	**€160.5**	**€152.9**

1.8.3 EPRA net initial yield and EPRA “topped-up” net initial yield

The table below indicates the transition between the yield rate disclosed by Gecina and the yield rates defined by EPRA:

In %	12/31/2018	12/31/2017
GECINA NET CAPITALIZATION RATE(1)	**4.13%**	**4.19%**
Impact of estimated duties and costs	-0.27%	-0.27%
Impact of changes in scope	+0.03%	+0.18%
Impact of rent adjustments	-0.88%	-0.41%
EPRA NET INITIAL YIELD(2)	**3.01%**	**3.69%**
Excluding lease incentives	+0.65%	+0.35%
EPRA “TOPPED-UP” NET INITIAL YIELD(3)	**3.66%**	**4.05%**

(1) Like-for-like 2018
(2) The EPRA Net Initial Yield rate is defined as the annualized rental income, net of property operating expenses, after deducting rent adjustments, divided by the value of the portfolio, including duties.
(3) The EPRA “topped-up” net initial yield rate is defined as the annualized rental income, net of property operating expenses, excluding lease incentives, divided by the value of the portfolio, including duties.

1.8.4 EPRA vacancy rate

The financial occupancy rate disclosed corresponds to (1 – EPRA vacancy rate).

In %	12/31/2018	12/31/2017
Offices	5.3%	4.7%
Traditional residential	2.5%	3.1%
Student residences	13.0%	9.7%
Other commercial assets	2.5%	4.1%
GROUP TOTAL	**5.1%**	**4.6%**

1.8.5 EPRA cost ratios

In €'000/In %	12/31/2018	12/31/2017
Property expenses	(193,059)	(169,330)
Overheads	(86,916)	(71,840)
Depreciation, net impairments and provisions	(6,137)	(1,795)
Recharges to tenants	138,278	116,083
Rental expenses recharged in gross rent	0	0
Other income / income covering G&A expenses	3,452	73
Share of costs from equity-accounted affiliates	(303)	(242)
Land-related expenses	1,782	772
EPRA COSTS (INCLUDING COST OF VACANCY) (A)	**(142,903)**	**(126,279)**
Cost of vacancy	5,838	4,993
EPRA COSTS (EXCLUDING COST OF VACANCY) (B)	**(137,065)**	**(121,286)**
Gross rental income less land-related expenses	659,934	571,671
Rental expenses recharged in gross rent	0	0
Share of rental income from equity-accounted affiliates	1,831	470
GROSS RENTAL INCOME (C)	**661,765**	**572,141**
EPRA COST RATIO (INCLUDING COST OF VACANCY) (A/C)	**21.6%**	**22.1%**
EPRA COST RATIO (EXCLUDING COST OF VACANCY) (B/C)	**20.7%**	**21.2%**

1.8.6 Capital expenditure

	12/31/2018			12/31/2017		
	Group	Joint Ventures	Group total	Group	Joint Ventures	Group total
Acquisitions	31	n.a.	31	142	n.a.	142
Development	301	n.a.	301	277	n.a.	277
Investment properties	75	n.a.	75	48	n.a.	48
Incremental lettable space	n.s.	n.a.	n.s.	n.s.	n.a.	n.s.
No incremental lettable space	64	n.a.	64	43	n.a.	43
Tenant incentives	7	n.a.	7	5	n.a.	5
Other material non-allocated types of expenditure	3	n.a.	3	0	n.a.	0
Capitalized interest	0	n.a.	0	0	n.a.	0
TOTAL CAPEX	**406**	**N.A.**	**406**	**467**	**N.A.**	**467**
Conversion from accrual to cash basis	83	n.a.	83	-37	n.a.	-37
TOTAL CAPEX ON CASH BASIS	**489**	**N.A.**	**490**	**430**	**N.A.**	**430**

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Consolidated financial statements

2.1 Consolidated statement of financial position

Assets

In €'000	Note	12/31/2018 Net	12/31/2017 Net
NON-CURRENT ASSETS		**18,669,492**	**18,983,004**
Investment properties	2.5.5.1	16,604,020	15,407,425
Properties under reconstruction	2.5.5.1	1,508,051	2,806,401
Operating properties	2.5.5.1	66,866	243,965
Other tangible assets	2.5.5.1	16,188	13,262
Goodwill	2.5.5.1	207,688	207,688
Intangible assets	2.5.5.1	6,632	5,884
Financial receivables on financial leases	2.5.5.1	175,141	224,335
Financial fixed assets	2.5.5.2	27,236	3,384
Equity-accounted investments	2.5.5.3	48,361	44,718
Non-current derivatives	2.5.5.12.2	7,409	17,735
Deferred tax assets	2.5.5.4	1,900	8,207
CURRENT ASSETS		**1,039,475**	**1,123,087**
Properties for sale	2.5.5.5	649,846	578,692
Inventories	2.5.5.6	49,101	156,334
Trade receivables	2.5.5.7	110,723	141,669
Other receivables	2.5.5.8	175,000	99,966
Prepaid charges	2.5.5.9	23,115	22,257
Current derivatives	2.5.5.12.2	0	2,138
Cash and cash equivalents	2.5.5.10	31,690	122,031
TOTAL ASSETS		**19,708,967**	**20,106,091**

Liabilities

In €'000	Note	12/31/2018 Net	12/31/2017 Net
SHARE CAPITAL	**2.5.5.11**	**11,751,245**	**11,014,410**
Capital		572,001	565,226
Additional paid-in capital		3,273,306	3,167,093
Consolidated reserves linked to owners of the parent		6,871,522	5,358,091
Consolidated net income linked to owners of the parent		1,004,985	1,895,562
SHAREHOLDERS' EQUITY (OWNERS OF THE PARENT)		**11,721,814**	**10,985,972**
Non-controlling interests		29,431	28,438
NON-CURRENT LIABILITIES		**5,425,371**	**6,982,648**
Non-current financial debt	2.5.5.12.1	5,382,661	6,926,752
Non-current derivatives	2.5.5.12.2	3,835	6,509
Deferred tax liabilities	2.5.5.4	5,784	12,634
Non-current provisions	2.5.5.13	33,091	36,753
CURRENT LIABILITIES		**2,532,351**	**2,109,033**
Current financial debt	2.5.5.12.1	2,103,918	1,607,944
Current derivatives	2.5.5.12.2	709	247
Security deposits		80,988	86,789
Trade payables	2.5.5.15	207,284	278,399
Current tax and social security liabilities	2.5.5.16	72,650	57,267
Other payables	2.5.5.17	66,802	78,388
TOTAL LIABILITIES AND EQUITY		**19,708,967**	**20,106,091**

2.2 Consolidated statement of comprehensive income

In €'000	Note	12/31/2018 Net	12/31/2017 Net
GROSS RENTAL INCOME	**2.5.6.1**	**661,716**	**558,916**
Expenses not billed to tenants	2.5.6.2	(54,781)	(42,029)
NET RENTAL INCOME		**606,935**	**516,887**
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS	**2.5.6.3**	**9,242**	**4,570**
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY	**2.5.6.3**	**3,410**	**275**
Services and other income (net)	2.5.6.4	62,454	3,571
Overheads	2.5.6.5	(86,916)	(71,840)
EBITDA		**595,125**	**453,463**
Real estate margin	2.5.6.6	(9,477)	519
Gains or losses on disposals	2.5.6.7	(11,459)	20,048
Change in value of properties	2.5.6.8	565,781	1,555,772
Amortization	2.5.5.1	(13,577)	(5,505)
Net impairments and provisions	2.5.5.13	(5,300)	8,730
Impacts of the business combination	2.5.6.9	(696)	(28,558)
OPERATING INCOME		**1,120,397**	**2,004,469**
Financial costs		(99,317)	(84,024)
Financial income		5,615	3,610
Net financial expenses	2.5.6.10	(93,702)	(80,414)
Financial impairment and amortization	2.5.5.2	21	352
Change in value of derivatives and debts	2.5.6.11	(14,590)	12,734
Premium and costs paid on the repurchased bonds	2.5.6.11	0	(23,800)
Net income from equity-accounted investments	2.5.5.3	529	4,519
CONSOLIDATED NET INCOME, BEFORE TAX		**1,012,656**	**1,917,860**
Taxes	2.5.6.12	(5,691)	(6,923)
CONSOLIDATED NET INCOME		**1,006,965**	**1,910,937**
Of which consolidated net income linked to non-controlling interests		1,980	15,375
OF WHICH CONSOLIDATED NET INCOME LINKED TO OWNERS OF THE PARENT		**1,004,985**	**1,895,562**
Consolidated net earnings per share	2.5.6.13	13.63 €	28.38 €
Consolidated diluted net earnings per share	2.5.6.13	13.59 €	28.28 €

In €'000	12/31/2018	12/31/2017
CONSOLIDATED NET INCOME	**1,006,965**	**1,910,937**
ITEMS NOT TO BE RECYCLED IN THE NET INCOME	**(1,387)**	**1,315**
Actuarial gains (losses) on post-retirement benefit obligations	(1,387)	1,315
ITEMS TO BE RECYCLED IN THE NET INCOME	**(7)**	**95**
Gains (losses) from translation differentials	(7)	95
COMPREHENSIVE INCOME	**1,005,571**	**1,912,347**
Of which comprehensive income linked to non-controlling interests	1,980	15,375
OF WHICH COMPREHENSIVE INCOME LINKED TO OWNERS OF THE PARENT	**1,003,591**	**1,896,972**

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2.3 Statement of changes in consolidated equity

At year-end 2018, the capital was composed of 76,266,750 shares with a par value of €7.50 each.

In €'000 (except for number of shares)	Number of shares	Share capital	Additional paid-in capital and consolidated reserves	Shareholders' equity (owners of the parent)	Non-controlling interests	Total shareholders' equity
BALANCE AT DECEMBER 31, 2016	**63,434,640**	**475,760**	**7,800,228**	**8,275,988**	**13,671**	**8,289,659**
Dividend paid in 2017			(322,163)	(322,163)	0	(322,163)
Effect of treasury shares[1]			(215,473)	(215,473)	0	(215,473)
Impact of share-based payments[2]			2,635	2,635	0	2,635
Actuarial gains (losses) on post-retirement benefit obligations			1,315	1,315	0	1,315
Gains (losses) from translation differentials			95	95	0	95
Group capital increase [3]	11,928,804	89,466	1,256,399	1,345,866	0	1,345,866
Changes in consolidation scope			2,144	2,144	(609)	1,535
NET INCOME AT DECEMBER 31, 2017			**1,895,562**	**1,895,562**	**15,375**	**1,910,937**
BALANCE AT DECEMBER 31, 2017	**75,363,444**	**565,226**	**10,420,746**	**10,985,972**	**28,438**	**11,014,410**
Dividend paid in 2018			(388,079)	(388,079)	(1,545)	(389,624)
Effect of treasury shares[1]			1,052	1,052	0	1,052
Impact of share-based payments[2]			2,781	2,781	0	2,781
Actuarial gains (losses) on post-retirement benefit obligations			(1,387)	(1,387)	0	(1,387)
Gains (losses) from translation differentials			(7)	(7)	0	(7)
Group capital increase [3]	903,306	6,775	106,452	113,227	0	113,227
Other changes			3,270	3,270	558	3,828
NET INCOME AT DECEMBER 31, 2018			**1,004,985**	**1,004,985**	**1,980**	**1,006,965**
BALANCE AT DECEMBER 31, 2018	**76,266,750**	**572,001**	**11,149,813**	**11,721,814**	**29,431**	**11,751,245**

(1) Treasury shares:

	As of 12/31/2018		As of 12/31/2017	
In €'000 (except for number of shares)	Number of shares	Net amount	Number of shares	Net amount
Shares recorded as a deduction from shareholders' equity	2,140,426	241,233	2,169,611	243,046
Treasury stock in %		2.81%		2.88%

(2) Impact of benefits related to share award plans (IFRS 2).

(3) Creation of shares linked to the capital increase reserved for Group employees (33,557 shares), to the exercise of share subscription options reserved for employees (16,850 shares), and to the definitive vesting of shares as a result of the performance share award plan of February 19, 2015 (53,114 shares) in respect of liquidity commitments for the benefit of holders of Eurosic performance shares (328 shares) and for the payment of the dividend in shares in July 2018 (799,457 shares). For the 2017 financial year, 11,928,804 shares were created, of which 11,785,981 following the capital increases carried out as part of the merger with Eurosic.

2.4 Statement of consolidated cash flows

In €'000	Note	12/31/2018	12/31/2017
CONSOLIDATED NET INCOME (INCLUDING NON-CONTROLLING INTERESTS)		**1,006,965**	**1,910,937**
Net income from equity-accounted investments		(529)	(4,519)
Net depreciation, impairments and provisions		18,877	(3,225)
Changes in fair value and premium and costs paid on the repurchased bonds	2.5.7.1	(551,191)	(1,544,706)
Calculated charges and income from stock options		2,781	2,635
Tax charges (including deferred tax)	2.5.6.12	5,691	6,923
CURRENT CASH FLOW BEFORE TAX		**482,595**	**368,045**
Capital gains and losses on disposals	2.5.6.7	20,936	(20,048)
Other calculated income and expenses		12,048	(14,689)
Net financial expenses	2.5.6.10	93,702	80,414
NET CASH FLOW BEFORE COST OF NET DEBT AND TAX (A)		**609,282**	**413,722**
Tax paid (B)		(6,584)	10,036
Change in operating working capital (C)	2.5.7.2	(21,008)	(95,123)
NET CASH FLOW FROM OPERATING ACTIVITIES (D) = (A+B+C)		**581,690**	**328,635**
Acquisitions of tangible and intangible fixed assets and capitalized expenses	2.5.5.1.2	(405,913)	(394,391)
Disposals of tangible and intangible fixed assets	2.5.7.3	1,308,678	337,070
Proceeds from disposals of financial fixed assets		0	115,721
Acquisition of consolidated companies, less cash acquired	2.5.7.4	0	(2,803,387)
Dividends received (equity-accounted affiliates, non-consolidated securities)		740	0
Changes in loans and agreed credit lines		20,491	14,630
Other cash flows from investing activities		(3,973)	8,205
Change in working capital from investing activities	2.5.7.5	(124,413)	5,897
NET CASH FLOW FROM INVESTING ACTIVITIES (E)		**795,610**	**(2,716,255)**
Proceeds from capital increase received from shareholders		4,010	1,332,860
Amounts received on the exercise of stock options		1,372	13,006
Purchases and sales of treasury shares		1,052	(215,473)
Dividends paid to owners of the parent		(280,234)	(322,163)
Dividends paid to non-controlling interests		(1,545)	0
New loans	2.5.7.7	3,822,992	5,345,863
Repayment of borrowings	2.5.7.7	(4,889,092)	(3,585,950)
Net interests paid		(109,365)	(81,678)
Other cash flows from financing activities		(16,830)	(35,388)
NET CASH FLOW FROM FINANCING ACTIVITIES (F)		**(1,467,641)**	**2,451,078**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F)		**(90,341)**	**63,458**
Opening cash and cash equivalents		122,031	58,573
CLOSING CASH AND CASH EQUIVALENTS		**31,690**	**122,031**

2.5 Notes to the consolidated financial statements

2.5.1 Highlights

2018 financial year

On February 19, 2018, Gecina announced the disposal of the Dock-en-Seine building complex of nearly 16,000 sq.m for around €130 million to the SCPI Accimmo Pierre, managed by BNP Paribas REIM France. The deal had been secured back in December 2017.

On February 27, 2018, Gecina has been notified Ivanhoé Cambridge's sale of part of its interest in the Group's equity through a placement with several investors using an accelerated book-building process. This placement concerned 3.2 million Gecina shares, representing 4.28% of its equity.

On March 7, 2018, Gecina has successfully placed a €500 million bond issue with a 12-year maturity (March 2030) and 63 bp credit spread, offering a 1.625% coupon.

From March 19, 2018, Gecina joined the CAC Next 20 and CAC Large 60 indices. This decision, announced by Euronext on March 8, followed the quarterly review of the make-up of the various CAC indices.

On April 9, 2018, Gecina has signed with ING France a €150 million sustainability performance-linked loan with its margin depending, among others, on its Environmental, Social and Governance (ESG) performance measured by its GRESB Rating (Global Real Estate Sustainability Benchmark). This is the first Commercial Real Estate GRESB reflected into a sustainable improvement loan.

The Board of Directors of April 18, 2018, held after the General Meeting of the same day decided to appoint Mr. Bernard Carayon as Chairman of the Board, replacing Mr. Bernard Michel, whose term of office expired.

On May 3, 2018, Gecina announced that it had signed three leases with outstanding tenants concerning three iconic buildings from its development pipeline, representing almost 36,000 sq.m. These three leases have been finalized with WeWork, Lacoste et MSD well upstream from the delivery of these assets.

On May 22, 2018, Gecina has acquired, through a privately negotiated deal with an institutional investor, an office building with almost 5,000 sq.m and 70 parking spaces at 8 rue des Graviers in Neuilly-sur-Seine, creating a combined complex of around 20,000 sq.m with the adjacent buildings already owned by the Group. This operation was finalized based on a price of €30.5 million including commissions and fees.

The General Bondholders' Meetings for the bonds issued through private placements between 2012 and 2015 by Eurosic (three issues) and Foncière de Paris (six issues) were held on Friday June 8, 2018. All the resolutions submitted for approval were unanimously adopted by the bondholders who were present or represented. Gecina SA is now therefore the issuer for these bonds instead of Eurosic and Foncière de Paris. This operation is in line with the strategy to optimize and simplify the management of the Group's financing.

On June 18, 2018, Gecina announced that it had signed a 12-year lease with WeWork for the entire "Le France" building on Paris' Left Bank (Rive Gauche), next to Station F, the world's biggest startup incubator. Delivered in the second half of 2018, the building offers a total of nearly 20,000 sq.m.

On June 25, 2018, Gecina announced that it had signed preliminary sales agreements for two portfolios of buildings located in various French regions other than Paris for €775 million. These disposals were finalized respectively:

- on November 22, 2018, for the sale to Primonial Reim of a portfolio of office buildings in Lyon for €266 million including commissions and fees;
- on December 3, 2018, for the sale of a portfolio of office buildings in regional cities to a consortium of institutional investors controlled by the Batipart Group for approximately €525 million including commissions and fees. This portfolio, consisting of 33 buildings, includes assets located in Nantes, Rennes, Lille, Strasbourg, Toulouse and in the Marseille-Aix en Provence region.

The successful implementation of these disposals allows the LTV level to be brought back down to less than 40%. These transactions have also further strengthened Gecina's position in areas of scarcity and centrality at the heart of the Paris Region's urban hubs.

On July 2, 2018, Gecina published the results of the option for the 2017 final dividend to be paid in shares. During its meeting on June 6, 2018, the Board of Directors set the issue price for the new shares that will be reissued as payment for the final dividend at €135.00 per share, corresponding to 97.095% of the average opening prices on the regulated market Euronext Paris for the 20 trading days prior to the General Meeting less the amount of the final dividend payment (rounded up to the nearest euro cent). The shareholders who chose the option for their 2017 final dividend to be paid in shares, as proposed by the General Meeting on April 18, represented 54.78% of Gecina's capital. With this operation, 799,457 new shares have been created, representing 1.06% of Gecina's capital and voting rights, based on the capital and voting rights from June 30, 2018. The shares' settlement-delivery and admission for trading on the regulated market Euronext Paris took place on July 5, 2018. These shares are entitled to dividend rights from January 1, 2018 and are fully assimilated with the shares already admitted for trading. The amount of the remaining dividends to be paid in cash to shareholders who have not opted for share-based payments represented €84.6 million.

On July 3, 2018, Gecina has set up a €100 million sustainable improvement loan with Crédit Agricole Corporate & Investment Bank (CACIB), with a maturity of 7.5 years (January 2026) and financial conditions that will notably be indexed against the Group's corporate social responsibility (CSR) performance.

On August 2, 2018, Moody's has upgraded its outlook for Gecina's rating from A3 outlook negative to A3 outlook stable, highlighting the reduction in the Group's debt thanks to progress made with the program of sales announced when Eurosic was acquired, the improvement in the Group's liability structure, the approved decision announced by Gecina at the start of the year to keep its residential portfolio at the heart of its strategy and the positive trends observed for office markets in Paris.

On September 13, 2018, with an overall score of 92/100 and a Green Star status, Gecina has consolidated its position as the leading listed office real estate company in Europe in the Global Real Estate Sustainability Benchmark (GRESB), which assesses the CSR policies and performance of real estate companies each year.

On October 18, 2018, Gecina announced that it has acquired an off-plan student residence in Ivry-sur-Seine. Designed by the architects RRC Architectes and Pierre Raoux, the student residence will be NF Habitat HQE Excellent certified and offer 367 beds and almost 450 sq.m of outstanding communal areas (fitness center, work rooms, etc.). The total investment represents €41 million.

On October 25, 2018, Standard & Poor's has upgraded Gecina's rating to A- outlook stable, recognizing the Group's solid financial ratios, particularly the EBITDA interest coverage ratio and loan-to-value, brought back down to less than 40% one year after Eurosic's acquisition.

On November 29, 2018, Gecina has signed a firm 10-year lease with Séqens (the group formed by six subsidiaries of Action Logement: France-Habitation Domaxis, Sogemac Habitat, Athegienne, Sofilogis and Pax-Pogres-Pallas), effective from June 15, 2019, for 10,400 sq.m of the "Be Issy" building in Issy-les-Moulineaux. This transaction with a first tenant for this building takes its letting rate to 41%.

On December 5, 2018, Gecina announced that it has been awarded part of the damages caused to it by the unlawful actions of its former manager (2005-2010), Joaquín Rivero. The Paris Appeals Court issued a ruling on December 5 acknowledging the expiry of the appeal that had been made by Mr Rivero, who passed away in 2016 and had been sentenced at first instance in 2015 to €209 million for the damages caused. In addition, the fate of the €86 million representing the amount of dividends due to Joaquín Rivero through his company Alteco, subject to court-ordered liquidation proceedings in Spain, and which had been subject to a criminal seizure order issued by the judge Van Ruymbecke in 2012 and 2013 as part of these proceedings, has been finalized through a settlement agreement with its court-appointed liquidator, with this agreement also contributing to this favorable ruling. Under this settlement agreement, Gecina will ultimately receive around €59 million in damages, representing approximately two thirds of the sums that had been seized during the investigation phase.

On December 6, 2018, Gecina has renewed its visual identity and launched YouFirst, its relational brand for all its clients. YouFirst sets out Gecina's convictions for tomorrow's city, understated, fluid and inclusive, built around two commitments: the quality of the client relationship, over the long term, founded primarily on the human dimension; and the development of high value-added services. YouFirst will be rolled out as follows: YouFirst bureau, for commercial; YouFirst collaborative, for shared workspaces; YouFirst residence, for the rental residential offering; YouFirst campus, for student residences.

On December 10, 2018, Gecina has signed three leases with the AccorInvest, Dataiku and Exponens Conseil & Expertise comptable groups for 45% of the Ibox building in Paris' 12th arrondissement, close to Gare de Lyon. These leases will take effect from early April to mid-July 2019.

On December 17, 2018, Gecina announced that it has signed a lease with the European Securities and Markets Authority (ESMA) for nearly 9,000 sq.m of the Ibox building, in Paris' 12th arrondissement, opposite Gare de Lyon. This new lease, effective from October 2019, follows the leases already signed. All of Ibox's office space has now been pre-let ahead of the building's delivery.

On December 20, 2018, in line with the acceleration of its innovation policy, Gecina has signed an agreement to invest 5 million euros in the regional investment fund "Paris Fonds Vert", managed by teams with renowned track records. Launched by the City of Paris, the "Paris Fonds Vert" investment fund is managed by Demeter, the leading European management company for the energy transition (200 million euro fund), specialized in sustainable city projects: construction, mobility, energy, air quality, waste, digital, etc.

On December 21, 2018, Gecina has finalized the sale of a portfolio of restaurant premises, let primarily to Léon de Bruxelles and Courtepaille, for nearly €20 million. This portfolio of 16 assets, representing a total of almost 11,500 sq.m, has been drawn exclusively from the scope acquired through the business combination with Eurosic.

2.5.2 General principles of consolidation

2.5.2.1 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 on the balance sheet date.

The official standards and interpretations whose application became mandatory for annual reporting periods as of January 1, 2018 – in particular IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" – had no material impact on the Group's 2018 financial statements. IFRS 15 applicable to the contracts an entity signs with its clients, with the notable exception of lease contracts covered by the IAS 17 standard, is very narrow in scope as the Group receives the bulk of its income from lease contracts. In addition, given that the Group's financial instruments are not accounted for through hedge accounting but through the recognition of fair value changes, the IFRS 9 standard is not applicable.

The other applicable standards and interpretations, mandatory as of January 1, 2018, have had no material impact on the Group.

The official standards and interpretations potentially applicable after the closing date (mainly IFRS 16 "Leases") were not applied early.

The first application of the IFRS 16 standard will be implemented in 2019 *via* a modified retrospective approach.

By way of indication, and as regards construction leases, the effects of which are particularly significant, the impact as at December 31, 2018 would have been as follows:

- On the balance sheet, the recognition of user rights in the amount of €58 million, with corresponding financial debt for the discounting of the debt representing future rents,
- In the income statement, recognition of €2 million in amortization of user rights and €1 million in financial expense in lieu of €2 million in rents, resulting in a negative net impact of €1 million over the year.

The preparation of financial statements, in accordance with IFRS, requires the adoption of certain decisive accounting estimates. 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 2.5.3.16.

Gecina applies the Ethical Code for French Real Estate Investment Trusts (SIIC) as established by the Fédération des Sociétés Immobilières et Foncières.

2.5.2.2 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 first group of companies are fully consolidated and the second group are consolidated using the equity method.

2.5.2.3 Scope of consolidation

At December 31, 2018, the scope of consolidation included the companies listed below:

COMPANIES	SIREN	12/31/2018 % interest	Consolidation method	12/31/2017 % interest
Gecina	592 014 476	100.00%	Parent company	100.00%
5, rue Montmartre	380 045 773	100.00%	FC	100.00%
55, rue d'Amsterdam	382 482 065	100.00%	FC	100.00%
Anthos	444 465 298	100.00%	FC	100.00%
SCI Beaugrenelle	307 961 490	75.00%	FC	75.00%
Campuséa	501 705 909	100.00%	FC	100.00%
Campuséa Management	808 685 291	100.00%	FC	100.00%
Capucines	332 867 001	100.00%	FC	100.00%
Colvel Windsor	477 893 366	100.00%	FC	100.00%
GEC 10	529 783 649	100.00%	FC	100.00%
GEC 16	751 103 961	100.00%	FC	100.00%
GEC 18	799 089 982	60.00%	FC	60.00%
GEC 21	810 066 126	100.00%	FC	100.00%
GEC 22	812 746 188	100.00%	FC	100.00%
GEC 23	819 358 201	100.00%	FC	100.00%
GEC 7	423 101 674	100.00%	FC	100.00%
Gecina Management	432 028 868	100.00%	FC	100.00%
Geciter	399 311 331	100.00%	FC	100.00%
Grande Halle de Gerland	538 796 772	100.00%	FC	100.00%
Haris	428 583 611	100.00%	FC	100.00%
Haris Investycje (Poland)		100.00%	FC	100.00%
Khapa	444 465 017	100.00%	FC	100.00%
Le Pyramidion Courbevoie	479 765 874	100.00%	FC	100.00%
Locare	328 921 432	100.00%	FC	100.00%
Marbeuf	751 139 163	100.00%	FC	100.00%
Michelet-Levallois	419 355 854	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%
SCI Le France	792 846 123	100.00%	FC	100.00%
SCI Avenir Danton Défense	431 957 356	100.00%	FC	100.00%
SCI Avenir Grande Armée	751 037 631	100.00%	FC	100.00%
SCI Lyon Sky 56	809 671 035	100.00%	FC	100.00%
Société des Immeubles de France (Spain)		100.00%	FC	100.00%
Société Hôtel d'Albe	542 091 806	100.00%	FC	100.00%
Société Immobilière et Commerciale de Banville	572 055 796	100.00%	FC	100.00%
SPIPM	572 098 465	100.00%	FC	100.00%
SPL Exploitation	751 103 961	100.00%	FC	100.00%
Tour City 2	803 982 750	100.00%	FC	100.00%

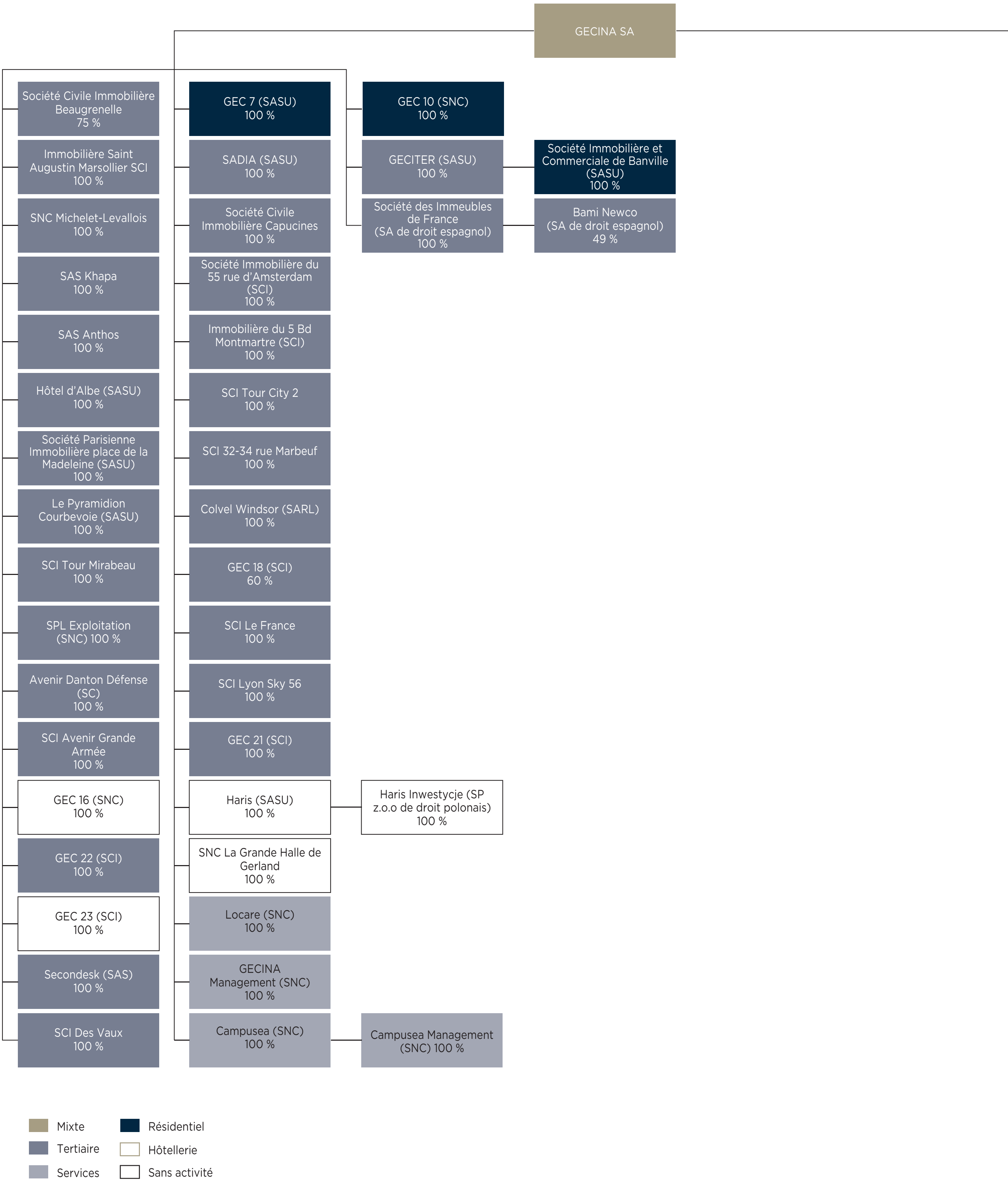
COMPANIES	SIREN	12/31/2018 % interest	Consolidation method	12/31/2017 % interest
Tour Mirabeau	751 102 773	100.00%	FC	100.00%
Secondesk	823 741 939	100.00%	FC	100.00%
LEFT CONSOLIDATION 2018				
SCI 19 Leblanc	384 760 385	Merged	FC	100.00%
Saulnier Square	530 843 663	Merged	FC	100.00%
SAS Eurosic Palmer	534 984 968	Sold	FC	100.00%
SAS Eurosic R3	504 444 118	Sold	FC	100.00%
SCI Eurosic R1	498 859 156	Sold	FC	100.00%
SCI Eurosic R2	502 733 249	Sold	FC	100.00%
SCI Eurosic R5	518 632 278	Sold	FC	100.00%
SCI Eurosic R6	529 151 160	Sold	FC	100.00%
Multimedia	438 023 095	Sold	FC	100.00%
SCI du 62 rue Louis Delos	441 907 037	Sold	FC	100.00%
Eurosic Toulouse Holding	814 115 861	Sold	FC	100.00%
SNC Eurosic Basso Cambo	814 255 915	Sold	FC	100.00%
SNC Eurosic Blagnac A1	814 256 079	Sold	FC	100.00%
SNC Eurosic Blagnac C1-C2	814 256 244	Sold	FC	100.00%
Eurosic Sophia Holding	814 116 083	Sold	FC	100.00%
Eurosic Sophia Millenium	814 256 954	Sold	FC	100.00%
SNC Eurosic Sophia Alba	814 257 200	Sold	FC	100.00%
SNC Eurosic Sophia Emerald	814 257 671	Sold	FC	100.00%
JOINED CONSOLIDATION 2017				
SCI des Vaux	449 228 816	100.00%	FC	100.00%
SAS Eurosic	307 178 871	100.00%	FC	100.00%
SAS Eurosic Palmer	534 984 968	Sold	FC	100.00%
SAS Eurosic Malakoff	453 385 601	100.00%	FC	100.00%
SAS Eurosic N2 Batignolles	820 809 945	100.00%	FC	100.00%
SAS Eurosic R3	504 444 118	Sold	FC	100.00%
Faubourg Saint Martin	430 046 607	100.00%	FC	100.00%
Foncière du Parc	445 394 851	100.00%	FC	100.00%
Tower	433 566 932	100.00%	FC	100.00%
SCI du 62 rue Louis Delos	441 907 037	Sold	FC	100.00%
Multimedia	438 023 095	Sold	FC	100.00%
Doret Antares	535 309 884	100.00%	FC	100.00%
Société Civile Vendôme Casanova	389 486 093	100.00%	FC	100.00%
SCI du 36 rue de Naples	479 871 659	100.00%	FC	100.00%
SCI Breizh Champs Blancs	792 857 377	60.00%	FC	60.00%
SCI Eurosic Batignolles	811 932 599	Sold	EM	33.33%
SCI Eurosic Saint Augustin	805 261 047	Sold	EM	33.30%
SCI Provence Bureaux	752 814 103	Sold	EM	33.30%
SCI Eurosic Cotentin	798 867 867	Sold	FC	50.10%

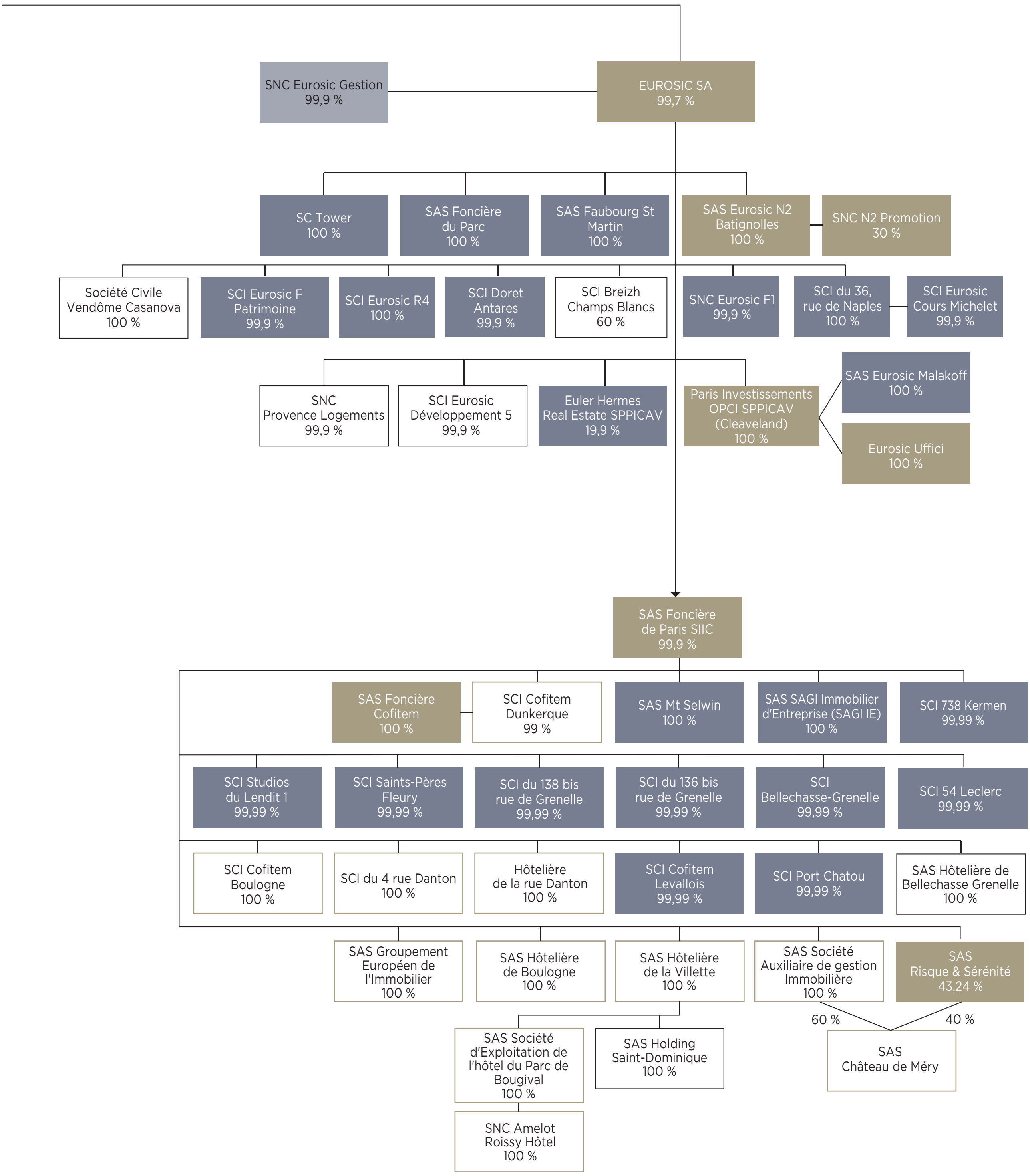
COMPANIES	SIREN	12/31/2018 % interest	Consolidation method	12/31/2017 % interest
SCI Eurosic Tombe Issoire	501 336 747	Sold	FC	50.10%
SCI Eurosic 14 rue de Londres	804 750 123	Sold	EM	33.30%
SCI Eurosic F Patrimoine	811 932 714	100.00%	FC	100.00%
SCI Eurosic Cours Michelet	811 963 438	100.00%	FC	100.00%
SCI Eurosic R1	498 859 156	Sold	FC	100.00%
SCI Eurosic R2	502 733 249	Sold	FC	100.00%
SCI Eurosic R4	505 215 251	100.00%	FC	100.00%
SCI Eurosic R5	518 632 278	Sold	FC	100.00%
SCI Eurosic R6	529 151 060	Sold	FC	100.00%
Gecina Gestion	752 603 548	100.00%	FC	100.00%
SCI Eurosic F1	810 028 506	100.00%	FC	100.00%
SNC Provence Logements	752 811 265	100.00%	FC	100.00%
SNC Eurosic Basso Cambo	814 255 915	Sold	FC	100.00%
SNC Eurosic Blagnac A1	814 256 079	Sold	FC	100.00%
SNC Eurosic Blagnac C1-C2	814 256 244	Sold	FC	100.00%
SNC Eurosic Sophia Alba	814 257 200	Sold	FC	100.00%
Eurosic Sophia Emerald	814 257 671	Sold	FC	100.00%
Eurosic Sophia Holding	814 116 083	Sold	FC	100.00%
Eurosic Sophia Millenium	814 256 954	Sold	FC	100.00%
Eurosic Toulouse Holding	814 115 861	Sold	FC	100.00%
SCI Eurosic Développement 5	824 082 192	100.00%	FC	100.00%
Euler Hermes Real Estate	538 610 825	19.90%	EM	19.90%
Paris Investissements OPCI	793 904 640	100.00%	FC	100.00%
SNC N2 Promotion	821 147 519	30.00%	EM	30.00%
Foncière de Paris SIIC	331 250 472	100.00%	FC	100.00%
Foncière Cofitem	411 846 033	100.00%	FC	100.00%
Groupement Européen de l’immobilier	328 680 087	100.00%	FC	100.00%
Holding Saint Dominique	534 629 993	100.00%	FC	100.00%
Hôtelière de Bellechasse-Grenelle	809 441 553	100.00%	FC	100.00%
Hôtelière de Boulogne	505 104 190	100.00%	FC	100.00%
Hôtelière de la rue Danton	511 122 590	100.00%	FC	100.00%
Hôtelière de La Villette	479 469 405	100.00%	FC	100.00%
MT Selwin	418 089 280	100.00%	FC	100.00%
Risque & Sérénité	419 403 449	43.24%	EM	43.24%
Société Auxiliaire de Gestion Immobilière	508 928 926	100.00%	FC	100.00%
Sagi Immobilier d’entreprise	528 047 129	100.00%	FC	100.00%
Château de Mery	479 916 298	77.20%	FC	77.20%
Rollins Hôtel Lille	523 728 129		FC	Merged
Société d’exploitation de l’hôtel du Parc de Bougival	310 728 563	100.00%	FC	100.00%

COMPANIES	SIREN	12/31/2018 % interest	Consolidation method	12/31/2017 % interest
Wilburys Hôtel Investment	518 555 875		FC	Merged
SCI 19 Leblanc	384 760 385	Merged	FC	100.00%
SCI Saints-Pères Fleury	509 110 151	100.00%	FC	100.00%
SCI 54 Leclerc	381 619 535	100.00%	FC	100.00%
SCI 738 Kermen	349 816 116	100.00%	FC	100.00%
SCI du 4 rue Danton	488 449 190	100.00%	FC	100.00%
SCI du 136 *bis* rue de Grenelle	493 293 823	100.00%	FC	100.00%
SCI du 138 *bis* rue de Grenelle	493 293 633	100.00%	FC	100.00%
SCI Bellechasse-Grenelle	802 446 195	100.00%	FC	100.00%
SCI Cofitem Boulogne	494 341 845	100.00%	FC	100.00%
SCI Cofitem Dunkerque	528 344 039	100.00%	FC	100.00%
SCI Cofitem Levallois	494 346 570	100.00%	FC	100.00%
SCI du Port Chatou	491 025 441	100.00%	FC	100.00%
SCI Studio du Lendit 1	508 475 662	100.00%	FC	100.00%
Amelot Roissy Hôtel	381 505 411	100.00%	FC	100.00%
Eurosic Uffici (Italy)		100.00%	FC	100.00%
LEFT CONSOLIDATION 2017				
Rollins Hôtel Lille	523 728 129			Merged
SCI Eurosic Batignolles	811 932 599			Sold
SCI Eurosic Saint Augustin	805 261 047			Sold
SCI Provence Bureaux	752 814 103			Sold
SCI Eurosic Cotentin	798 867 867			Sold
SCI Eurosic Tombe Issoire	501 336 747			Sold
SCI Eurosic 14 rue de Londres	804 750 123			Sold
Wilburys Hôtel Investment	518 555 875			Merged

FC: full consolidation
EM: accounted for under the equity method

2.5.2.3.1 Legal organization chart




SNC Eurosic Gestion 99,9 %
EUROSIC SA 99,7 %
SC Tower 100 %
SAS Foncière du Parc 100 %
SAS Faubourg St Martin 100 %
SAS Eurosic N2 Batignolles 100 %
SNC N2 Promotion 30 %
Société Civile Vendôme Casanova 100 %
SCI Eurosic F Patrimoine 99,9 %
SCI Eurosic R4 100 %
SCI Doret Antares 99,9 %
SCI Breizh Champs Blancs 60 %
SNC Eurosic F1 99,9 %
SCI du 36, rue de Naples 100 %
SCI Eurosic Cours Michelet 99,9 %
SNC Provence Logements 99,9 %
SCI Eurosic Développement 5 99,9 %
Euler Hermes Real Estate SPPICAV 19,9 %
Paris Investissements OPCI SPPICAV (Cleaveland) 100 %
SAS Eurosic Malakoff 100 %
Eurosic Uffici 100 %
SAS Foncière de Paris SIIC 99,9 %
SAS Foncière Cofitem 100 %
SCI Cofitem Dunkerque 99 %
SAS Mt Selwin 100 %
SAS SAGI Immobilier d'Entreprise (SAGI IE) 100 %
SCI 738 Kermen 99,99 %
SCI Studios du Lendit 1 99,99 %
SCI Saints-Pères Fleury 99,99 %
SCI du 138 bis rue de Grenelle 99,99 %
SCI du 136 bis rue de Grenelle 99,99 %
SCI Bellechasse-Grenelle 99,99 %
SCI 54 Leclerc 99,99 %
SCI Cofitem Boulogne 100 %
SCI du 4 rue Danton 100 %
Hôtelière de la rue Danton 100 %
SCI Cofitem Levallois 99,99 %
SCI Port Chatou 99,99 %
SAS Hôtelière de Bellechasse Grenelle 100 %
SAS Groupement Européen de l'Immobilier 100 %
SAS Hôtelière de Boulogne 100 %
SAS Hôtelière de la Villette 100 %
SAS Société Auxiliaire de gestion Immobilière 100 %
SAS Risque & Sérénité 43,24 %
60 %
40 %
SAS Société d'Exploitation de l'hôtel du Parc de Bougival 100 %
SAS Holding Saint-Dominique 100 %
SAS Château de Méry
SNC Amelot Roissy Hôtel 100 %

2.5.2.4 Consolidation adjustments and eliminations

2.5.2.4.1 Restatements to homogenize individual financial statements

The rules and methods applied by companies in the scope of consolidation are restated to make them consistent with those of the Group.

All companies closed their accounts (or prepared a position of accounts) on December 31, 2018.

2.5.2.4.2 Intercompany transactions

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

2.5.2.4.3 Business combinations (IFRS 3)

To determine if a transaction is a business combination placed under IFRS 3, the Group determines whether an integrated set of activities is acquired in addition to the real estate. The selected criteria may be the number of real estate assets held, the scope of the processes acquired or the autonomy of the target. In this case, acquisition cost corresponds to the fair value on the date of exchange of the contributed assets and liabilities and the equity instruments issued in exchange for the acquired entity. 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 net of deferred tax recognized if necessary while an amount for negative goodwill is posted to the income statement. Costs directly attributable to the acquisition process are recognized under expenses.

Revised IFRS 3 specifies a period of 12 months starting from the acquisition date to finalize the accounting of the acquisition. Corrections and valuations made must be linked to events and circumstances existing at the date of acquisition. Goodwill is subject to an impairment test at least once a year or wheneer there is an indication of loss of value.

For acquisitions that are not part of a business combination, IAS 40 applies (investment properties).

2.5.2.5 Foreign currency translation

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

2.5.3 Accounting methods

2.5.3.1 Property holdings

2.5.3.1.1 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 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-sales activities.

The financial costs linked to construction operations as well as eviction allowances, paid in connection with property reconstructions, are capitalized.

Gecina has opted for the valuation of its investment properties at fair value as defined by IFRS 13 (*cf.* Note 2.5.3.1.2). The company has elected, by convention, to retain the block value of properties as the fair value of investment properties in the consolidated financial statements. This block value is understood as excluding transfer duties and is determined by independent experts (at December 31, 2018: CBRE Valuation, Cushman & Wakefield, Crédit Foncier Expertise, BNPP Real Estate, Catella Valuation Advisors, Christie & Co and Euroflemming Expertise) which value the property portfolio of the Group from the point of view of a sustainable holding at June 30 and December 31 of each year and take into account the capitalized works. Valuations are conducted in accordance with industry practices using fair value valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. All Gecina assets are now appraised by independent appraisers.

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

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

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

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

The fair value is determined by appraisers based on an evaluation of the property 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 construction begins and when its marketing is advanced. Whatever the case, the fair value appraisal will be performed when the asset is protected from the rain.

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

Valuation methodology

Each property asset is valued separately by an independent appraiser. However, the appraisers use the same valuation methods, described below. When appraising a property, real estate appraisers exclude transfer duties, taxes and fees. They thus comply with the position taken by Afrexim[1], the French professional body of property appraisers, and use the following rates:

- 1.8% of legal fees for properties in VAT;
- 6.9% to 7.5% of registration fees and expenses for other properties.

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

a) Office properties

The fair value of each asset is based on the results of the following three methods: the comparison method, the capitalization of new income and the discounting of future flows (DCF). The simple arithmetic mean of these three methods is used. In the event of a considerable difference between the results of the three methods, the appraiser has the option of determining the more relevant valuation.

- Direct comparison method: this method consists of comparing the asset that is the object of the appraisal to transactions made on assets equivalent in type and location, on dates close to the date of appraisal.
- Net income capitalization method: this method consists of capitalizing recorded or potential income on the basis of a yield 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 rental value. For occupied premises, the appraiser conducts an analysis of the legal and financial conditions of each lease and of the rental market. For vacant premises, the market rent value is used as a reference, taking account of re-letting delays, renovation work and other miscellaneous expenditure.
- Discounted Cash Flow method: the value of the asset is equal to the discounted sum of the financial flows expected by the investor, including the assumed resale at the end of 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 yield. 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 properties

The block fair value of each asset is based on the results of the following two methods: direct comparison and income capitalization. The simple arithmetic mean is used for the comparison and income capitalization methods. In the event of a considerable difference between the results of the two methods, the appraiser has the option of determining the more relevant valuation.

- Direct comparison method: identical to the method used for office property.
- Net income capitalization method: identical to the method used for office property applied to gross income, pursuant to the recommendations of Afrexim[1].

c) Unit valuation for residential and mixed buildings

Unit valuation is used for buildings on sale by apartments (see Note 2.5.3.1.3).

The unit value is determined from unit prices per square meter recorded on the market for vacant premises. The appraisal includes discounts to reflect marketing periods, costs and the margin earned on the sale of all the units. These discounts are differentiated according to the size of the property and number of units included. The various lots of offices, as well as the commercial premises located on the ground floor of the buildings are then added together for their estimated values on the basis of two methods: direct comparison and income capitalization.

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

(1) Association française des sociétés d'expertise immobilière

2.5.3.1.2 Determination of fair value (IFRS 13)

The Group applies IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard establishes a fair value hierarchy that categorizes into three levels the data used for measurements:

- level 1: price (not adjusted) on an active market for identical assets/liabilities available on the valuation date;
- level 2: valuation model using inputs directly or indirectly observable in an active market;
- level 3: valuation model using inputs not observable in an active market.

The fair value hierarchy is therefore established by reference to the levels of inputs to valuation techniques. When using a valuation technique based on inputs of several levels, the fair value level is then constrained by the lowest level.

Investment properties

The fair value measurement must consider the highest and best use of the asset. Gecina has not identified any high and best use different from the current use.

The fair value measurement of investment properties implies using different valuation methods based on unobservable or observable inputs that have been subject to certain adjustments. Accordingly, the Group's property holdings are considered, in their entirety, as categorized in level 3 with respect to the fair value hierarchy established by IFRS 13, notwithstanding the recognition of certain level 2 observable inputs.

Financial instruments

IFRS 13 requires the recognition of counterparty credit risk (*i.e.* the risk that a counterparty may breach any of its obligations) in measuring the fair value of financial assets and liabilities.

IFRS 13 retains the disclosure obligations on the 3-level fair value hierarchy of IFRS 7, which requires an entity to establish a difference between the fair values of financial assets and financial liabilities as a function of the observable nature of the inputs used to measure fair value.

As at December 31, 2018, IFRS 13 application by the Group does not challenge the fair value hierarchy of financial instruments, until then categorized as level 2 according to IFRS 7 (valuation model based on observable market inputs) to the extent that the adjustment for credit risk is considered as an observable input.

2.5.3.1.3 Assets held for sale (IFRS 5)

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

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

- a plan to sell the asset has been initiated by an appropriate level of management;
- the asset is being actively marketed at a reasonable price in relation to its current fair value;
- it is probable that the sale will be concluded within one year, barring special circumstances.

When the sale pertains to an asset or group of assets only, the assets for sale are reported separately in the balance sheet under "Properties for sale" and measured at the lower of their book value and their fair value, less selling costs and outstanding receivables from the straight-line recognition of commercial benefits under IAS 17.

Buildings recorded in this category are valued as follows:

- properties in block sales: sale value recorded in the preliminary sales agreement or the purchase offer, subject to the deduction of selling expenses/fees and outstanding receivables from the straight-line recognition of commercial benefits under IAS 17;
- properties sold unit-by-unit: appraisal value in units (see Note 2.5.3.1.1). If more than 60% (in value) of the property is sold, the asset is recognized at the fair value of the last recorded transactions for unsold units, after taking account of allowances linked to the achievement of all lots and at the sale value recorded in the preliminary agreement subject to the deduction of expenses and fees for units covered by a preliminary agreement.

When a sale concerns a complete business line, the consolidated assets and liabilities, booked as appropriate under subsidiaries held for sale, are presented separately on the asset side of the balance sheet (Assets held for sale) and on the liabilities side of the balance sheet (Liabilities held for sale). The corresponding net gain or loss is isolated in the income statement on the line "Net gain or loss from discontinued activities".

2.5.3.1.4 Operating properties and other property, plant and equipment (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).

Hotel operating properties are valued at historical cost less accumulated amortization and any impairment losses. They are amortized using a component approach; each component being amortized using the straight-line method over its useful life (from 9 to 90 years).

For each type of assets, the gross values of the buildings have been divided by components, determined on the basis of recent technical data (breakdown by current estimated cost of new reconstruction). In addition to the land, six components have been identified:

TYPE OF ASSETS	Depreciation period
Land	Not amortizable
Framework structure	30 to 90 years depending on the type of the building
Walls and roofing	15 to 45 years depending on the type of the building
Technical installations	15 to 25 years depending on the type of the building
Parking works	20 years
Restoration	15 years
Fixtures and fittings	9 to 10 years

The amortization period of each component is calculated based on the date of start of service of the building in the property portfolio, except in the case of the replacement of a component (at the time of restoration, for example); in which case the date of the last replacement of the component is applied. No residual value was retained for any of the components identified.

Other tangible fixed assets are recorded at acquisition cost and depreciated under the straight-line method for periods of three to ten years. They are primarily composed of computer hardware and furniture.

In the event of a sign of impairment, the book value of an asset is immediately written down to its recoverable value, which is determined by an independent appraisal conducted under the methods described in 2.5.3.1.1.

2.5.3.1.5 Intangible assets (IAS 38)

Intangible fixed assets correspond primarily to software.

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

2.5.3.2 Equity interests

2.5.3.2.1 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 reporting date adjusted to the Group's accounting principles. Adjustments are related to the harmonization of methods.

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

2.5.3.2.2 Non-consolidated interests

Non-consolidated interests are valued at fair value pursuant to IAS 39. The changes in fair value are stated as equity until the date of disposal. For long-term impairment, underlying capital losses recognized in shareholders' equity are recorded as expenses.

2.5.3.2.3 Other financial investments

Loans, receivables and other financial instruments are booked according to the amortized cost method on the basis of an effective interest rate. When there is non-recoverability or default risk, this is recognized in the profit and loss statement.

2.5.3.3 Inventories

Buildings relating to real estate development operations or acquired under the tax system governing properties held for rapid resale by real estate traders, legally designated as *marchands de biens*, are booked under inventories at their acquisition cost. An impairment test is carried out as soon as any indication of impairment is detected. In the event of such an indication and when the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognized based on the difference between those two amounts.

2.5.3.4 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.

These receivables are valued using the amortized cost method.

Impairment is valued using the optional simplified approach of IFRS 9. Expected credit losses are calculated over their lifetime, based on the Group's historical loss data.

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

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

- tenant has left the property: 100%;
- tenant 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.

Receivables relating to the deferral of commercial benefits according to IAS 17 (see Note 2.5.3.13), and recognized by the difference between the economic rent and the paid rent, result in a specific analysis covering the ability of the tenant to go effectively to the end of the signed lease, in order to validate each time their basis is established.

2.5.3.5 Cash and cash equivalents

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

2.5.3.6 Treasury shares (IAS 32)

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

2.5.3.7 Share-based payments (IFRS 2)

Gecina has instituted an equity-based remuneration plan (stock options and performance shares). The impact of services rendered by employees in exchange for the award of options or the allocation of performance shares is expensed against shareholders' equity. The total amount expensed over the rights vesting period 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.

2.5.3.8 Financial instruments (IFRS 9)

IFRS 9 has replaced IAS 39 and has been applicable since January 1, 2018. It defines the principles for the classification and measurement of financial instruments, impairment due to credit risk, and hedge accounting other than macro-hedging.

Classification and measurement of financial assets

Financial assets are initially recognized at amortized cost, at fair value through equity, or at fair value through profit or loss, depending on the type of financial instrument (debt or equity), the contractual cash flow characteristics, and the way in which the instruments are managed (based on the management model).

The classification and measurement criteria depend on the nature of the financial asset, i.e. whether it is categorized as a debt instrument (loan, advance, credit, bond, etc.) or as an equity instrument (shares).

With regard to debt instruments (loans and fixed-yield or determinable-income securities), for the classification and measurement of financial assets, IFRS 9 is based on the management model and on the analysis of contractual cash flow characteristics. As for equity instruments, they are generally measured at fair value through profit or loss, except for those which the entity has irrevocably elected to measure at fair value through non-transferable equity (provided these instruments are not held for trading).

Impairment

The impairment model requires the measurement of expected credit losses (ECL) on loans and debt instruments measured at amortized cost or at fair value through transferable equity, on loan commitments and financial guarantee contracts not measured at fair value, on receivables from leases and on trade receivables. This new approach aims to measure expected credit losses as early as possible, while under the IAS 39 provision-based model, such losses were contingent upon objective evidence that an impairment loss has been incurred.

Hedge accounting

For hedge accounting (excluding fair value macro-hedging), IFRS 9 provides for limited changes compared with IAS 39. The provisions of the standard apply only to micro-hedging transactions and cash-flow macro-hedging transactions.

IFRS 9 does not modify the conditions under which a financial instrument can be classified as a hedge, with two types of interest-rate hedges:

- 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 setting the 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 when this is applicable (amortization of options premiums or periodic premiums) within financial expenses in the same capacity as the interest paid or received for these instruments, and for the non-recurring portion (fair value excluding amortization of premiums or periodic premiums) in the changes in value of the financial instruments. Where applicable, terminations of derivative instruments are considered as non-recurring, such that the gain or loss on disposal or termination is recognized in the income statement within changes in value of financial instruments.

Fair value is determined in accordance with IFRS 13 (see Note 2.5.3.1.2) 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 integrating the counterparty risks mentioned by IFRS 13. Estimates of probability of default are obtained by using bond spreads on the secondary market. 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.

2.5.3.9 Financial liabilities (IAS 32 and IFRS 9)

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

2.5.3.10 Long term non-financial provisions and liabilities

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

2.5.3.11 Employee benefit commitments

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

Short-term benefits

Short-term benefits (i.e. salaries, paid leave, 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 "Current tax and social security payables" under balance sheet liabilities.

Long-term benefits

Long-term benefits correspond to benefits payable during the employee's working life (anniversary premiums). They are recognized as non-recurring provisions.

Post-employment benefits

Post-employment benefits, also recognized as non-recurring provisions, correspond to end-of-career payments and supplementary retirement commitments to some employees. The valuation of these retirement commitments assumes 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 were granted to executives.

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

Actuarial variances are booked in equity.

2.5.3.12 Taxes

2.5.3.12.1 IFRIC 21 taxes levied by the public authorities

Since January 1, 2015, the Group has been applying the IFRIC 21 interpretation (Levies imposed by governments) which stipulates the timing for the recognition of a liability as a tax or levy imposed by a public authority. These rules cover both the duties or taxes recognized in accordance with IAS 37 Provisions, contingent liabilities and assets and those for which the timing and amount are certain.

The levies and taxes in question are defined as net outflows of resources (thus excluding VAT collected on behalf of the Government) levied by governments (as defined by IAS 20 and IAS 24) in application of the legal and/or regulatory provisions other than fines or penalties linked to non-compliance with laws or regulations. These include taxes that fall within the scope of application of IAS 37 on provisions (excluding those within the scope of IAS 12, such as income tax liabilities) as well as taxes with certain amounts and payment dates (*i.e.* liabilities that do not fall within the scope of IAS 37).

Pursuant to the IFRIC 21 interpretation, the following taxes are recognized (and their potential reinvoicing at the same time) at one time in the first quarter of the current year:

- property taxes;
- household garbage removal taxes;
- taxes on offices and parking areas.

2.5.3.12.2 Ordinary tax treatment

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

2.5.3.12.3 Deferred tax assets and liabilities

Deferred tax arises from temporary differences between the tax base of assets or liabilities and their carrying amounts. They particularly result from the fair value revaluation of investment buildings held by companies who did not opt for the SIIC regime or from the cost related to the adoption of this regime. Deferred tax assets are recognized in respect of tax loss carry-forwards if their future realization is likely.

2.5.3.12.4 SIIC tax treatment

Opting for the SIIC system means that an exit tax immediately falls due at the reduced rate of 19% on unrealized capital gains related to properties and investments in entities not subject to income tax.

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

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

2.5.3.13 Recognition of rental income (IAS 17)

Rent is recorded in the income statement when invoiced. However, pursuant to IAS 17, benefits granted to tenants in the commercial real estate sectors (mainly rent franchises and stepped rents) are amortized straight-line over the probable, firm period of the lease, with the recognition as a counterparty until December 31, 2017 of an account receivable. From January 1, 2018, and for all leases with remaining franchises and stepped rents, rent is now booked against the fair value adjustment of properties assets.

Consequently, rents shown in the income statement differ from rents paid.

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

2.5.3.14 Lessee loan contracts

Financial lease contracts are rental financing contracts recognized in the asset side of the balance sheet (according to IFRS standard IAS 40, Investment properties), and the corresponding loans are shown as financial debts in the liabilities side of the balance sheet. 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 accounting principles, as if the Group were the owner. In the case of the acquisition of a financial lease contract, if the discrepancy between the fair value of the related debt and its nominal value represents a liability because of more favorable market conditions on the day of the acquisition, it is recorded in the balance sheet as a financial liability. This financial liability is recognized in income over the term of the contract and fully cleared through gain or loss on disposal if the contract is sold.

2.5.3.15 Financial lease contracts

In a financial lease contract, the lessor transfers all of the risks and benefits of the asset to the lessee. It is treated as financing granted to lessee for the purchase of a property.

The current value of payments due under the contract, increased, as necessary, by the residual value is entered as a receivable. The net income of the transaction for the lessor or the lessee corresponds to the amount of interest on the loan. It is entered in the income statement under the heading “Fees, advance fees, other income”. The rents received are divided over the duration of the financing lease contract by recognizing them in capital amortization and interest such that the net income represents a constant rate of profit over the residual outstanding. The rate of interest used is the implicit rate of interest in the contract.

2.5.3.16 Key estimates and 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.

The significant estimates made by the Group mainly concern:

- the measurement of the fair value of investment properties;
- the measurement of the fair value of financial instruments;
- the measurement of equity interests;
- the measurement of provisions;
- the measurement of employee benefit commitments (pensions and share plans).

Due to the uncertainties inherent in any measurement process, the Group adjusts its estimates using regularly updated information. 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 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 sections 2.5.3.1.1 and 2.5.3.1.2. 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 fair value of the 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 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 value in use and the fair value of equity investment securities are determined on the basis of estimates based on various data 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.

The procedures for determining fair value according to IFRS 13 are detailed in section 2.5.3.1.2.

In addition to the use of estimates, the Group's management formulates judgments to define the appropriate accounting treatment for certain activities and transactions where the IFRS standards in force do not specifically deal with the issues concerned. This is especially the case for the analysis of leases, whether operating leases or financial leases.

2.5.4 Management of financial and operational risks

2.5.4.1 Real estate market risk

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

However, this exposure is limited given that:

- the assets are essentially held with a long-term perspective and valued in the accounts at fair value, even though fair value is based on estimates described in sections 2.5.3.1.1 to 2.5.3.1.3 above;
- invoiced rents come from rental commitments, the term and spread of which contribute to moderating the impact of fluctuations in 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.

Certain aspects of this risk are quantified in Note 2.5.6.8.

2.5.4.2 Financial market risk

Holding financial instruments 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 2.5.6.11.

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

Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares. Gecina has set up a share buyback program and therefore holds a certain number of its own shares. A fall in the price of the Gecina share has no impact on the consolidated financial statements, only on the individual company financial statements.

2.5.4.3 Counterparty risk

With a portfolio of clients of around 800 corporate tenants, from a wide variety of sectors, and around 8,400 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 financial soundness is conducted. Tenant selection and rent collection procedures help to maintain a satisfactory rate of losses on receivables.

Financial transactions, especially hedging the interest rate risk, are carried out with a broad selection of leading financial institutions. Competitive tenders are conducted for all major financial transactions and the maintenance of a satisfactory diversification of sources of funds and counterparties is one of the selection criteria. Gecina has no material exposure to a single bank counterparty on its portfolio of derivatives. Counterparty risk is now an integral part of fair value as determined under IFRS 13 (see Note 2.5.3.1.2). The Group's maximum exposure on all its loans (used and unused) to a single counterparty is 5%.

2.5.4.4 Liquidity risk

Liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying finance sources. Liquidity is managed in the medium and long term as part of multi-annual financing plans and, in the short term, by using confirmed undrawn credit lines and asset disposal programs. Details of debt maturity dates are provided in Note 2.5.5.12.1 as well as a description of the various limits that might affect interest conditions or early repayment, as stipulated in the credit agreements.

2.5.4.5 Interest rate risk

Gecina's interest rate risk management policy, which includes the use of hedging 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 and Risk 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 2.5.5.12.2 and 2.5.6.11, together with an analysis of interest rate sensitivity. Gecina interest rate hedging policy is primarily implemented on a comprehensive basis for all its loans (i.e. not specifically assigned to certain loans). As a result, it does not meet the accounting qualification of hedging instruments and the fair value change therefore appears in the income statement, according to the procedures described in Note 2.5.3.8.

2.5.4.6 Foreign exchange risk

The Group conducts the majority of its business in the Eurozone and almost all its revenues, operating expenses, investments, assets and liabilities are denominated in euros. In this case, the Group is only very marginally exposed to a currency risk only through its logistics subsidiary in Poland, which now has no activity.

2.5.4.7 Operating risks

Gecina is exposed to a wide range of operating risks, the details of which are specified in the strategic policy and chapter 5 of the 2018 Registration Document.

Until 2009 when Mr. Joaquín Rivero was a corporate officer of Gecina or one of its subsidiaries, Gecina carried out a number of transactions, including the acquisition by SIF Espagne of a 49% equity investment in Bami Newco in 2009, and also undertook certain commitments, notably the grant of certain guarantees in relation to said transactions, as mentioned in Notes 2.2.5.13 and 2.5.9.3. When said commitments and transactions were revealed, impairment and provisions were recorded against some of them pursuant to applicable regulations. Some of the guarantees were also granted outside Gecina's internal control framework, despite the specific procedures implemented.

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

2.5.5 Notes to the consolidated statement of financial position

2.5.5.1 Property holdings

2.5.5.1.1 Statement of changes in property holdings

Gross value

In €'000	As of 12/31/2017	Acquisitions	Asset disposals or exercises of options	Change in fair value	Change in scope	Transfers between items	As of 12/31/2018
Investment properties	15,407,425	93,229	0	380,131	35,965	687,268	16,604,020
Properties under reconstruction	2,806,401	289,521	(16,058)	182,218	26,845	(1,780,880)	1,508,051
Hotel operating properties	197,397	0	0	0	0	(197,397)	0
Operating properties (headquarters)	76,828	7,132	0	0	0	0	83,962
Financial receivables on financial leases	391,456	0	(63,445)	0	0	0	328,011
Intangible assets	11,462	3,237	(1,340)	0	0	0	13,358
Other tangible assets	28,959	9,236	(10,310)	0	0	0	27,885
Properties for sale	578,692	3,149	(1,206,876)	3,713	4,349	1,324,761	707,787
Inventories	156,334	409	(106,534)	(282)	404	0	50,330
GROSS VALUE	**19,654,954**	**405,913**	**(1,404,564)**	**565,781**	**67,562**	**33,752**	**19,323,405**

Depreciations

In €'000	As of 12/31/2017	Allocations	Write backs	Change in fair value	Change in scope	Transfers between items	As of 12/31/2018
Operating properties (headquarters)	16,394	702	0	0	0	0	17,096
Financial receivables on financial leases	167,121	20,870	(35,121)	0	0	0	152,870
Intangible assets	5,578	2,488	(1,340)	0	0	0	6,726
Other tangible assets	15,697	5,546	(9,546)	0	10	(10)	11,697
Properties for sale	13,867	10,311	0	0	0	33,762	57,941
Inventories	0	1,229	0	0	0	0	1,229
DEPRECIATIONS	**218,656**	**41,146**	**(46,007)**	**0**	**10**	**33,752**	**247,561**
NET VALUE	**19,436,298**	**364,767**	**(1,358,556)**	**565,781**	**67,552**	**0**	**19,075,844**

Pursuant to the accounting principles defined in Note 2.5.3.1.1, 6 assets under restructuring are recognized at their historical cost for a total amount of €6 million.

The other changes are related to the linearization of commercial benefits amounting to €55 million, marketing costs of €8 million and capitalized internal costs totaling €5 million.

2.5.5.1.2 Analysis of acquisitions (including duties and costs)

Acquisitions concerned the following:

In €'000	12/31/2018
8, rue des Graviers - 92200 Neuilly-sur-Seine	30,791
8, rue René Villars - 94200 Ivry-sur-Seine	2,638
Tour Gamma (one floor) - 75012 Paris	2,270
PROPERTY ACQUISITIONS	**35,699**
Construction and reconstruction work	266,483
Renovation work	65,586
WORKS	**332,069**
Operating properties	7,132
Capitalized financial expenses	18,131
TOTAL PROPERTY ACQUISITIONS	**393,031**
Tangible fixed assets	9,236
Intangible assets	3,237
Inventories	409
TOTAL ACQUISITIONS	**405,913**

2.5.5.1.3 Detail of the result of disposals

Disposals are detailed in Note 2.5.6.7.

2.5.5.1.4 Goodwill

The €208 million goodwill corresponding to the acquisition of Eurosic in August 2017 has been allocated to the cash-generating unit (CGU) "Offices". It remains unchanged and is now accounted for its final amount as of December 31, 2018.

According to IAS 36, an impairment test is performed when there is an indication that the goodwill may be impaired and at least once a year.

The valuation of the CGU has been incrementally performed using the fair value of the assets, as accounted for in the financial statements of the Group, plus the valuation of the cash flows not taken into account in the financial statements.

No indication of an impairment loss has been raised at the end of the year.

2.5.5.1.5 Maturity dates of investment properties held on financial lease

At December 31, 2018, the Group no longer held any financial leases as lessee.

In €'000	12/31/2018	12/31/2017
Less than 1 year	0	0
1 to 5 years	0	1,464
Over 5 years	0	0
TOTAL	**0**	**1,464**

2.5.5.2 Financial fixed assets

In €'000	12/31/2018	12/31/2017
Non-consolidated investments	132,634	110,462
Advances on fixed asset acquisitions	66,028	65,741
Deposits and guarantees	1,517	1,521
Other financial investments	1,964	65
TOTAL	**202,143**	**177,789**
Impairment[1]	(174,907)	(174,405)
TOTAL NET	**27,236**	**3,384**
(1) Impairment:		
Advances on fixed asset acquisitions	*64,857*	*65,038*
Equity interests and attached receivables	*110,185*	*109,366*

Impairment in the amount of €174.9 million is related to the 49% equity interest in the Spanish company Bami Newco, which has been fully written down (€109.3 million) and the advance on property acquisition granted to the Spanish company Bamolo, written down for €65 million (in order to reduce it to the land's latest appraisal value given as a guarantee of €0.5 million).

2.5.5.3 Equity-accounted investments

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

The elements of the financial situation of the main companies with investments that do not afford control are presented below:

In €'000	Euler Hermes SPPICAV	N2 Promotion SNC	Risque & Sérénité	Total
Property holdings	255,000	0	0	255,000
Other assets	10,970	203	5,282	16,455
TOTAL ASSETS	**265,970**	**203**	**5,282**	**271,455**
Share capital	231,279	197	5,265	236,741
External loans and debts with partners	32,107	0	0	32,107
Other liabilities	2,584	6	17	2,607
TOTAL LIABILITIES	**265,970**	**203**	**5,282**	**271,455**
Revenue	9,200	500	0	9,700
NET INCOME	**7,095**	**161**	**(2,155)**	**5,101**
% held	19.90%	30.00%	43.24%	
SHARE OF INCOME	**1,412**	**48**	**(932)**	**529**
Share capital	231,279	197	5,265	236,741
SECURITIES OF COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD	**46,025**	**59**	**2,277**	**48,361**

2.5.5.4 Deferred tax assets and liabilities

At 31 December 2018, net deferred taxes represented a liability of €3.9 million. They mainly include the effect of capital gains on assets in the taxable sector and the activation of tax loss carryforwards.

In €'000	As of 12/31/2017	Change in profit/loss	As of 12/31/2018
Gains on financial lease contracts and inventory	(12,634)	7,525	(5,109)
Change in scope	0	(675)	(675)
TOTAL DEFERRED TAX LIABILITIES	**(12,634)**	**6,850**	**(5,784)**
Tax deficit activation	8,207	,(6,307)	1,900
TOTAL DEFERRED TAX ASSETS	**8,207**	**(6,307)**	**1,900**
TOTAL NET DEFERRED TAXES	**(4,427)**	**543**	**(3,884)**

2.5.5.5 Properties for sale

Movements on properties for sale are included in the overall statement of changes in property holdings (see Note 2.5.5.1.1). They include, in particular, hotel operating properties for which a transfer process is in progress on December 31, 2018.

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

In €'000	12/31/2018	12/31/2017
Properties for sale (block basis)	290,686	167,079
Properties for sale (units basis)	359,160	411,613
TOTAL	**649,846**	**578,692**

2.5.5.6 Inventories

These are mainly office assets located in the regions acquired from real estate traders. These assets are entered at their cost price (at cost, including expenses and works).

2.5.5.7 Trade receivables

The breakdown of net receivables by sector is indicated in Note 2.5.8.

In €'000	12/31/2018	12/31/2017
BILLED CLIENTS	**46,283**	**56,217**
Unbilled expenses payable	7,926	6,589
Balance of amortized rent – free periods and stepped rents (IAS 17)	73,565	96,635
TRADE RECEIVABLES (GROSS)	**127,774**	**159,441**
Impairment of receivables	(17,051)	(17,772)
TRADE RECEIVABLES (NET)	**110,723**	**141,669**

2.5.5.8 Other receivables

In €'000	12/31/2018	12/31/2017
Value added tax	73,901	68,891
Income tax	5,806	5,859
Bami Newco cash advances (fully depreciated)	12,623	12,623
Receivables on asset disposal	3,603	1,002
Other[1]	115,217	49,656
GROSS AMOUNTS	**211,150**	**138,031**
Impairment	(36,150)	(38,065)
NET VALUES	**175,000**	**99,966**

(1) Of which:		
Indemnity due on litigation (see Note 2.5.6.4)	*59,002*	*0*
Advances on equity investments	*2,300*	*2,300*
Deposit payments for orders	*2,690*	*3,077*
Bami Guarantee (Eurohypo)	*20,140*	*20,140*

2.5.5.9 Prepaid charges

In €'000	12/31/2018	12/31/2017
Loan application costs[1]	11,063	11,447
10 year warranty insurance	2,565	2,456
Other	9,487	8,354
NET VALUES	**23,115**	**22,257**

(1) Primarily including arrangement fees and mortgage costs

2.5.5.10 Cash and cash equivalents

In €'000	12/31/2018	12/31/2017
Money-market UCITS	1	2,582
Cash and cash equivalents	31,689	119,449
CASH AND CASH EQUIVALENTS (GROSS)	**31,690**	**122,031**
Bank overdrafts	0	0
CASH AND CASH EQUIVALENTS (NET)	**31,690**	**122,031**

2.5.5.11 Consolidated shareholders' equity

See the accounting statement preceding this note in section 2.3 "Statement of changes in consolidated equity".

2.5.5.12 Loans, debt and financial instruments

2.5.5.12.1 Borrowings and financial debt

Outstanding debt

In €'000	Outstanding 12/31/2018	Repayments < 1 year	Outstanding 12/31/2019	Repayments 1 to 5 years	Outstanding 12/31/2023	Repayments more than 5 years
Fixed-rate debt	**5,292,053**	**(536,418)**	**4,755,635**	**(810,536)**	**3,945,099**	**(3,945,099)**
Fixed-rate bonds	4,958,758	(448,973)	4,509,785	(768,648)	3,741,137	(3,741,137)
Fixed-rate borrowings	189,424	(2,122)	187,303	(8,898)	178,405	(178,405)
Other fixed-rate liabilities	73,139	(14,592)	58,548	(32,990)	25,558	(25,558)
Accrued interest	70,731	(70,731)	0	0	0	0
Floating rate debt	**2,194,526**	**(1,567,500)**	**627,026**	**(627,026)**	**0**	**0**
Commercial paper	1,266,500	(1,266,500)	0	0	0	0
Floating-rate bonds	498,026	0	498,026	(498,026)	0	0
Floating-rate short-term bonds	400,000	(300,000)	100,000	(100,000)	0	0
Floating-rate borrowings	30,000	(1,000)	29,000	(29,000)	0	0
GROSS DEBT	**7,486,579**	**(2,103,918)**	**5,382,661**	**(1,437,562)**	**3,945,099**	**(3,945,099)**
Cash (floating rate)						
Open-end investment funds, placements and income receivable	1	(1)	0	0	0	0
Availabilities	31,689	(31,689)	0	0	0	0
TOTAL CASH	**31,690**	**(31,690)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	5,292,053	(536,418)	4,755,635	(810,536)	3,945,099	(3,945,099)
Floating rate	2,162,836	(1,535,810)	627,026	(627,026)	0	0
TOTAL NET DEBT	**7,454,889**	**(2,072,228)**	**5,382,661**	**(1,437,562)**	**3,945,099**	**(3,945,099)**
Available credit lines	4,255,000	(200,000)	4,055,000	(2,310,000)	1,745,000	(1,745,000)
Future cash flows on debt	0	(106,916)	0	(355,023)	0	(285,654)

The interest that will be paid up to maturity of the entire debt, and which is estimated on the basis of the rate curve at December 31, 2018 amounts to €748 million.

The breakdown of the €2,103,918 thousand repayment of gross debt within less than one year is as follows:

	1st quarter 2019	2nd quarter 2019	3rd quarter 2019	4th quarter 2019	TOTAL
In €'000	917,398	812,178	292,161	82,181	2,103,918

The fair value of the gross debt used in calculating the NAV was €7,566 million at December 31, 2018, of which €80 million corresponding to the fair value adjustment of fixed rate debt.

Type of bonds

BONDS	Issuer	Issue date	Issue amount *(in € million)*	Outstanding amount *(in € million)*	Issue price	Redemption price	Nominal rate	Maturity date
Bond 04/2019	Gecina	04/11/2012	650	248.5	€99,499	€100,000	4.75%	04/11/2019
Bond 03/2019	Gecina	03/27/2013	125	125	€100,000	€100,000	3.95%	03/27/2019
Bond 05/2023	Gecina	05/30/2013	300	210.3	€98,646	€100,000	2.875%	05/30/2023
Bond 07/2019	Gecina	07/16/2013	80	75.6	€100,000	€100,000	4.125%	07/16/2019
Bond 07/2020	Gecina	07/13/2014	50	50	€100,000	€100,000	2.99%	07/13/2020
Bond 07/2021	Gecina	07/13/2014	50	50	€100,000	€100,000	3.30%	07/13/2021
Bond 07/2021	Gecina	07/30/2014	500	185.8	€99,317	€100,000	1.75%	07/30/2021
Bond 01/2023	Gecina	12/15/2014	125	125	€100,000	€100,000	3.051%	01/16/2023
Bond 01/2025	Gecina	01/20/2015	500	500	€99,256	€100,000	1.50%	01/20/2025
Bond 06/2024	Gecina	06/17/2015	500	500	€97,800	€100,000	2.00%	06/17/2024
Bond 11/2022	Gecina	11/06/2015	50	50	€100,000	€100,000	2.75%	11/06/2022
Bond 11/2023	Gecina	11/06/2015	100	100	€100,000	€100,000	3.00%	11/06/2023
Bond 06/2026	Gecina	12/01/2015	100	100	€100,000	€100,000	3.00%	06/01/2026
Bond 01/2029	Gecina	09/30/2016	500	500	€99,105	€100,000	1.00%	01/30/2029
Bond 06/2032	Gecina	06/30/2017	500	500	€98,535	€100,000	2.00%	06/30/2032
Bond 06/2022	Gecina	06/30/2017	500	500	€100,000	€100,000	Euribor 3 months +0.38%	06/30/2022
Bond 06/2027	Gecina	06/30/2017	500	500	€99,067	€100,000	1.375%	06/30/2027
Bond 02/2019	Gecina	08/21/2017	150	150	€100,255	€100,000	Euribor 3 months +0.30%	02/21/2019
Bond 08/2019	Gecina	08/21/2017	150	150	€100,290	€100,000	Euribor 3 months +0.33%	08/21/2019
Bond 01/2028	Gecina	09/26/2017	700	700	€98,710	€100,000	1.375%	01/26/2028
Bond 03/2030	Gecina	03/14/2018	500	500	€97,325	€100,000	1.625%	03/14/2030
Bond 05/2020	Gecina	05/04/2018	100	100	€100,362	€100,000	Euribor 3 months +0.30%	05/04/2020

Covenants

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

	Benchmark standard	Balance at 12/31/2018	Balance at 12/31/2017
Net debt/revalued block value of property holding (excluding duties)	Maximum 55%/60%	38.4%	42.4%
EBITDA (excluding disposals)/net financial expenses	Minimum 2.0x	5.7 x	5.6x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	1.0%	3.6%
Revalued block value of property holding (excluding duties) in € billion	Minimum 6.0/8.0	19.3	19.6

Change of control clauses

For bonds issued by Gecina, a change of control leading to the downgrading of its credit rating to "Non-Investment Grade" and not raised to "Investment Grade" within 120 days, could lead to the early repayment of the loan.

2.5.5.12.2 Financial instruments

The financial instruments (Level 2 instruments as defined by IFRS 7 and IFRS 13) 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 valuation models using observable inputs.

Portfolio of derivatives

In €'000	Outstanding 12/31/2018	Maturity or effective date < 1 year	Outstanding 12/31/2019	Maturity or effective date 1 to 5 years	Outstanding 12/31/2023	Maturity or effective date more than 5 years
PORTFOLIO OF OUTSTANDING DERIVATIVES AT DECEMBER 31, 2018						
Fixed-rate receiver swaps	59,000	0	59,000	(59,000)	0	0
Fixed-rate payer swaps	700,000	(700,000)	0	300,000	300,000	(300,000)
Selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed rate receiver swaps	0	0	0	0	0	0
Caps purchases	1,655,000	(1,005,000)	650,000	(650,000)	0	0
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**2,414,000**	**(1,705,000)**	**709,000**	**(409,000)**	**300,000**	**(300,000)**
PORTFOLIO OF DERIVATIVES WITH DEFERRED IMPACT AT DECEMBER 31, 2018						
Fixed-rate receiver swaps	0	0	0	0	0	0
Fixed-rate payer swaps	0	400,000	400,000	0	400,000	(400,000)
Selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed rate receiver swaps	0	0	0	0	0	0
Cap purchases	0	350,000	350,000	(350,000)	0	0
Cap sales	0	0	0	0	0	0
Floor sales	0	0	0	0	0	0
TOTAL	**0**	**750,000**	**750,000**	**(350,000)**	**400,000**	**(400,000)**

In €'000	Outstanding 12/31/2018	Maturity or effective date < 1 year	Outstanding 12/31/2019	Maturity or effective date 1 to 5 years	Outstanding 12/31/2023	Maturity or effective date more than 5 years
TOTAL PORTFOLIO OF DERIVATIVES AT DECEMBER 31, 2018						
Fixed-rate receiver swaps	59,000	0	59,000	(59,000)	0	0
Fixed-rate payer swaps	700,000	(300,000)	400,000	300,000	700,000	(700,000)
Selling of puts and calls on fixed rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed rate receiver swaps	0	0	0	0	0	0
Cap purchases	1,655,000	(655,000)	1,000,000	(1,000,000)	0	0
Cap sales	0	0	0	0	0	0
Floor sales	0	0	0	0	0	0
TOTAL	**2,414,000**	**(955,000)**	**1,459,000**	**(759,000)**	**700,000**	**(700,000)**
Future interest cash flows on derivatives	0	(2,646)	0	(965)	0	9,201

Gross debt hedging

In €'000	12/31/2018
FIXED-RATE GROSS DEBT	**5,292,053**
Fixed-rate debt converted to floating rate	(59,000)
RESIDUAL DEBT AT FIXED RATE	**5,233,053**
GROSS DEBT AT FLOATING RATE	**2,194,526**
Fixed-rate debt converted to floating rate	59,000
GROSS DEBT AT FLOATING RATE AFTER CONVERSION OF DEBT TO FLOATING RATE	**2,253,526**
Fixed-rate payer swaps and activated caps/floors	(700,000)
UNHEDGED GROSS DEBT AT FLOATING RATE	**1,553,526**
Caps purchases	(1,655,000)
Caps sales	0
FLOATING RATE DEBT	**(101,474)**

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

In €'000	12/31/2017	Acquisitions	Sales	Transfer between items	Change in value	12/31/2018
Non-current assets	17,735	0	0	(172)	(10,154)	7,409
Current assets	2,138	0	0	172	(2,310)	0
Non-current liabilities	(6,509)	0	4,338	2,172	(3,836)	(3,835)
Current liabilities	(247)	0	0	(2,172)	1,710	(709)
TOTAL	**13,117**	**0**	**4,338**	**0**	**(14,590)**	**2,865**

The fair value of financial instruments (assets net of liabilities) has decreased by €10 million. This drop can be explained by the effect of payments change in interest rates since the end of 2017 and the time effect.

2.5.5.13 Provisions

In €'000	12/31/2017	Allocations	Write backs	Utilisations	Transfer between items	12/31/2018
Tax reassessments	7,002	0	0	0	0	7,002
Employee benefit commitments	15,155	0	(1,060)	0	0	14,095
Other disputes	14,596	1,343	(3,602)	(342)	0	11,994
TOTAL	**36,753**	**1,343**	**(4,662)**	**(342)**	**0**	**33,091**

Some companies within the consolidation have been the subject of tax audits leading to notifications of tax reassessments, the majority of which are contested. At December 31, 2018, the total amount accrued as a provision for the fiscal risk is €7 million, based on the assessments of the company and its advisers.

Furthermore, the company has several ongoing litigations with the French tax administration, which, at present could result in the reimbursement of a maximum amount of nearly €10 million. This amount is related to the corporate income tax paid in 2003 when several Group companies opted for the SIIC tax regime. These amounts, which could be recovered at various dates in light of the various ongoing proceedings, were expensed at the time of payment and therefore no longer appear on the company's balance sheet.

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 company and its advisers, there is no risk that is not accrued, which would be likely to significantly impact the company's earnings or financial situation.

Employee benefit commitments (€14.1 million) concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. They are valued by independent experts.

Commitments provisioned in Spain (€4.8 million) primarily concern guarantees granted by SIF Espagne, then represented by Mr. Joaquín Rivero, on November 13, 2009, concerning Bami Newco's repayment of credit facilities granted to it until November 13, 2019 by Banco Popular for principal amounts of €3.3 million and €1.5 million respectively. As at December 31, 2018, provisions had been fully accrued for the full amount of these guarantees, i.e. €4.8 million.

The resulting contingent receivable was reported under the bankruptcy proceedings of Bami Newco. In June 2014, Banco Popular called in one of its two guarantees and claimed the payment of €3 million from SIF Espagne. In June 2016, MHB Bank claimed the payment of this guarantee in its capacity as the assignee of the guarantee. The company studied and analyzed this claim and believes that it is not required as of this date to make the payment.

Bami Newco was the subject of insolvency proceedings commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

The liquidation plan sent to the parties in November 2015 is still in execution by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the de facto and de jure Directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

On July 16, 2012, the company was informed by Banco de Valencia of the existence of four promissory notes issued in 2007 and 2009 in the total amount of €140 million. Three of them were issued in the name of "Gecina SA Succursal en España" and one in the name of Gecina SA, in favor of Arlette Dome SL, a Spanish company. Arlette Dome SL has transferred the above-mentioned promissory notes to Banco de Valencia to guarantee loans granted by that bank.

After verification, the company realized that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome SL which could have justified their issue. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the issue were to be confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. Following a series of decisions and appeals, Gecina was recognized as party to the proceedings on April 19, 2016 before the National Court, where the company continues to assert its rights. No provision was recognized for this purpose.

Spanish bank Abanca, after seeking the payment by Gecina of €63 million (of which €48.7 million in principal) pursuant to the guarantee letters of engagement allegedly signed in 2008 and 2009 by Mr. Joaquin Rivero, former Gecina officer, summoned Gecina to appear before the Court of First Instance of Madrid in order to obtain the payment of the claimed amounts.

Gecina is challenging Abanca's claims, asserting its rights and defending its interests in these proceedings. On June 10, 2016, the Court of First Instance of Madrid declared that it had no jurisdiction to try the dispute.

On July 14, 2016, Abanca appealed this decision. On July 4, 2017, the Appeal Court of Madrid declared that the Spanish Courts do have jurisdiction to hear Abanca's claim. The proceedings on the merits are ongoing before the Court of First Instance of Madrid. No provision was recognized for this purpose.

Gecina filed a criminal complaint in France against Mr. Rivero and any other party involved, for misuse of authority under letters of endorsement raised by Abanca. Insofar as Mr. Joaquin Rivero was not the only person involved in this complaint, this procedure is still ongoing.

2.5.5.14 Pensions and other employee benefits

The amounts reported in the balance sheet as at December 31, 2018 are as follows:

In €'000	12/31/2018	12/31/2017
Discounted value of the liability	17,079	18,099
Fair value of hedging assets	(2,984)	(2,944)
DISCOUNTED NET VALUE OF THE LIABILITY	**14,095**	**15,155**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	0	0
NET LIABILITY ON THE BALANCE SHEET	**14,095**	**15,155**

The net commitment recorded as non-recurring provisions amounted to €14.1 million after taking into account hedging assets estimated at €3 million at December 31, 2018.

The actuarial difference for the period amounted to €1.4 million for the most part recorded directly in shareholders' equity.

Change of bond

In €'000	12/31/2018	12/31/2017
DISCOUNTED NET VALUE OF BOND AT BEGINNING OF PERIOD	**15,155**	**14,647**
Breakdown of expense		
Cost of services rendered during the year	880	819
Net interest	197	161
Actuarial losses and gains	147	(152)
EXPENSE REORGANIZED UNDER PAYROLL EXPENSE	**1,224**	**828**
Effects of any change or liquidation of the plan	(308)	642
Benefits paid (net)	(632)	(665)
Contributions paid	(2,731)	0
Actuarial losses and gains not written to income	1,387	(1,164)
Eurosic acquisition values	0	867
DISCOUNTED NET VALUE OF BOND AT END OF PERIOD	**14,095**	**15,155**

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

	12/31/2018	12/31/2017
Expected yield rate of hedging assets	3.00%	3.00%
Wage increase rate (net of inflation)	0.25%	0.25%
Discount rate	0.00% - 1.50%	0.00% - 1.50%
Inflation rate	1.75%	1.75%

2.5.5.15 Suppliers

In €'000	12/31/2018	12/31/2017
Trade payables	9,562	17,663
Trade payables (invoices not received)	40,043	42,051
Fixed asset trade payables[1]	25,724	81,992
Fixed asset trade payables (invoices not received)	131,956	136,693
TRADE PAYABLES	**207,284**	**278,399**

(1) Of which:

Paris - Ibox asset acquisition		*91,829*

2.5.5.16 Tax and social security payables and debt

In €'000	12/31/2018	12/31/2017
Social security liabilities (short term)	32,072	31,237
Other tax liabilities (representing VAT payable and local taxes)	40,578	26,030
TAX AND SOCIAL SECURITY PAYABLES AND DEBT	**72,650**	**57,267**
of which non-current liabilities	0	0
of which current liabilities	72,650	57,267

2.5.5.17 Other payables

In €'000	12/31/2018	12/31/2017
Client credit balance	55,155	48,214
Other payables	8,506	24,340
Deferred income	3,141	5,834
OTHER PAYABLES	**66,802**	**78,388**

2.5.5.18 Off balance sheet commitments

In €'000	12/31/2018	12/31/2017
Commitments given		
Off balance sheet commitments given linked to operating activities		
Deposits and guarantees (in favor of subsidiaries and equity investments)	0	1,020
Asset-backed liabilities	189,424	699,789
Works amount to be invested (including sales of property for future completion)	315,293	329,095
Preliminary sale agreements for properties	131,369	241,645
Other[1]	41,452	28,652
TOTAL COMMITMENTS GIVEN	**677,538**	**1,300,201**
Commitments received		
Off balance sheet commitments received linked to financing		
Unused lines of credit	4,255,000	3,760,000
Off balance sheet commitments received linked to operating activities		
Preliminary sale agreements for properties	120,390	187,579
Mortgage-backed receivables	480	480
Financial guarantees for management and transaction activities	1,025	1,025
Other[2]	1,258,921	1,259,011
TOTAL COMMITMENTS RECEIVED	**5,635,816**	**5,208,095**

(1) *Of which €40 million in liability guarantees granted as part of the sale of shares of subsidiaries GEC 4 (€10 million), Gecimed (€16 million) and Eurosic subsidiaries (€14 million).*
(2) *Of which a €1,240 million guarantee received as part of the acquisition of Avenir Danton Défense and Avenir Grande Armée equities.*

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of 10 years, and which do not appear in the table of commitments given because their cost is not yet known. Based on the assessments of the Group and its advisers, there are currently no commitments likely to be called and which would materially impact Gecina's earnings or financial position.

The outstanding amounts for future development costs (including sales of property for future completion) correspond to reciprocal guarantees with the developer who undertakes to complete the works.

2.5.5.19 Recognition of financial assets and liabilities

In €'000	Assets/ liabilities valued at fair value through the income statement	Assets/ liabilities held to maturity	Assets available for sale	Loans and receivables	Liabilities at amortized cost	Historic cost	Fair value through shareholders' equity	Total	Fair Value
Financial fixed assets(1)	22,635	4,121	0	480	0	0	0	27,236	27,236
Equity-accounted investments	0	0	0	0	0	48,361	0	48,361	48,361
Cash and cash equivalents	31,690	0	0	0	0	0	0	31,690	31,690
Current and non-current derivatives(2)	7,409	0	0	0	0	0	0	7,409	7,409
Other assets(1)	0	0	0	0	0	285,722	0	285,722	285,722
TOTAL FINANCIAL ASSETS	**61,734**	**4,121**	**0**	**480**	**0**	**334,083**	**0**	**400 417**	**400,417**
Non-current financial debt	0	374,850	0	0	5,007,811	0	0	5,382,661	5,382,661
Current and non-current derivatives(2)	4,544	0	0	0	0	0	0	4,544	4,544
Current financial debt	0	1,654,945	0	0	448,973	0	0	2,103,918	2,103,918
Other liabilities(1)	0	0	0	0	0	424,584	0	424,584	424,584
TOTAL FINANCIAL LIABILITIES	**4,544**	**2,029,795**	**0**	**0**	**5,456,784**	**424,584**	**0**	**7,915,707**	**7,915,707**

(1) Due to the short-term nature of these receivables and debts, the book value represents a good estimate of fair value, as the discount effect is immaterial.
(2) According to IFRS 7 and IFRS 13, the fair value of derivatives is level 2 which means that the valuation is based on published market data.

2.5.6 Notes to the consolidated statement of comprehensive income

2.5.6.1 Gross rental income

In its revenues, Gecina distinguishes rental income by type of lease while the analysis by sector (Note 2.5.8) is based on the Group's internal management.

Minimum future rents receivable until the next possible termination date under the operating leases of commercial properties are as follows:

In €'000	12/31/2018	12/31/2017
Less than 1 year	424,578	471,925
1 to 5 years	1,094,892	1,113,108
Over 5 years	518,374	275,856
TOTAL	**2,037,844**	**1,860,889**

2.5.6.2 Direct operating expenses

These are composed of:

- rental charges that are payable by the owner, charges related to construction work, costs of disputes, if any, and property management fees;
- the portion of rechargeable rental charges by nature, which remain the Group's expense, mainly on vacant premises;
- the rental risk consisting of net impairments plus the amount of losses and profits on unrecoverable debts for the period.

The cost of rental risk, which is included in property expenses is €0.4 million, for the period ended December 31, 2018, compared with -€0.4 million in 2017.

- Recharges to tenants consist of rental income from recharging tenants for costs payable by them. For 2018, they include fees for rental and technical management invoiced, i.e. €5.2 million (compared with €4.8 million at December 31, 2017).

In €'000	12/31/2018	12/31/2017
Other external expenses	(108,100)	(86,758)
Taxes and other payables	(78,861)	(66,899)
Salaries and fringe benefits	(5,000)	(4,798)
Other expenses	(1,098)	343
PROPERTY EXPENSES	**(193,059)**	**(158,112)**
Rental expenses to be regularized	5,183	4,036
Vacant premises' expenses	(5,838)	(4,993)
Miscellaneous recovery	54,735	54,463
Provisions on costs	84,198	62,577
RECHARGES TO TENANTS	**138,278**	**116,083**
NET DIRECT OPERATING EXPENSES	**(54,781)**	**(42,029)**

2.5.6.3 Operating income from financial leases and hotel activities

In €'000	12/31/2018	12/31/2017
Financial fees and other income on financial lease transactions	41,835	11,486
Operating expenses	(32,593)	(6,917)
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS	**9,242**	**4,570**
Hotel operating income	47,478	13,527
Hotel operating expenses	(38,085)	(11,218)
Depreciation of the hotel activity	(5,982)	(2,033)
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY	**3,410**	**275**

2.5.6.4 Services and other income (net)

These largely comprise the following items:

In €'000	12/31/2018	12/31/2017
Income from service activities	823	723
Reversals of investment subsidies	223	256
Other income	61,408	2,592
SERVICES AND OTHER INCOME (NET)	**62,454**	**3,571**

Other income includes damages related to the dispute with Gecina's former CEO Joaquín Rivero in the amount of €59 million.

2.5.6.5 Overheads

Overheads break down as follows:

In €'000	12/31/2018	12/31/2017
Salaries and fringe benefits	(63,674)	(53,697)
Internal costs	6,479	4,737
Share-based payments (IFRS 2)	(2,781)	(2,635)
Net management costs	(26,940)	(20,245)
TOTAL	**(86,916)**	**(71,840)**

Payroll costs relate to the company's administrative staff, since the salaries of building staff are included in rental margins.

Depending on their type, a portion of personnel expenses has been reclassified to the income statement or balance sheet, as applicable, for a total amount of €6.5 million at December 31, 2018. Personnel expenses attributable to disposals are recorded under gains or losses on disposal. Those attributable to projects under development and marketing actions are recognized as fixed assets. Lastly, payroll costs attributable to ongoing studies are booked as prepaid expenses.

Share-based payments concern stock options for new or existing shares and performance shares (see Note 2.5.9.5) and are booked in accordance with IFRS 2 (see Note 2.5.3.7).

Management costs primarily include fees paid by the company and head office operating costs (computer maintenance, insurance, advertising, etc.).

2.5.6.6 Real estate margin

In €'000	12/31/2018	12/31/2017
Transfer of inventories	98,015	4,005
Net book value of inventories	(106,534)	(3,486)
Transfer cost of inventories	(958)	0
REAL ESTATE MARGIN	**(9,477)**	**519**

Two portfolios of assets held as real-estate traders were sold during the year with a loss on disposal of -€9.5 million.

2.5.6.7 Gains or losses on disposals

Disposals represented:

In €'000	12/31/2018	12/31/2017
Block sales	1,148,439	422,232
Units sales	83,922	125,274
PROCEEDS FROM DISPOSALS	**1,232,361**	**547,506**
Block sales	(1,155,465)	(421,225)
Units sales	(67,614)	(92,226)
NET BOOK VALUE	**(1,223,079)**	**(513,451)**
Block sales	(16,999)	(8,728)
Units sales	(3,742)	(5,279)
COST OF SALES	**(20,740)**	**(14,007)**
Block sales	(24,025)	(7,721)
Units sales	12,566	27,769
PROFIT (LOSS) ON DISPOSAL	**(11,459)**	**20,048**

Salaries and fringe benefits directly attributable to disposals and, to a lesser extent, management fees recorded under "Profit (loss) on disposal" for the year ended December 31, 2018, amounted to €2.2 million *versus* €1.7 million in 2017.

2.5.6.8 Change in value of properties

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

In €'000	12/31/2017	12/31/2018	Change	%
Offices	11,489,175	11,767,201	278,026	2.4%
Residential	2,668,790	2,870,320	201,530	7.6%
Other activities	157,941	157,380	(561)	-0.4%
INVESTMENT PROPERTIES(1)	**14,315,906**	**14,794,901**	**478,995**	**3.3%**
Change in value of projects delivered and acquisitions(2)			52,313	
Change in value of projects in progress(2)			162,855	
Change in value of assets for sale(3)			2,843	
CHANGE IN VALUE			**697,005**	
Capitalized works on investment properties(1)			(64,891)	
Capitalized salaries and fringe benefits on investment properties(1)			(1,179)	
Acquisition costs and other(1)			(10,183)	
Linearization of the rent incentives			(54,972)	
CHANGE IN VALUE RECORDED IN INCOME STATEMENT AT DECEMBER 31, 2018			**565,781**	

(1) Change in value of investment properties (Note 2.5.5.1.1)
(2) Change in value of properties under reconstruction (Note 2.5.5.1.1)
(3) Change in value of properties for sale (Note 2.5.5.1.1)

Pursuant to IFRS 13 (see Note 2.5.3.1.2), the tables below break down, by activity sector, the ranges of the main unobservable inputs (level 3) used by property appraisers:

OFFICES	Yield rate	Discount rate DCF	VLM (rental market value) in €/sq.m
Paris CBD	2.35% - 5.10%	3.25% - 5.10%	360 - 800 €/sq.m
Paris non-CBD	2.65% - 7.50%	3.00% - 8.60%	210 - 850 €/sq.m
PARIS	**2.35% - 7.50%**	**3.00% - 8.60%**	**210 - 850 €/sq.m**
Inner rim (Paris)	3.60% - 8.25%	4.00% - 8.50%	110 - 540 €/sq.m
Outer rim (Paris)	6.15% - 8.55%	6.75% - 9.90%	100 - 190 €/sq.m
PARIS REGION	**3.60% - 8.55%**	**4.00% - 9.90%**	**100 - 540 €/sq.m**
Rest of France	3.90% - 6.75%	3.05% - 7.25%	140 - 210 €/sq.m
OFFICES	**2.35% - 8.55%**	**3.00% - 9.90%**	**100 - 850 €/sq.m**

RESIDENTIAL	Yield rate	Unit sale price in €/sq.m
Paris	2.60% - 3.90%	€6,860-13,240/sq.m
Inner rim (Paris)	3.30% - 4.25%	€4,680-7,280/sq.m
RESIDENTIAL	**2.60% - 4.25%**	**€4,680-13,240/sq.m**

An unfavorable situation on the real estate market could have a negative impact on the valuation of Gecina's property portfolio and its operating income. For example, a downturn in the real estate market, resulting in an increase of 50 basis points (0.5%) in capitalization rates, could result in a decrease of approximately 9.7% in the appraised value of Gecina's property portfolio (on the assumption that such a downturn would affect all the different segments of Gecina's real estate business) representing around €1,857 million based on the block valuation of the assets at December 31, 2018, and would also have an unfavorable impact on Gecina's consolidated earnings.

Sensitivity to changes in the capitalization rate[1]

SECTOR	Change in capitalization rate	Valuation of assets (in € million)	Change in assets (in %)	Impact on consolidated income (in € million)
ALL SECTORS	**0.50%**	**17,232**	**9.7%**	**(1,857)**
Offices	0.50%	13,897	(9.5%)	(1,465)
Residential	0.50%	2,914	(11.5%)	(378)
Hotels	0.50%	226	(1.3%)	(3)
Other	0.50%	195	(5.7%)	(12)

[1] *Except financial leases*

2.5.6.9 Impacts of the business combination

This account exclusively represents the costs incurred as part of the acquisition of Eurosic, i.e. in the first half of 2018, a residual amount of €0.7 million.

2.5.6.10 Net financial expenses

Net financial expenses specifically include (i) interest, coupons or dividends, received or paid, to be received or to be paid, on financial assets and liabilities including hedge financial instruments; (ii) net gains and losses on assets held for trading (UCITS and other shares held for the short term) and (iii) straight line depreciation of premiums on option and periodic premiums on option; (iv) the straight line depreciation of the cost of arranging these loans and credit lines.

In €'000	12/31/2018	12/31/2017
Interests and expenses on loans	(109,929)	(94,290)
Interests on finance leases	(35)	(231)
Interest expenses on hedge instruments	(7,408)	(5,317)
Other financial costs	(75)	(140)
Losses from translation differentials	(0)	(190)
Capitalized interests on projects under development	18,131	16,144
FINANCIAL COSTS	**(99,317)**	**(84,024)**
Interest income on hedging instruments	5,124	2,774
Other financial income	394	836
Foreign exchange gains	97	0
FINANCIAL INCOME	**5,615**	**3,610**
NET FINANCIAL EXPENSES	**(93,702)**	**(80,414)**

The average cost of the drawn debt amounted to 1.1% in 2018.

2.5.6.11 Change in value of derivatives and debts

Based on the existing hedge portfolio and taking into account contractual conditions at December 31, 2018, and the anticipated debt in 2019, a 0.5% increase in the interest rate would generate an additional expense of €8 million in 2019. An interest rate decrease of 0.5% would lead to a drop in financial expenses in 2019 of €6 million.

Net financial instruments (current and non-current) would decrease by €10 million.

Based on the portfolio at December 31, 2018, the change in fair value of the derivatives portfolio, as a result of a 0.5% increase in the interest rate would be +€22 million recognized in income. A 0.5% interest rate cut would lead to a fair value decrease of -€22 million in net income.

The Group holds all financial instruments to hedge its debt. None of them is held for speculative purposes.

2.5.6.12 Taxes

In €'000	12/31/2018	12/31/2017
Corporate income tax	0	29
Additional contribution to corporate income tax	620	1,741
CVAE	(5,726)	(3,838)
Tax credits	111	77
Repayment of tax credits	0	(1,038)
RECURRENT TAX	**(4,996)**	**(3,029)**
Non-recurring taxes	(1,238)	(2,275)
Deferred taxes	543	(1,619)
TOTAL	**(5,691)**	**(6,923)**

The business real estate tax (*Cotisation Foncière des Entreprises* - CFE), which mainly pertains to the corporate head office, is recognized under operating charges.

The tax on wealth generated by businesses (*Cotisation sur la Valeur Ajoutée des Entreprises* - CVAE) is considered as income tax.

In €'000	12/31/2018	12/31/2017
Consolidated net income	1,006,965	1,910,937
Tax (incl. CVAE)	5,691	6,923
CONSOLIDATED NET INCOME, BEFORE TAX	**1,012,656**	**1,917,860**
THEORETICAL TAX IN %	**34,43%**	**34.43%**
THEORETICAL TAX IN VALUE	**348,658**	**660,319**
Impact of tax rate differences between France and other countries	(163)	27
Impact of permanent and timing differences	4,315	3,106
Companies accounted for under the equity method	(182)	(1,556)
Impact of the SIIC regime	(352,663)	(657,255)
CVAE	5,726	3,838
TOTAL	**(342,966)**	**(651,841)**
Effective tax charge per income statement	5,691	6,923
EFFECTIVE TAX RATE	**0.56%**	**0.36%**

The 2018 Finance Act, published in France's Official Journal on December 30, 2017, maintained the social contribution rate at 3.3%, but instituted a progressive reduction in income tax from 33.33% to 25% by 2022.

The theoretical tax rate of 34.4% thus corresponds to the ordinary tax rate of 33.3% (28% for profits up to €0.5 million) and to the corporate income tax social contribution of 3.3%.

The effective tax rate presented covers corporate income tax and the CVAE, excluding all other taxes, local taxes and royalties.

2.5.6.13 Earnings per share

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year. Diluted earnings per share are calculated by dividing net income for the year attributable to shareholders by the average weighted number of shares outstanding during the year, adjusted for the impact of equity instruments to be issued when the issue conditions are met and the dilutive effect of the benefits granted to employees through the allocation of stock options and performance shares.

In accordance with IAS 33 "Earnings per share", the average weighted number of shares outstanding and the amounts per share for the previous financial period were restated retroactively, where applicable, to take the new shares created over the financial period into account.

	12/31/2018	12/31/2017
Net income linked to owners of the parent *(in €'000)*	1,004,985	1,895,562
Weighted average number of shares before dilution	73,709,602	66,783,047
Undiluted earnings per share, linked to owners of the parent (in €)	**13.63**	**28.38**
Earnings per share, after effect of dilutive securities, linked to owners of the parent *(in €'000)*	1,005,040	1,895,690
Weighted average number of shares after dilution	73,958,702	67,044,106
DILUTED EARNINGS PER SHARE, LINKED TO OWNERS OF THE PARENT (IN €)	**13.59**	**28.28**

	12/31/2018	12/31/2017
Net income linked to owners of the parent before dilution *(in €'000)*	1,004,985	1,895,562
Impact of dilution on net income (securities allocations effect)	55	128
Net income linked to owners of the parent, after effect of dilutive securities (in €'000)	**1,005,040**	**1,895,690**
Weighted average number of shares before dilution	73,709,602	66,783,047
Impact of dilution on weighted number of shares	249,100	261,059
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**73,958,702**	**67,044,106**

2.5.7 Notes to the statement of consolidated cash flows

2.5.7.1 Change in value and costs paid on the repurchased bonds

In €'000	Note	12/31/2018	12/31/2017
Change in value of properties	2.5.5.1.1	(565,781)	(1,555,772)
Change in value of derivatives	2.2	14,590	(12,734)
Premium and costs paid on the repurchased bonds	2.2	0	23,800
CHANGE IN VALUE AND COSTS PAID ON THE REPURCHASED BONDS		**(551,191)**	**(1,544,706)**

2.5.7.2 Change in operating working capital

In €'000	12/31/2018	12/31/2017
BALANCE SHEET ASSETS:		
Changes in inventory	0	(3,326)
Clients change	(1,333)	(9,049)
Change in other receivables[1]	80,479	4,215
Change of prepaid charges	858	(2,666)
TOTAL OF THE BALANCE SHEET ASSETS	**80,004**	**(10,825)**
BALANCE SHEET LIABILITIES:		
Change of tenants' security deposits	(470)	774
Change of trade payables	16,131	3,427
Change of tax and social payables and debt	24,240	(15,436)
Change in other debts[2]	22,030	(96,491)
Change of prepaid expenses	(2,935)	1,783
TOTAL OF THE BALANCE SHEET LIABILITIES	58,995	(105,945)
TOTAL OF CHANGE IN OPERATING CAPITAL	**(21,008)**	**(95,122)**
(1) VAT	*35,164*	*(4,137)*
Taxes	*(235)*	*7,251*
Indemnity due on litigation (see Note 2.5.6.4)	*59,002*	
(2) Client credit balance	*(6,941)*	*(20,197)*

2.5.7.3 Proceeds from disposals of tangible and intangible fixed assets

In €'000	12/31/2018	12/31/2017
Block sales	1,246,454	225,803
Units sales	83,922	125,274
PROCEEDS FROM DISPOSALS	**1,330,376**	**351,077**
Block sales	(17,957)	(8,728)
Units sales	(3,741)	(5,279)
COST OF SALES	**(21,698)**	**(14,007)**
CASH IN-FLOW LINKED TO DISPOSALS	**1,308,678**	**337,070**

2.5.7.4 Acquisition of consolidated subsidiaries

Acquisitions and disposals of consolidated subsidiaries

In €'000	12/31/2018	12/31/2017
Equities price acquisition	0	(3,264,665)
Acquired cash	0	345,758
NET ACQUISITIONS ACQUIRED CASH	**0**	**(2,918,907)**
Equities sale and debt reimbursement	0	115,110
Transferred cash	0	0
NET DISPOSALS TRANSFERRED CASH	**0**	**115,110**
ACQUISITION OF CONSOLIDATED SUBSIDIARIES	**0**	**(2,803,797)**

In €'000	12/31/2018	12/31/2017
Securities acquisitions	0	(2,959,165)
Disposal of securities	0	0
Miscellaneous	0	228
Incidence of the sale of securities accounted for under the equity method	0	115,110
Financial instruments	0	1,727
Changes in the scope of shareholders' equity	0	(1,535)
Non-controlling interests	0	39,838
ACQUISITION OF CONSOLIDATED SUBSIDIARIES	**0**	**(2,803,797)**

2.5.7.5 Change in working capital from investing activities

In €'000	12/31/2018	12/31/2017
BALANCE SHEET ASSETS:		
Change in other receivables (fixed asset buyers)	(2,601)	6,074
BALANCE SHEET LIABILITIES		
Change of trade payables fixed assets	(83,559)	(177)
CHANGE IN SCOPE		
Effects of the assets and liabilities of companies sold	(38,254)	0
CHANGE IN WORKING CAPITAL FROM INVESTING ACTIVITIES	**(124,413)**	**5,897**

2.5.7.6 Dividends paid to shareholders of the parent company

After paying an interim dividend of €2.65 per share on March 8, 2018, the Combined General Meeting of April 18, 2018 approved the payment of a dividend of €5.30 per share for the 2017 financial year. The outstanding balance of €2.65 per share was paid (or, if applicable, new shares issued) on July 5, 2018. For 2016, the Group distributed a dividend of €5.20 per share for a total amount paid of €322.2 million.

2.5.7.7 New loans and repayments of loans

In €'000	12/31/2018	12/31/2017
New loans	3,822,992	5,345,863
Repayments of loans	(4,889,092)	(3,585,950)
CHANGE IN LOANS	**(1,066,100)**	**1,759,913**

In €'000	12/31/2018	12/31/2017
Debts at year closing	7,486,579	8,534,696
Debts at year opening	(8,534,696)	(3,640,421)
Accrued interest at year closing	(70,721)	(60,338)
Accrued interests at year opening	60,338	35,075
Changes in consolidation scope	0	(3,135,348)
Impact of bond issues	(7,600)	26,250
Change in scope	0	0
CHANGE IN LOANS	**(1,066,100)**	**1,759,913**

2.5.7.8 Closing cash and cash equivalents

In €'000	12/31/2018	12/31/2017
Money-market UCITS	1	2,594
Cash and cash equivalents	31,689	119,437
CLOSING CASH AND CASH EQUIVALENTS	**31,690**	**122,031**

2.5.8 Segment reporting

The Group only operates in France (except for minimal operations in other European countries). It is structured into various business lines, as follows:

Income statement for business segments at December 31, 2018

In €'000	Offices	Residential	Student residences	Other sectors[1]	Segments total
OPERATING INCOME					
Rental revenues on offices properties	519,079	9,052	0	15,424	543,555
Rental revenues on residential properties	4,833	96,484	0	0	101,316
Rental revenues on students residences	0	0	16,844	0	16,844
REVENUE: GROSS RENTAL INCOME	**523,912**	**105,536**	**16,844**	**15,424**	**661,716**
Expenses not billed to tenants	(30,135)	(19,127)	(4,211)	(1,309)	(54,781)
NET RENTAL INCOME	**493,777**	**86,409**	**12,633**	**14,115**	**606,935**
MARGIN ON RENTS	**94.2%**	**81.9%**	**75.0%**	**91.5%**	**91.7%**
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS				**9,242**	**9,242**
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY				**3,410**	**3,410**
Services and other income net[2]	2,014	1,326	42	71	62,454
Salaries and fringe benefits					(59,976)
Net management costs					(26,940)
EBITDA					**595,125**
Real estate margin				(9,477)	(9,477)
Net gains (losses) on disposal	(17,617)	12,305	0	(6,147)	(11,459)
Change in value of properties	375,202	182,195	15,893	(7,509)	565,781

In €'000	Offices	Residential	Student residences	Other sectors[1]	Segments total
Amortization					(13,577)
Net impairments					(5,300)
Impacts of the business combination					(696)
OPERATING INCOME					**1,120,397**
Net financial expenses					(93,702)
Financial provisions and amortization					21
Change in value of derivatives and borrowings					(14,590)
Net income from equity-accounted investments					529
CONSOLIDATED NET INCOME, BEFORE TAX					**1,012,656**
Taxes					(5,691)
Consolidated net income linked to non-controlling interests					(1,980)
CONSOLIDATED NET INCOME LINKED TO OWNERS OF THE PARENT					**1,004,985**
ASSETS AND LIABILITIES BY SEGMENTS AS AT DECEMBER 31, 2018					
Property holdings (except headquarters)	15,107,915	2,991,444	330,590	768,250	1, 198,199
▪ of which acquisitions	33,061	2,638	0	0	35,699
▪ of which properties for sale	85,310	339,618	0	282,859	707,787
Amounts due from tenants	102,350	8,561	1,199	15,665	127,775
Impairments of tenants' receivables	(4,672)	(6,359)	(561)	(5,460)	(17,052)
Security deposits received from tenants	64,579	9,707	2,271	4,431	80,988

(1) The other business sectors include financial leasing, real estate trading and the operation of hotel companies.

(2) Other income includes damages related to the dispute with Gecina's former CEO Joaquín Rivero in the amount of €59 million (outside business sectors).

Income statement for business sectors at December 31, 2017

In €'000	Offices	Residential	Student residences	Other sectors[1]	Segments total
OPERATING INCOME					
Rental revenues on offices properties	430,720	8,145	0	0	438,865
Rental revenues on residential properties	4,618	100,303	0	0	104,921
Rental revenues on students residences	0	0	15,129	0	15,129
REVENUE: GROSS RENTAL INCOME	**435,338**	**108,448**	**15,129**	**0**	**558,916**
Expenses not billed to tenants	(19,772)	(18,891)	(3,366)	0	(42,029)
NET RENTAL INCOME	**415,566**	**89,557**	**11,763**	**0**	**516,887**
MARGIN ON RENTS	**95.5%**	**82.6%**	**77.8%**		**92.5%**
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS				**4,570**	**4,570**
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY				**275**	**275**
Services and other income net	3,113	95	342	20	3,571
Salaries and fringe benefits					(51,595)
Net management costs					(20,245)
EBITDA					**453,463**
Real estate margin				519	519
Net gains (losses) on disposal of properties	(7,542)	27,590	0	0	20,048
Change in value of properties	945,438	601,493	8,841	0	1,555,772
Amortization					(5,505)
Net impairments					8,730
Impacts of the business combination					(28,558)
OPERATING INCOME					**2,004,469**
Net financial expenses					(80,414)
Financial provisions and amortization					352
Change in value of derivatives and borrowings					12,734
Premium and costs paid on the repurchased bonds					(23,800)
Net income from equity-accounted investments					4,519
CONSOLIDATED NET INCOME, BEFORE TAX					**1,917,860**
Taxes					(6,923)
Consolidated net income linked to non-controlling interests					(15,375)
CONSOLIDATED NET INCOME LINKED TO OWNERS OF THE PARENT					**1,895,562**
ASSETS AND LIABILITIES BY SEGMENTS AS AT DECEMBER 31, 2017					

In €'000	Offices	Residential	Student residences	Other sectors[1]	Segments total
Property holdings (except headquarters)	15,621,435	2,810,084	303,877	842,731	19,578,126
▪ of which acquisitions	4,382,662	0	0	391,456	4,774,118
▪ of which properties for sale	176,680	402,012	0	0	578,692
Amounts due from tenants	129,910	10,046	765	18,721	159,441
Impairments of tenants' receivables	(10,391)	(6,897)	(485)	0	(17,772)
Security deposits received from tenants	74,949	9,834	2,006	0	86,789

(1) The other business sectors include the financial lease, merchants of property and hotel company operations.

2.5.9 Other information

2.5.9.1 Shareholding structure of the Group

At December 31, 2018, Gecina's shareholding was structured as follows:

Breakdown of share capital and voting rights at December 31, 2018

SHAREHOLDERS	Number of shares	% of share capital	% of theoretical voting rights[1]	% of exercisable voting rights[2]
Ivanhoé Cambridge[3]	11,575,623	15.18%	15.18%	15.62%
Crédit Agricole Assurances – Predica	10,135,264	13.29%	13.29%	13.67%
Norges Bank	6,958,601	9.12%	9.12%	9.39%
Other resident institutional shareholders	4,707,920	6.17%	6.17%	6.35%
Individual shareholders	2,841,616	3.73%	3.73%	3.83%
Non-resident shareholders	37,907,300	49.70%	49.70%	51.14%
Treasury shares	2,140,426	2.81%	2.81%	
TOTAL	**76,266,750**	**100%**	**100%**	**100%**

(1) The calculation of percentages of voting right takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the company which have restricted voting rights.
(3) On the basis of Ivanhoé Cambridge's latest declaration of statutory threshold crossing (AMF Decision and Information No. 218C0632 of March 22, 2018).

Change in the breakdown of share capital over the last three years

At December 31, 2018, the percentages of share capital and voting rights held by the members of the administrative and governance bodies were 27.9% and 28.7% respectively.

As at December 31, 2018, Group employees held 907,383 Gecina shares directly and 72,804 Gecina shares indirectly *via* the Gecina employee shareholding fund ("FCPE Gecina actionnariat"), representing a total of 1.3% of share capital.

During the 2018 financial year, the company was notified of the following declarations of statutory threshold crossing:

1. By letter received on March 22, 2018, Mrs. Nathalie Palladitcheff declared that on March 19, 2018, in concert with the Caisse de dépôt et placement du Québec, Ivanhoé Cambridge[1] and its subsidiaries, she had broken through Gecina's 5%, 10% and 15% capital and voting rights thresholds and that the concert held 11,575,623 shares representing as many voting rights, *i.e.* 15.35% of the capital and of the voting rights of the company[2] allocated as follows:

(1) A company registered in Quebec (located at 1001, rue du Square Victoria, Montreal, Canada) and controlled at the highest level by the Caisse de dépôt et placement du Québec.
(2) Based on a capital consisting of 75,420,688 shares representing the same number of voting rights, in application of the second paragraph of Article 223-11 of the general regulation.

	Shares and voting rights	% of the capital and voting rights
Omaha Investments SARL[1]	4,686,649	6.21%
Juno Investments SARL[1]	4,223,919	5.60%
Utah Investments SARL[1]	2,649,109	3.51%
Ivanhoé Cambridge Inc.[1]	40	ns
Mrs. Nathalie Palladitcheff	40	ns
TOTAL IVANHOÉ CAMBRIDGE[1]	**11,559,757**	**15.33%**
Caisse de dépôt et placement du Québec	15,866	0.02%
TOTAL CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC	**11,575,623**	**15.35%**

This threshold crossing is the result of Mrs. Nathalie Palladitcheff and Ivanhoé Cambridge and its subsidiaries acting in concert following the appointment of Mrs. Nathalie Palladitcheff as Chairperson of Ivanhoé Cambridge Inc. on March 19, 2018 (presumption of concert as provided for in Article L. 233-10 II, 1° of the French Commercial Code).

2. The following declaration of intent was made in the same letter:

"Mrs. Nathalie Palladitcheff was appointed Chairperson of Ivanhoé Cambridge Inc. on March 19, 2018.

In accordance with Article L. 233-10 II of the French Commercial Code, Mrs. Nathalie Palladitcheff is therefore presumed to be acting in concert with Ivanhoé Cambridge Inc.

Mrs. Nathalie Palladitcheff entered the concert formed by Ivanhoé Cambridge Inc., Omaha Investments SARL, Juno Investments SARL, Utah Investments SARL and Caisse de dépôt et placement du Québec (the "concert party") and, as a result, in concert, broke through the 5%, 10% and 15% capital and voting rights thresholds of Gecina.

At the time of the threshold crossing, Mrs. Nathalie Palladitcheff declared that she adhered to the declaration of intent issued by the concert party on January 22, 2016, as updated on the date of this document:

The crossing of the above-mentioned thresholds resulted from the appointment, effective March 19, 2018, of Mrs. Nathalie Palladitcheff as the Chairperson of Ivanhoé Cambridge Inc.; Mrs. Nathalie Palladitcheff acquired the 40 shares she holds with her own funds. The members of the concert party together hold 11,575,623 Gecina shares, representing 15.35% of the company's share capital and voting rights.

The members of the concert party comprising Mrs. Nathalie Palladitcheff, Ivanhoé Cambridge Inc., Omaha Investments SARL, Juno Investments SARL, Utah Investments SARL and Caisse de dépôt et placement du Québec, do not act in concert with any other parties, be they natural persons or legal entities.

The concert party has no plans to increase its holding in Gecina's capital beyond the mandatory public offer threshold, or to take control of Gecina.

The concert party supports the strategy defined by Gecina.

To date, the concert party has two representatives on the Gecina Board of Directors. With respect to its current holding, it does not intend to request the co-opting or appointment of any other representatives to the Gecina Board of Directors.

The concert party does not plan to implement the measures provided for in Article 223-17 I 6° of the French Financial Markets Authority (AMF) general regulation.

None of the members of the concert party is involved in (i) agreements or instruments provided for in 4° and 4° *bis* of I of Article L. 233-9 of the French Commercial Code, or (ii) in temporary transfer agreements concerning Gecina shares or voting rights."

During the 2018 financial year, the company was also notified of six declarations of statutory threshold crossings by BlackRock, Inc. These crossings, both upward and downward, of technical thresholds were due to transactions on the market and the decrease and increase in the number of Gecina shares held as collateral. On October 10, 2018, BlackRock, Inc. declared that it had broken through the 5% statutory threshold.

To the company's knowledge, no other shareholder owns more than 5% of the share capital or voting rights at December 31, 2018.

The company has no pledges on its treasury shares.

Company transactions on treasury shares

The General Meeting of shareholders of April 18, 2018 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 €180. The number of shares purchased by the company during the duration of the buyback program cannot exceed, at any time whatsoever, 10% of the shares comprising the company's share capital, and 5% in the event of share buybacks aimed at external growth projects at the time of the transaction. The maximum number of shares that can be held, at any time whatsoever, is set at 10% of shares comprising the share capital. Given that the General Meeting of shareholders of April 18, 2018 granted authorization for a period of 18 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 2018.

During the 2018 financial year, Gecina did not use the authorization granted to the Board of Directors by the General Meeting of shareholders of April 26, 2017 and of April 18, 2018 to buy back of its own shares.

A total of 2,140,426 treasury shares were held as at December 31, 2018, i.e. 2.81% of the share capital. The treasury shares represent a total investment of €241.2 million, at an average price per share of €112.69.

Company transactions on treasury shares

AGGREGATE INFORMATION 2018		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2018	76,266,750	
Number of treasury shares at December 31, 2017	2,169,611	2.84%
Options exercised in the year	29,185	0.04%
Share buyback	None	
Average price of share buybacks including transaction fees		
Liquidity contract		
Number of shares purchased		
Number of shares sold		
Average purchase price		
Average sale price		
Number of treasury shares at December 31, 2018	2,140,426	2.81%

2.5.9.2 Dividend distributed during the year

Pursuant to the provisions concerning the regime of French listed real estate investment trusts (SIIC), the system selected by Gecina, a proposal was made at the General Meeting for the distribution, in 2019, of a dividend of €5.50 per share for the 2018 financial year.

Pursuant to Article 158 of the French General Tax Code and Article L. 221-31 of the French Monetary and Financial Code, the dividends distributed by listed real estate investment trusts (SIIC) to individual investors resident in France do not qualify for the 40% rebate. In addition, the 20% withholding tax was introduced under Article 208C-II *ter* of the French General Tax Code.

Consequently, a proposal will be put to the General Meeting to appropriate 2018 earnings for the year as follows, and to decide, after taking into account:

- the profit amounting to €467,993,702.16 for the financial year;
- retained earnings -€83,315,176.06;
- representing distributable earnings of €551,308,878.22;
- to distribute a dividend per share of €5.50 under the SIIC tax regime, representing a maximum overall amount of €419,467,125.00;
- to allocate €131,841,753.22 to retained earnings.

The total amount of the distribution above is calculated on the basis of the number of shares granting rights to a dividend as of December 31, 2018, *i.e.* 76,266,750 shares. This may change if the number of shares granting rights to a dividend changes between January 1st, 2019 and the ex-date of the dividend based, in particular, on the number of treasury shares, the final allocation of free shares and the exercise of options (if the beneficiary is entitled to a dividend in accordance with the provisions of the plans in question).

An interim payment of 50% will be paid out on March 6, 2019 and the balance wil be paid on July 3, 2019.

The dividends distributed in the previous five financial years are set out below:

Dividends in the last five years

	2014	2015	2016	2017	2018
Distribution	€293,437,413	€316,303,100	€329,860,128	€399,426,253	€419,467,125
Number of shares	63,104,820	63,260,620	63,434,640	75,363,444	76,266,750
Dividend under the SIIC system	€4.65	€5.00	€5.20	€5.30	€5.50(1)

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2018.

Dividends not claimed at the end of a period of five years are time-barred and paid to the French tax authorities.

2.5.9.3 Related parties

The attendance fees paid to Directors appear in Note 4.2.4.

A co-exclusive sale mandate for a building located in Neuilly-sur-Seine (Hauts-de-Seine) was concluded in May 2011, between Locare, a subsidiary of Gecina, and Resico, a subsidiary of Predica, shareholder and Director of the company. In this respect, Locare invoiced Resico the sum of €192 thousand for the financial year 2018.

Bami Newco was the subject of insolvency proceedings commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

Bami Newco is neither consolidated nor booked under the equity method by Gecina since the Group has no control over that entity and significant influence.

The liquidation plan sent to the parties in November 2015 is still in execution by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt, and which amount to a total of €38 million, fully impaired. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the *de facto* and *de jure* Directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

2.5.9.4 Group employees

AVERAGE HEADCOUNT[1]	12/31/2018	12/31/2017	12/31/2016
Managers	260	220	194
Employees and supervisors	177	167	166
Building staff	65	70	76
TOTAL	**502**	**457**	**435**

(1) Average headcount including short-term contracts.

2.5.9.5 Stock options and performance shares

Stock options

GRANT DATE	Start date of exercise of options	Number of options advanced	Subscription or purchase price	Total to exercise at 12/31/2017	Options exercised in 2018	Options canceled, expired or transferred in 2018	Total to exercise at 12/31/2018	Residual life (in years)
12/18/2008	12/18/2010	331,875	€36.06	29,511	29,185	326		0.0
04/16/2010	04/16/2012	252,123	€76.52	16,309	1,491		14,818	1.3
12/27/2010	12/27/2012	210,650	€81.88	49,750	15,359		34,391	2.0

Performance shares

GRANT DATE	Number of shares advanced	Number of shares advanced	Stock price when granted	Balance at 12/31/2017	Shares acquired in 2018	Shares canceled in 2018	Balance at 12/31/2018
02/19/2015	02/19/2018	58,120	€116.45	54,427	53,114	1,313	-
04/21/2016	04/23/2019	60,990	€125.00	54,652		5,243	49,409
07/21/2016	04/23/2019	3,000	€128.65	3,000			3,000
07/17/2017	07/20/2020	53,810	€136.08	53,410		7,533	45,877
02/21/2018	02/22/2021	57,920	€153.70			4,600	53,320

Note: the 138,440 Eurosic bonus shares (in acquisition or holding period) that could not or had not been contributed to the Offer were subject to a liquidity mechanism.

2.5.9.6 Compensation for administrative and governance bodies

Compensation for management bodies concerns Gecina's corporate officers.

In €'000	12/31/2017	12/31/2018
Short-term benefits	3,095	1,636
Post-employment benefits	n.a.	n.a.
Long-term benefits	n.a.	n.a.
End-of-contract benefits (ceiling for 100% of criteria)	n.a.	n.a.
Share-based payment	n.a.	921

2.5.9.7 Auditors' fees

The fees of the Independent Auditors recognized in the income statement for 2018 for the audit and certification of the individual and consolidated financial statements and for audit-related missions amounted to:

	PricewaterhouseCoopers Audit				Mazars				Total			
	Amount (net of tax)*		%		Amount (net of tax)*		%		Amount (net of tax)*		%	
In €'000	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Audit												
Statutory Auditor certification, review of individual and consolidated accounts...	885	703	89%	79%	894	781	96%	77%	1,779	1,484	93%	78%
Services other than the certification of accounts	109	187	11%	21%	33	230	4%	23%	142	417	7%	22%
TOTAL	**994**	**890**	**100%**	**100%**	**927**	**1,011**	**100%**	**100%**	**1,921**	**1,901**	**100%**	**100%**

* *Including share of non-refundable VAT.*

Services other than certification of accounts mainly comprise, for 2018, support work for the implementation of the GDPR (€53 thousand), various certificates (€33 thousand) and work related to bonds (€17 thousand).

Fees paid to other firms totaled €220 thousand in 2018 (including €6 thousand for services other than the certification of accounts) and are not included in the table above.

2.5.9.8 Post-balance sheet events

On February 13, 2019, Foncière de Paris SIIC sold a property complex located at 159 rue de Crimée and 68 quai de Seine in the 19th arrondissement of Paris, mainly related to the Holiday Inn Express.

The transaction was carried out through the sale of the shares of SAS Hotelière de la Villette (the company owning the business of the hotel) and the related building lease for a total price including commissions and fees (building and business) of €42 million.

3

Annual financial statements

3.1 Balance sheet at December 31, 2018

Assets

		12/31/2018			12/31/2017
In €'000		**Gross**	**Depreciations**	**Net**	**Net**
FIXED ASSETS					
INTANGIBLE ASSETS		**8,795**	**4,044**	**4,751**	**3,691**
Concessions, patents, licenses		8,795	4,044	4,751	3,691
TANGIBLE FIXED ASSETS		**4,064,373**	**623,340**	**3,441,033**	**3,572,665**
Land		2,068,124	17,377	2,050,747	2,090,135
Buildings		1,671,307	590,414	1,080,893	1,162,825
Buildings on third party land		25,421	12,952	12,469	12,923
Other		9,748	2,597	7,151	4,125
Merger losses on land		251,345		251,345	258,544
Construction in progress		38,428		38,428	44,113
FINANCIAL FIXED ASSETS		**10,429,965**	**342,037**	**10,087,927**	**8,347,115**
Equity investments and related receivables		8,922,840	99,282	8,823,558	7,107,724
Other financial investments		1,153,710		1,153,710	1,131,054
Loans		178,868	177,564	1,305	1,231
Other financial investments		12,255	153	12,102	9,853
Merger losses on securities		96,773		96,773	96,773
Advances on property acquisitions		65,519	65,039	480	480
TOTAL I	**3.3.4.1**	**14,503,132**	**969,421**	**13,533,711**	**11,923,471**
CURRENT ASSETS					
Advances and deposits		1,634		1,634	564
RECEIVABLES					
Rent due	3.3.4.2	12,713	7,769	4,944	7,583
Other	3.3.4.2	310,715	27,933	282,782	168,669
Investment securities	3.3.4.3	1		1	1,834
Availabilities		11,163		11,163	88,763
ASSET ACCRUALS					
Prepaid charges	3.3.4.10	28,831		28,831	29,985
TOTAL II		**365,056**	**35,702**	**329,355**	**297,397**
Bond redemption premiums	3.3.4.5	45,324		45,324	37,266
Translation adjusment - assets		168		168	
TOTAL III		**45,492**		**45,492**	**37,266**
GRAND TOTAL (I + II + III)		**14,913,680**	**1,005,123**	**13,908,557**	**12,258,135**

Liabilities

In €'000		Before income appropriation 12/31/2018	12/31/2017
SHARE CAPITAL			
Capital		572,001	565,226
Issue, merger and contribution premiums		3,281,528	3,175,315
Revaluation gain/loss		378,084	418,295
Legal reserve		55,904	46,280
Legal reserve from long-term capital gains		1,296	1,296
Regulatory reserves		24,220	24,220
Distributable reserves		731,749	691,975
Retained earnings		83,315	146,955
Net income for the year		467,994	333,385
Investment subsidies		1,117	1,280
TOTAL I	**3.3.4.6**	**5,597,207**	**5,404,230**
PROVISIONS			
Provisions for liabilities		10,614	11,118
Provisions for expenses		19,298	19,951
TOTAL II	**3.3.4.7**	**29,912**	**31,069**
PAYABLES AND DEBT			
Bonds	3.3.4.8	5,987,710	4,686,379
Borrowings and financial debt	3.3.4.8	2,140,858	2,019,251
Security deposits	3.3.4.11	24,647	24,056
Advances and deposits received		14,912	11,023
Trade payables		25,149	24,780
Tax and social security payables and debt		36,693	23,691
Fixed asset payables		46,179	22,588
Other payables		4,845	10,415
ACCRUALS			
Prepaid income	3.3.4.10	446	654
TOTAL III		**8,281,438**	**6,822,837**
GRAND TOTAL (I + II + III)		**13,908,557**	**12,258,135**

3.2 Income statement at December 31, 2018

In €'000		12/31/2018	12/31/2017
OPERATING INCOME			
Rental income	3.3.5.1	250,792	249,953
Write-backs on impairment and provisions	3.3.5.3	4,915	4,707
Recharges to tenants		49,895	50,452
Other transferred expenses		(526)	849
Other income		50,256	35,651
TOTAL		**355,332**	**341,611**
OPERATING EXPENSES			
Purchases		(10,280)	(10,333)
Other external expenses		(100,670)	(82,296)
Taxes and other payables		(32,310)	(41,513)
Salaries and fringe benefits		(46,282)	(47,400)
Depreciation	3.3.5.3	(61,177)	(60,366)
Impairment on current assets	3.3.5.3	(1,203)	(2,119)
Provisions	3.3.5.3	(1,997)	(87)
Other expenses		(1,492)	(1,429)
TOTAL	**3.3.5.2**	**(255,410)**	**(245,543)**
OPERATING INCOME		**99,922**	**96,068**
FINANCIAL INCOME			
Interest and related income		64,642	44,980
Write-backs on impairment and provisions, transferred expenses	3.3.5.3	10,260	5,685
Income from securities and receivables		217,373	154,431
Income from equity investments		41,222	33,206
TOTAL		**333,497**	**238,302**
FINANCIAL COSTS			
Interest and related expenses		(130,024)	(125,367)
Impairment and provisions	3.3.5.3	(11,945)	(24,489)
TOTAL		**(141,969)**	**(149,857)**
NET FINANCIAL ITEMS	**3.3.5.4**	**191,527**	**88,445**
INCOME BEFORE TAX AND EXCEPTIONAL ITEMS		**291,449**	**184,514**
EXCEPTIONAL ITEMS			
Net gains on disposals of properties		119,888	117,089
Net gains on sale of securities			(13)
Provisions for property impairments	3.3.5.3	(1,236)	53,689
Subsidies		205	243
Exceptional income and expenses		58,273	(21,259)
EXCEPTIONAL ITEMS	**3.3.5.5**	**177,130**	**149,749**
CONSOLIDATED NET INCOME, BEFORE TAX		**468,580**	**334,262**
Employee profit-sharing		(763)	(545)
Corporate income tax		177	(332)
INCOME		**467,994**	**333,385**

3.3 Notes to the annual financial statements at December 31, 2018

3.3.1 Highlights

2018 financial year

On February 19, 2018, Gecina announced the disposal of the Dock-en-Seine building complex of nearly 16,000 sq.m for around €130 million to the SCPI Accimmo Pierre, managed by BNP Paribas REIM France. The deal had been secured back in December 2017.

On February 27, 2018, Gecina has been notified Ivanhoé Cambridge's sale of part of its interest in the Group's equity through a placement with several investors using an accelerated book-building process. This placement concerned 3.2 million Gecina shares, representing 4.28% of its equity.

On March 7, 2018, Gecina has successfully placed a €500 million bond issue with a 12-year maturity (March 2030) and 63 bp credit spread, offering a 1.625% coupon.

From March 19, 2018, Gecina joined the CAC Next 20 and CAC Large 60 indices. This decision, announced by Euronext on March 8, follows the quarterly review of the make-up of the various CAC indices.

On April 9, 2018, Gecina has signed with ING France a €150m sustainability performance-linked loan with its margin depending, among others, on its Environmental, Social and Governance (ESG) performance measured by its GRESB Rating (Global Real Estate Sustainability Benchmark). This is the first Commercial Real Estate GRESB reflected into a sustainable improvement loan.

The Board of Directors of April 18, 2018, held after the General Meeting of the same day decided to appoint Mr. Bernard Carayon as Chairman of the Board, replacing Mr. Bernard Michel, whose term of office expired.

The General Bondholders' Meetings for the bonds issued through private placements between 2012 and 2015 by Eurosic (three issues) and Foncière de Paris (six issues) were held on Friday June 8, 2018. All the resolutions submitted for approval were unanimously adopted by the bondholders who were present or represented. Gecina SA is now therefore the issuer for these bonds instead of Eurosic and Foncière de Paris. This transaction is part of the strategy to optimize and simplify the management of the Group's financing.

On July 2, 2018, Gecina published the results of the option for the 2017 final dividend to be paid in shares. During its meeting on June 6, 2018, the Board of Directors set the issue price for the new shares that will be reissued as payment for the final dividend at €135.00 per share, corresponding to 97.095% of the average opening prices on the regulated market Euronext Paris for the 20 trading days prior to the General Meeting less the amount of the final dividend payment (rounded up to the nearest euro cent).The shareholders who chose the option for their 2017 final dividend to be paid in shares, as proposed by the General Meeting on April 18, represented 54.78% of Gecina's capital. With this operation, 799,457 new shares have been created, representing 1.06% of Gecina's capital and voting rights, based on the capital and voting rights from June 30, 2018. The shares' settlement-delivery and admission for trading on the regulated market Euronext Paris took place on July 5, 2018. These shares are entitled to dividend rights from January 1, 2018 and are fully assimilated with the shares already admitted for trading. The amount of the remaining dividends to be paid in cash to shareholders who have not opted for share-based payments represented €84.6m.

On July 3, 2018, Gecina has set up a €100m sustainable improvement loan with Crédit Agricole Corporate & Investment Bank (CACIB), with a maturity of 7.5 years (January 2026) and financial conditions that will notably be indexed against the Group's corporate social responsibility (CSR) performance.

On August 2, 2018, Moody's has upgraded its outlook for Gecina's rating from A3 outlook negative to A3 outlook stable, highlighting the reduction in the Group's debt thanks to progress made with the program of sales announced when Eurosic was acquired, the improvement in the Group's liability structure, the approved decision announced by Gecina at the start of the year to keep its residential portfolio at the heart of its strategy and the positive trends observed for office markets in Paris.

On September 13, 2018, with an overall score of 92/100 and a Green Star status, Gecina has consolidated its position as the leading listed office real estate company in Europe in the Global Real Estate Sustainability Benchmark (GRESB), which assesses the CSR policies and performance of real estate companies each year.

On October 25, 2018, Standard & Poor's has upgraded Gecina's rating to A- outlook stable, recognizing the Group's solid financial ratios, particularly the EBITDA interest coverage ratio and loan-to-value, brought back down to less than 40% one year after Eurosic's acquisition.

On December 5, 2018, Gecina announced that it has been awarded part of the damages caused to it by the unlawful actions of its former manager (2005-2010), Joaquín Rivero. The Paris Appeals Court issued a ruling on December 5 acknowledging the expiry of the appeal that had been made by Mr Rivero, who passed away in 2016 and had been sentenced at first instance in 2015 to €209m for the damages caused. In addition, the fate of the €86m representing the amount of dividends due to Joaquín Rivero through his company Alteco, subject to court-ordered liquidation proceedings in Spain, and which had been subject to a criminal seizure order issued by the judge Van Ruymbecke in 2012 and 2013 as part of these proceedings, has been finalized through a settlement agreement with its court-appointed liquidator, with this agreement also contributing to this favorable ruling. Under this settlement agreement, Gecina will receive some €59m in damages in due course, representing approximately two-thirds of the sums that had been seized during the investigation phase.

On December 6, 2018, Gecina has renewed its visual identity and launched YouFirst, its relational brand for all its clients. YouFirst sets out Gecina's convictions for tomorrow's city, understated, fluid and inclusive, built around two commitments: the quality of the client relationship, over the long term, founded primarily on the human dimension; and the development of high value-added services. YouFirst will be rolled out as follows: YouFirst bureau, for commercial; YouFirst collaborative, for shared workspaces; YouFirst residence, for the rental residential offering; YouFirst campus, for student residences.

On December 20, 2018, in line with the acceleration of its innovation policy, Gecina has signed an agreement to invest 5 million euros in the regional investment fund "Paris Fonds Vert", managed by teams with renowned track records. Launched by the City of Paris, the "Paris Fonds Vert" investment fund is managed by Demeter, the leading European management company for the energy transition (200-million euro fund), specialized in sustainable city projects: construction, mobility, energy, air quality, waste, digital, etc.

3.3.2 Accounting rules and principles

The annual financial statements at December 31, 2018 were prepared in accordance with the provisions laid down in the French Commercial Code, with ANC regulation no. 2014-03 and with the following regulations in force.

3.3.3 Valuation methods

The method used for valuing items recorded in the financial statements is the historical cost method.

Note that the balance sheet was subjected to a voluntary revaluation at January 1st, 2003, after Gecina opted for the French listed real estate investment trust (SIIC) tax regime.

3.3.3.1 Fixed assets

3.3.3.1.1 Intangible assets

Intangible assets are measured at cost and amortized under the straight-line method according to the planned term of the asset.

3.3.3.1.2 Gross value of tangible fixed assets and depreciation

Gecina has been using a component approach since 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	Offices	Residential	Offices
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.

In accordance with ANC regulation 2015-6, the technical merger losses for the unrealized capital gains recognized are recorded in the assets in question.

3.3.3.1.3 Property impairment and value adjustments

Any impairment charge following a reduction in value of properties is determined as follows:

Long-term property holdings

An impairment is recognized on a line-by-line basis if there is any indication of loss of value, especially if the block appraisal value of the property valued by one of the independent appraisers (at December 31, 2018: CBRE Valuation, Cushman & Wakefield and Crédit Foncier Expertise), is more than 15% below the building's net book value. In this case, the impairment amount recorded is then calculated in relation to the appraisal amount excluding transfer taxes. In the event of an unrealized capital loss of the total property holding, impairment is recognized for each property as an unrealized capital loss. This impairment is primarily assigned to non-depreciated assets and adjusted each year based on subsequent appraisals.

Property for sale or to be sold in the short term

Properties for sale or due to be sold in the short term are valued in relation to their independent block valuation or their realizable market value, and an impairment is recognized if this value is lower than the book value.

Valuations are conducted in accordance with industry practices using valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. These valuation methods are described in detail in the notes to the consolidated financial statements.

The impairment allocation of a tangible asset is booked under extraordinary items, just as any impairment write-back due to appreciation in the asset's value.

3.3.3.2 Financial fixed assets

Equity investments are stated on the balance sheet at subscription or acquisition cost, except for those held at January 1, 2003 that were revalued.

The acquisition costs of investments are recorded under expenses and not included in the acquisition cost of financial fixed assets.

This line primarily 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".

Subordinated bonds redeemable in shares (OSRA), are also recorded under "Other equity investments".

Where there is a sign of long-term impairment of financial fixed assets, impairment, which is determined on the basis of several criteria (revalued Net Asset Value, profitability and strategic value, in particular) and recorded under income. The Net Asset Value of real estate companies includes the fair market value of the properties based on the independent appraisals.

3.3.3.3 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 of the receivable, excluding tax, minus the security deposit:

- tenant has left the property: 100%;
- tenant 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.

3.3.3.4 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.

Treasury shares specifically allocated to cover stock options awarded to employees and corporate officers are included in this item. Where applicable, they are written down to the lower of the exercise price of the options or the average stock market price in the last month of the year.

3.3.3.5 Accrued assets and related amounts

This item mainly includes the following prepaid expenses:

- renovation and disposal costs of properties up for sale. They are recognized in income when disposals have been carried out;
- the issue cost of loans which are amortized over the term of the loans using the straight-line method.

3.3.3.6 Bonds

Bonds issued by the company are recorded at their redemption value. The potential redemption premium is recorded on the asset side of the balance sheet and amortized using the straight-line method over the term of the bonds.

3.3.3.7 Hedging instruments

The company uses interest rate swaps, caps, swaptions and floors to hedge lines of credit and borrowings.

The corresponding interest expenses and income are posted on an accruals basis to the income statement.

Premiums on derivatives are amortized over the term of the instruments, with the exception of swaptions, for which the premiums are amortized on a straight-line basis over the term of the option.

The recognition of the financial instruments is a reflection of management and a function of the intent of the transactions are carried out.

In the case of hedging transactions, the unrealized and realized income from the hedging instruments is recorded in income over the residual life of the hedged item, symmetrically with the recognition method used for the item's income and expenses. Changes in the value of the instruments are not recognized on the balance sheet unless they enable symmetrical handling of the hedged item.

In the case of isolated open positions, changes in value are recognized in the balance sheet and unrealized losses are consistently entered as a provision for contingencies.

3.3.3.8 Employee benefit commitments

Retirement benefit commitments

Retirement benefit commitments resulting from the application of national and company-level collective agreements are valued by independent experts under the actuarial method and taking account of mortality tables. They are covered by an insurance policy or are accrued for any portion not covered by the insurance fund in case the funds paid are insufficient.

Supplementary retirement commitments to certain employees

Supplementary retirement commitments to certain employees are valued under actuarial methods factoring in mortality tables. They are managed by external organizations and payments are made to these organizations. Additional provisions are constituted in the event that the insurance fund is underfunded for the liabilities. The valuation of these retirement commitments assumes the employee's voluntary departure.

Long-service awards

Commitments for long-service awards (anniversary premiums paid to personnel) are accrued on the basis of an independent estimate made at each year end.

3.3.4 Notes on the balance sheet items

3.3.4.1 Fixed assets

Gross value of assets

In €'000	Gross brought forward	Transfers between items	Acquisitions	Decreases	Gross carried forward
INTANGIBLE ASSETS	**7,511**		**2,624**	**1,340**	**8,795**
Concessions, licenses	7,511		2,624	1,340	8,795
TANGIBLE FIXED ASSETS	**4,165,703**		**39,996**	**141,327**	**4,064,373**
Land	2,104,775			36,651	2,068,124
Buildings	1,722,174	12,809	25,851	89,528	1,671,307
Buildings on third party land	25,421				25,421
Other tangible assets	10,676		5,638	6,566	9,748
Merger losses on land	258,544			7,200	251,345
Fixed assets in progress	44,113	(12,809)	8,507	1,381	38,428
FINANCIAL FIXED ASSETS	**8,693,057**		**2,502,487**	**765,579**	**10,429,965**
Equity investments	4,785,704		236		4,785,939
Receivables related to equity investments	2,425,207		2,467,748	756,055	4,136,901
Other financial investments	1,131,054		22,656		1,153,710
Loans	178,795		156	83	178,868
Other financial investments	10,006		11,690	9,441	12,255
Merger losses on securities	96,773				96,773
Advances on property acquisitions	65,519				65,519
TOTAL	**12,866,272**		**2,545 107**	**908,246**	**14,503 132**

Receivables related to equity investments mainly involve long-term financing set up by Gecina with its subsidiaries, in the form of long-term shareholder loans.

The largest loans are for:

- Foncière de Paris for €575 million;
- Eurosic for €553 million;
- Avenir Danton Défense for €291 million;
- Avenir Grande Armée for €217 million;
- Bellechasse Grenelle for €203 million;
- Tour City 2 for €180 million;
- GEC 22 for €167 million;
- GEC 7 for €113 million;
- Eurosic F Patrimoine for €150 million;
- Lyon Sky 56 for €134 million;
- Michelet Levallois for €153 million;
- Immobilière et Commerciale de Banville for €104 million.

Other financial investments consist mainly of:

- subordinated bonds convertible in shares (OSRA) for €890 million;
- treasury shares in the amount of €241 million (see Note 3.3.4.4).

Loans include a participating loan arranged in 2010 with the Spanish subsidiary SIF Espagne for €178 million. This loan has been fully impaired.

Depreciation

In €'000	Balance brought forward	Allocations	Write backs	Balance carried forward
INTANGIBLE ASSETS	**3,820**	**1,564**	**1,340**	**4,044**
Concessions, licenses	3,820	1,564	1,340	4,044
TANGIBLE FIXED ASSETS	**571,820**	**59,613**	**30,547**	**600,885**
Buildings	552,770	56,546	23,981	585,336
Buildings on third party land	12,498	454		12,952
Other tangible assets	6,551	2,612	6,566	2,597
TOTAL	**575,640**	**61,177**	**31,887**	**604,929**

Impairment

In €'000	Balance brought forward	Allocations	Write backs	Balance carried forward
TANGIBLE FIXED ASSETS	**21,218**	**2,886**	**1,649**	**22,455**
Land	14,640	2,866	128	17,377
Buildings	6,579	20	1,521	5,078
FINANCIAL FIXED ASSETS	**345,942**	**6,196**	**10,101**	**342,037**
Equity investments and related receivables and Group loans	280,750	6,196	10,101	276,845
Other financial investments	153			153
Advances on property acquisitions	65,039			65,039
TOTAL	**367,161**	**9,082**	**11,750**	**364,492**

Tangible fixed asset impairment concerns portfolio properties where there is a sign of a loss in value (see Note 3.3.3.1.3 on impairment method).

Impairment of investments and related receivables mainly concern SIF Espagne for €211 million.

The impairment of advances on property acquisitions is related to the advance granted to the Spanish company Bamolo, written down for €65 million (in order to reduce it to the land's latest appraisal value given as a guarantee of €0.5 million).

3.3.4.2 Operating receivables

In €'000	12/31/2018	12/31/2017
Rent due	12,713	15,922
Impairment of rent due	(7,769)	(8,339)
TOTAL RENT DUE AND RELATED RECEIVABLES	**4,944**	**7,583**
Group receivables	216,846	169,572
Group income due	0	8,821
Miscellaneous income due	61,204	1,692
French state – income tax receivables	7,059	9,161
French state – VAT	4,667	4,746
Management agencies, co-ownerships and external managers	1,275	1,251
Miscellaneous other receivables	19,663	1,075
Other receivables impairment	(27,933)	(27,649)
TOTAL OTHER RECEIVABLES	**282,782**	**168,669**

Group receivables mainly comprise receivables derived from the centralized cash management and from Bami Newco, SIF Espagne's subsidiary, for an amount of €20 million, which was fully written down.

This receivable of €20 million corresponds to Gecina's guarantee (issued in 2010), counter-guaranteeing the SIF Espagne subsidiary's €20 million guarantee in connection with the restructuring of financing facilities for Bami Newco which was called and paid by Gecina in November 2013 as ordered by the courts. The receivership proceedings for Bami Newco are ongoing.

Accrued income includes damages relating to the dispute with former Gecina officer, Joaquín Rivero, for €59 million.

Other receivables include a guarantee paid in relation to a property acquisition in the amount of €16 million.

Operating receivables generally have a maturity of less than one year.

3.3.4.3 Investment securities

In €'000	12/31/2018	12/31/2017
Treasury shares reserved for employees		1,833
Other investment securities	1	1
TOTAL INVESTMENT SECURITIES	**1**	**1,834**

The stock options awarded to employees and corporate officers expired in 2018. Consequently, no treasury shares have been recorded as investment securities as at December 31, 2018.

3.3.4.4 Changes in treasury shares

	Number of shares	In €'000
Balance at 01/01/2018	2,140,100	241,212
Reclassification due to a decrease of rights to shares for employees	326	20
BALANCE AT 12/31/2018(1)	**2,140,426**	**241,232**

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

3.3.4.5 Bond redemption premiums

This line records premiums related to all non-convertible bonds, which are amortized on a straight-line basis over the term of the debt (€5.3 million amortized in 2018).

3.3.4.6 Change in share capital and shareholders' equity

In €'000	Capital	Issue, merger and conversion premiums	Revaluation gain/loss	Reserves	Retained earnings	Net shareholders equity excluding earnings for the year and subsidies	Income	Subsidies	Share capital	Distribution of dividends
12/31/2016	**475,760**	**1,918,916**	**428,915**	**753,153**		**3,576,743**	**469,119**	**1,516**	**4,047,378**	
Capital increases	88,395	1,244,465				1,332,860			1,332,860	
Capital increase (employees)	1,071	11,935				13,006			13,006	
Account transfers			(10,619)	10,619						
Change in scope								(236)	(236)	
2016 Income appropriation					146,955	146,955	(469,119)		(322,163)	322,163
2017 Net income							333,385		333,385	
12/31/2017	**565,226**	**3,175,315**	**418,295**	**763,772**	**146,955**	**5,069,564**	**333,385**	**1,280**	**5,404,230**	
Capital increases	5,996	101,250		600		107,845			107,845	
Capital increase (employees)	779	4,963		(360)		5,382			5,382	
Account transfers			(40,212)	40,212						
Change in scope								(164)	(164)	
2017 Income appropriation				8,947	(63,640)	(54,693)	(333,385)		(388,079)	388,079
2018 net income							467,994		467,994	
12/31/2018	**572,001**	**3,281,528**	**378,084**	**813,169**	**83,315**	**5,128,097**	**467,994**	**1,117**	**5,597,207**	

At year-end 2018, the capital was composed of 76,266,750 shares with a par value of €7.50 each.

On April 18, 2018, the General Meeting of the company approved the option for the 2018 final dividend to be paid in shares. At the end of the option period, the company carried out a capital increase on July 4, 2018 *via* the issue of 799,457 shares with a par value of €135 each, for a total of €108 million.

3.3.4.7 Provisions

In €'000	12/31/2017	Allocations	Write backs	12/31/2018
Provisions for tax audits	7,000			7,000
Provisions for employee benefits	12,182	1,742	1,626	12,298
Provisions for share buyback plans	770		770	0
Provisions for losses in subsidiaries	4,597	432	159	4,869
Other provisions	6,521	255	1,031	5,745
TOTAL	**31,069**	**2,429**	**3,585**	**29,912**

The company has been the subject of tax audits that have resulted in notifications of tax reassessments, the majority of which are contested. At December 31, 2018, the total amount accrued as a provision for the fiscal risk is €7 million, based on the assessments of the company and its advisers. Furthermore, the company has several ongoing litigations with the French tax administration, which could result today, in the reimbursement of a maximum amount of nearly €10 million. This amount is related to the corporate income tax paid in 2003 when the company opted for the SIIC tax regime. This amount was expensed at the time of payment and therefore no longer appears on the company's balance sheet.

Gecina has also, directly or indirectly, been the subject of liability actions and court proceedings 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 the company's earnings or financial situation.

The €12.3 million provision for employee benefits covers the company's commitments for the portion of employee benefits not covered by insurance funds.

The provision for share buyback plans corresponds to the expense that will be incurred by Gecina in relation to stock option plans. This expense is spread over the vesting period. The plans all expired at the end of 2018.

The allowance for losses on subsidiaries corresponds to the share of unrealized losses not covered by the impairment of securities, loans and receivables.

Other provisions relate to disputes arising from building operation.

3.3.4.8 Borrowings and financial debt

Remaining maturities

In €'000	Less than 1 year	1 to 5 years	Over 5 years	Total 12/31/2018	Total 12/31/2017
Non-convertible bonds	816,610	1,371,100	3,800,000	5,987,710	4,686,379
Loans and debt (excluding Group)	1,271,700	29,000		1,300,700	1,835,564
Group debt	840,158			840,158	183,686
TOTAL	**2,928,467**	**1,400,100**	**3,800,000**	**8,128,567**	**6,705,629**

The non-convertible bonds include short-term private placements issued under the EMTN program in the amount of €400 million.

The company issued a new bond for a total of €500 million and a short-term private placement in the amount of €100 million.

On June 13, 2018, Gecina issued bonds initially held by Eurosic (three issues) and Foncière de Paris (six issues). The outstanding amounts were transferred to Gecina for a total of €720 million, bearing the same characteristics (coupons, maturities, payment dates) as at the time of issue. In return, intragroup loans were set up.

Bank "covenants"

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

	Benchmark standard	Balance at 12/31/2018	Balance at 12/31/2017
Net debt/revalued block value of property holding (excluding duties)	Maximum 55%/60%	38.4%	42.4%
EBITDA (excluding disposals)/net financial expenses	Minimum 2.0 x	5.7 X	5.6 x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	1.0%	3.6%
Revalued block value of property holding (excluding duties) *in € billion*	Minimum 6.0/8.0	19.3	19.6

Change of control clauses

For all the bonds a change of control leading to the downgrading of Gecina's credit rating to "Non-Investment Grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

3.3.4.9 Exposure to interest rate risks

In €'000	Debt before hedging at 12/31/2018	Effect of hedging at 12/31/2018	Debt after hedging at 12/31/2018	Debt after hedging at 12/31/2017
Floating rate financial debt	2,196,500	(825,000)	1,371,500	1,708,825
Fixed rate financial debt	5,020,200	825,000	5,845,200	4,769,600
INTEREST-BEARING FINANCIAL DEBT(1)	**7,216,700**		**7,216,700**	**6,478,425**

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

Derivative portfolio

In €'000	12/31/2018	12/31/2017
Derivatives in effect at year-end		
Fixed rate swaps	300,000	300,000
Caps purchases	525,000	625,000
TOTAL	**825,000**	**925,000**

All financial instruments are interest rate risk hedging instruments and no transactions are isolated open positions.

The fair value of the derivatives portfolio at December 31, 2018 shows an unrealized termination loss of €5 million.

3.3.4.10 Expenses payable, income receivables and prepaid charges and accrued income

These elements are included in the following balance sheet items:

In €'000	12/31/2018	12/31/2017
Bonds	67,510	41,779
Financial debts	1,703	1,739
Suppliers	20,030	19,253
Tax and social security payables and debt	24,174	16,606
Fixed asset payables	21,456	20,061
Miscellaneous	595	812
TOTAL ACCRUED EXPENSES	**135,467**	**100,251**
Prepaid income	446	654
TOTAL LIABILITIES	**135,913**	**100,905**
Financial fixed assets	17,992	15,617
Trade receivables	1,440	1,485
Other receivables	61,204	10,513
TOTAL ACCRUED INCOME	**80,636**	**27,614**
Prepaid charges	28,831	29,985
TOTAL ASSETS	**109,467**	**57,599**

Prepaid charges mainly concern loan issuance costs for €28 million.

Accrued income recognized under "Other receivables" includes €59 million of damages relating to the dispute with former Gecina officer, Joaquín Rivero.

3.3.4.11 Deposits and guarantees received

This item, for a total of €25 million, primarily represents deposits paid by lessees to guarantee their rent payments.

3.3.4.12 Other liabilities

Fixed asset payables include €22 million of the capital not yet called by various investment funds.

All other liabilities are due in less than one year.

3.3.4.13 Off balance sheet commitments

In €'000	12/31/2018	12/31/2017
COMMITMENTS RECEIVED		
Swaps	300,000	300,000
Caps	525,000	625,000
Unused lines of credit	4,255,000	3,175,000
Preliminary sale agreements for properties	64,964	166,293
Mortgage-backed receivable	480	480
Other(2)	1,244,000	1,244,000
TOTAL	**6,389,444**	**5,510,773**
COMMITMENTS GIVEN		
Guarantees granted(1)	426,346	432,171
Swaps	300,000	300,000
Caps	525,000	625,000
Asset-backed liabilities	189,424	389,825
Preliminary sale agreements for properties	97,098	190,394
Works amount to be invested (including sales of property for future completion)	3,828	3,344
Other	26,000	26,000
TOTAL	**1,565,697**	**1,966,734**

(1) Including guarantees granted at December 31, 2018 by Gecina to Group companies for €426 million.

(2) Of which a €1,240 million guarantee received as part of the acquisition of SCI Avenir Danton Défense and SCI Avenir Grande Armée equities.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years, and which do not appear in the table of commitments given because their cost is not yet known. Based on the assessments of the Group and its advisers, there is no commitment which could be called and which would be likely to significantly impact the company's earnings or financial situation.

The outstanding amounts for future development costs (including sales of property for future completion) correspond to reciprocal guarantees with the developer who undertakes to complete the works.

3.3.5 Notes on the income statement

3.3.5.1 Operating income

In €'000	12/31/2018	12/31/2017
Rental revenues on residential properties	98,799	103,360
Rental revenues on commercial properties	151,993	146,592
TOTAL RENTAL REVENUES	**250,792**	**249,953**

3.3.5.2 Operating expenses

Operating expenses (excluding depreciation and provisions) mainly include property rental expenses to recharge to tenants for €51 million.

Salaries and fringe benefits include the competitiveness and employment tax credit (CICE) for an amount of €107 thousand in 2018. This tax credit has been used for various investments.

3.3.5.3 Depreciation and impairment allocations and write-backs

	12/31/2018		12/31/2017	
In €'000	**Allocations**	**Write backs**	**Allocations**	**Write backs**
Fixed assets depreciation[1]	61,177		60,366	
Tangible fixed assets impairment[1]	2,886	1,649	62	53,751
Impairment of financial investments and investment securities[1]	6,196	10,101	15,767	5,685
Receivables impairment[2]	1,203	1,489	2,119	1,089
Provisions for risks and charges[3]	2,429	3,585	4,684	3,617
Amortization of bond redemption premiums[4]	5,318		4,126	
TOTAL	**79,208**	**16,825**	**87,125**	**64,143**
Of which:				
▪ operating	64,377	4,915	62,573	4,707
▪ financial	11,945	10,260	24,489	5,685
▪ non-recurring and tax	2,886	1,649	62	53,751

(1) See Note 3.3.4.1.
(2) See Note 3.3.4.2.
(3) See Note 3.3.4.7.
(4) See Note 3.3.4.5.

3.3.5.4 Net financial items

	12/31/2018		12/31/2017	
In €'000	**Expenses**	**Income**	**Expenses**	**Income**
Interest and related expenses or income	130,024	64,642	125,367	44,980
Dividends of subsidiaries and income from equity investments		228,934		178,535
Interest income		29,661		9,103
Depreciation, impairment and provision charges and write-backs:				
▪ amortizations of bond redemption premiums	5,318		4,126	
▪ impairments of investment in subsidiaries, related receivables or treasury shares	6,196	10,101	15,767	5,685
▪ provisions for losses in subsidiaries	432	159	4,597	
TOTAL	**141,969**	**333,497**	**149,857**	**238,302**

3.3.5.5 Exceptional items

In €'000	12/31/2018	12/31/2017
Net gains on sale of properties	119,888	117,089
Impairment of fixed assets	(1,236)	53,689
Capital gains (or losses) on disposals of securities or mergers		(13)
Losses on purchase of bonds and treasury shares	(761)	(21,469)
Other non-recurring income and expenses	59,239	453
EXCEPTIONAL ITEMS	**177,130**	**149,749**

Unit-by-unit sales generated a gain of €44 million, the balance of €76 million having been generated by block disposals.

Exceptional income includes damages relating to the dispute with former Gecina officer, Joaquín Rivero, for €59 million.

3.3.5.6 Transactions with related companies

In €'000

Assets (gross values)		Liabilities		Net financial items	
Financial fixed assets	10,001,856	Financial debts	840,158	Financial costs	(39,585)
Trade receivables	1	Suppliers	2,083		
Other receivables	216,846	Other payables		Financial income	332,785
Guarantees granted by Gecina on behalf of related companies			**426,346**		

Transactions with companies in which Gecina has a significant equity interest are limited to billing for services rendered and operating resources (€49 million in 2018) as well as loans governed by specific agreements.

3.3.6 Other

3.3.6.1 Exceptional events and disputes

On July 16, 2012, the company was informed by Banco de Valencia of the existence of four promissory notes issued in 2007 and 2009, in the total amount of €140 million. Three of them were issued in the name of "Gecina SA Succursal en España" and one in the name of Gecina SA for a Spanish company called Arlette Dome SL. The latter would seem to have presented the above mentioned promissory notes to Banco de Valencia to guarantee loans granted by the bank.

After verification, the company realized that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome SL which could have justified their issue. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the issue were to be confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. Following a series of decisions and appeals, Gecina was recognized as party to the proceedings on April 19, 2016 before the National Court, where the company continues to assert its rights. No provision was recognized for this purpose.

To date, the company is not in a position to evaluate any potential risks, in particular, regulatory, legal or financial, arising from the facts covered by the ongoing criminal proceedings and cannot, in particular, exclude the possibility that it may be joined as a party in the future, together with the company's officers and representatives.

Spanish bank Abanca, after seeking the payment by Gecina of €63 million (of which €48.7 million in principal) pursuant to the guarantee letters of engagement allegedly signed in 2008 and 2009 by Mr. Joaquín Rivero, former Gecina officer, summoned Gecina to appear before the Court of First Instance of Madrid in order to obtain the payment of the claimed amounts.

Gecina is challenging Abanca's claims, asserting its rights and defending its interests in these proceedings. On June 10, 2016, the Court of First Instance of Madrid declared that it had no jurisdiction to try the dispute. On July 14, 2016, Abanca appealed this decision. On July 4, 2017, the Appeal Court of Madrid declared that the Spanish Courts do have jurisdiction to hear Abanca's claim.

The proceedings on the merits are ongoing before the Court of First Instance of Madrid. No provision was recognized for this purpose.

Gecina filed a criminal complaint in France against Mr. Joaquín Rivero and any other party involved, for misuse of authority under letters of endorsement raised by Abanca. Insofar as Mr. Joaquín Rivero was not the only person involved in this complaint, this procedure is still ongoing and is in the judicial inquiry phase.

3.3.6.2 Change in share capital and results over the last five years

YEAR	Transactions	Number of shares	Capital *(in €)*	Share issue or merger premium *(in €)*
2014	Balance at January 1, 2014	62,870,496	471,528,720.00	
	Exercise of stock options	134,184	1,006,380.00	9,554,385
	Subscription under the company's savings plan	53,260	399,450.00	3,750,569
	Shares issued under the performance share award plan – April 2010	1,600	12,000.00	
	Shares issued under the performance share award plan – December 2012	45,280	339,600.00	
	Balance at December 31, 2014	63,104,820	473,286,150.00	
2015	Balance at January 1, 2015	63,104,820	473,286,150.00	
	Exercise of stock options	39,529	296,467.50	2,917,491
	Subscription under the company's savings plan	39,219	294,142.50	3,403,817
	Shares issued under the performance share award plan – December 2012 *bis*	9,550	71,625.00	
	Shares issued under the performance share award plan – December 2013	59,162	443,715.00	
	Shares issued under the performance share award plan – December 2013 *bis*	8,340	62,550.00	
	Balance at December 31, 2015	63,260,620	474,454,650.00	
2016	Balance at January 1, 2016	63,260,620	474,454,650.00	
	Exercise of stock options	140,509	1,053,817.50	10,285,062
	Subscription under the company's savings plan	33,511	251,332.50	3,338,031
	Balance at December 31, 2016	63,434,640	475,759,800.00	
2017	Balance at January 1, 2017	63,434,640	475,759,800.00	
	Shares issued as part of the capital increase with pre-emptive subscription rights	9,062,091	67,965,682.50	913,920,850
	Shares issued as part of the public exchange offer with Eurosic	2,723,890	20,429,175.00	330,544,052
	Exercise of stock options	84,536	634,020.00	6,048,105
	Subscription under the company's savings plan	58,287	437,152.50	5,886,404
	Balance at December 31, 2017	75,363,444	565,225,830.00	
2018	Balance at January 1, 2018	75,363,444	565,225,830.00	
	Shares issued for the payment of the dividend in shares	799,457	5,995,927.50	101,249,689
	Exercise of stock options	16,850	126,375.00	1,232,674
	Subscription under the company's savings plan	33,557	251,677.50	3,686,908
	Shares issued under the performance share award plan – February 2015	53,114	398,355.00	
	Shares issued under the performance share award plan – Eurosic 2014	328	2,460.00	43,542
	Balance at December 31, 2018	76,266,750	572,000,625.00	

The company's results over the last five financial years

	2014	2015	2016	2017	2018
I - CLOSING SHARE CAPITAL					
Share capital *(€'000)*	473,286	474,455	475,760	565,226	572,001
Number of ordinary shares outstanding	63,104,820	63,260,620	63,434,640	75,363,444	76,266,750
Maximum number of future shares to be issued by converting bonds, awarding performance shares and exercising stock options	4,151,027	344,334	266,480	231,548	249,100
II - OPERATIONS AND EARNINGS FOR THE YEAR *(in €'000)*					
Net revenue	271,910	264,269	251,461	249,953	250,792
Income before tax, depreciation, impairment and provisions	315,913	315,661	546,992	356,699	530,199
Income tax	(2,849)	(683)	78	(332)	177
Earnings after tax, depreciation, impairment and provisions	229,508	284,497	469,119	333,385	467,994
Distributed profits	293,437	316,303	329,860	399,426	419,467 (1)
III – EARNINGS PER SHARE (€)					
Earnings after tax but before depreciation and impairments	4.96	4.98	8.62	4.73	6.95
Earnings after tax, depreciation, impairments and provisions	3.64	4.50	7.40	4.42	6.14
Total net dividend per share	4.65	5.00	5.20	5.30	5.50 (1)
IV – WORKFORCE					
Average headcount during the year	397	361	354	340	351
Annual payroll *(€'000)*	28,698	26,863	26,783	31,909	32,165
Annual employee benefits including social security and other social charges *(€'000)*	15,150	13,909	14,754	15,491	14,116

(1) Subject to approval by the General Meeting of shareholders.

3.3.6.3 Workforce

AVERAGE HEADCOUNT (1)	2018	2017
Managers	173	158
Employees and supervisors	119	119
Building staff	59	63
TOTAL	**351**	**340**

(1) Average headcount including short-term contracts.

3.3.6.4 Compensation for administrative and governance bodies

Attendance fees allocated to members of Gecina's Board of Directors for 2018 amounted to €481 thousand. No loans or guarantees were granted or arranged for members of the administrative and governance bodies.

3.3.6.5 Consolidating company

None.

3.3.6.6 Stock options and performance share plans

Performance share plans

	Performance shares(1)	Performance shares(1)	Performance shares(1)	Performance shares(1)	Performance shares(1)
Date of Shareholder Meeting	04/18/2013	04/21/2016	04/21/2016	04/21/2016	04/21/2016
Date of Board Meeting	02/19/2015	04/21/2016	07/21/2016	07/17/2017	02/21/2018
Effective allocation date	02/19/2015	04/21/2016	07/21/2016	07/17/2017	02/21/2018
Number of shares advanced	02/19/2018	04/23/2019	04/23/2019	07/20/2020	02/22/2021
Number of rights	58,120	60,990	3,000	53,810	57,920
Rights cancelled					3,110
Withdrawal of rights	5,006	11,581		7,933	1,490
Stock price when granted	€116.45	€125.00	€128.65	€136,08	€153,70
NUMBER OF SHARES THAT MAY BE AWARDED	**0**	**49,409**	**3,000**	**45,877**	**53,320**
Performance conditions	yes	yes	yes	yes	yes
Internal	Total Return progression	Total Return progression	Total Return progression	Total Return progression	Total Return progression
External	Gecina share performance/ euronext IEIF SIIC France index - dividends reinvested	Gecina share performance/ euronext IEIF SIIC France index - dividends reinvested	Gecina share performance/ euronext IEIF SIIC France index - dividends reinvested	Gecina share performance/ euronext IEIF SIIC France index - dividends reinvested	Gecina share performance/ euronext IEIF SIIC France index - dividends reinvested

(1) Shares to be issued.

Stock option plans

	Stock options	Options to subscribe[1]	Options to subscribe[1]
Date of Shareholder Meeting	06/19/2007	06/15/2009	06/15/2009
Date of Board Meeting	12/18/2008	03/22/2010	12/09/2010
Effective allocation date	12/18/2008	04/16/2010	12/27/2010
Start date for exercise of options	12/18/2010	04/16/2012	12/27/2012
Expiry date	12/19/2018	04/17/2020	12/28/2020
Number of rights	332,320	253,537	212,888
Number of rights (after adjustment)	333,027	254,773	214,703
Withdrawal of rights	326	1,779	786
Subscription or purchase price (after adjustment)	€36.06	€76.52	€81.88
Number of shares bought or subscribed (after adjustment)	332,701	238,176	179,526
NUMBER OF OPTIONS TO BE EXERCISED	**0**	**14,818**	**34,391**
Performance conditions	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

3.3.6.7 Post balance sheet events

None.

3.3.6.8 Table of subsidiaries and equity investments

Financial information *(in €'000)*	Capital	Reserves and retained earnings before allocation of income	Equity interest (%)	Book value of shares held		Outstanding loans and advances granted by the company and not yet reimbursed
				Gross	Net	
Subsidiaries and equity interests						
A - DETAILED INFORMATION ON SUBSIDIARIES AND EQUITY						
1 - Subsidiaries						
SAS GECITER	17,476	827,092	100.00%	782,018	782,018	108,643
SAS HÔTEL D'ALBE	2,261	63,364	100.00%	216,096	216,096	101,305
SCI CAPUCINES	14,273	2,705	100.00%	26,188	26,188	31,960
SNC MICHELET LEVALLOIS	75,000	527	100.00%	95,965	95,965	157,158
SAS KHAPA	30,037	35,597	100.00%	66,659	66,659	65,181
SCI 55 RUE D'AMSTERDAM	18,015	174	100.00%	36,420	36,420	57,704
SAS GEC 7	81,032	42,084	100.00%	119,553	119,553	113,000
SIF ESPAGNE	60	(183,479)	100.00%	33,161		
SARL COLVEL WINDSOR	32,000	(3,134)	100.00%	58,016	28,865	25,127
SAS SPIPM	1,226	23,689	100.00%	26,890	26,890	1,092
SAS SADIA	90	20,378	100.00%	24,928	24,928	12,025
SCI ST AUGUSTIN MARSOLLIER	10,515	1,785	100.00%	23,204	23,204	8,885
SAS LE PYRAMIDION COURBEVOIE	37	25,948	100.00%	22,363	22,363	26,000
SCI AVENIR DANTON DÉFENSE	1	31,179	99.99%	476,458	476,458	291,500
SCI 5 BD MONTMARTRE	10,515	6,159	100.00%	18,697	18,697	19,287
SAS ANTHOS	30,037	1,639	100.00%	50,953	50,953	15,000
SCI BEAUGRENELLE	22	3,940	75.00%	30,287	2,971	3,812
SNC GECINA MANAGEMENT	3,558	4,590	100.00%	12,215	6,828	6,480
SCI DU 32-34 RUE MARBEUF	50,002	2,572	100.00%	50,002	50,002	57,043
SCI TOUR MIRABEAU	120,002	3,915	100.00%	120,002	120,002	48,843
SCI LE FRANCE	60,002	(7,921)	100.00%	60,002	60,002	98,962
SCI AVENIR GRANDE ARMÉE	100	(25,093)	100.00%	108,526	108,526	217,000
SA EUROSIC	758,141	990,670	99.70%	2,374,638	2,374,638	1,093,147
SCI DES VAUX	0	403	100.00%	38,176	38,176	29,502
B - GENERAL INFORMATION ON OTHER SUBSIDIARIES OR EQUITY INVESTMENTS WITH GROSS VALUE NOT EXCEEDING 1% OF GECINA'S SHARE CAPITAL						
a. French subsidiaries (Total)	5,059	(15,250)		11,217	9,691	614,261
b. Foreign subsidiaries (Total)						
c. Equity investments in French companies (Total)	2	308				984
d. Equity investments in foreign companies (Total)						

(1) Amount of technical losses on merger assigned to shares contributed by SIF and GECI 1 and GECI 2 (unrealized capital gains).
(2) Amount of additional provisions for impairment of securities.

Guarantees and sureties given by the company	Net revenue for most recent year ended	Earnings (profit or loss for most recent year ended)	Dividends recorded by the company during the year	Others
	48,267	33,403	37,751	
	22,156	15,609	15,901	69,873[1]
	4,759	2,704		4,702[1]
		(7,146)		
	8,294	3,090	129	
	4,013	174		4,255[1]
27,903	12,603	3,028	2,119	
		(397)		183,419[2]
	1,909	10,101		
	2,450	893	1,593	4,075[1]
	2,533	1,504	1,980	5,870[1]
	3,003	1,785		4,537[1]
	4,872	2,948	2,757	
	45,647	24,311		
	3,439	2,123	1,963	3,462[1]
	3,842	1,517	345	
		60	4,125	
	7,617	1,320		
	6,972	2,572		
	14,331	3,915		
	87	(7,921)		
		(6,487)		
121,110	28,275	224,663	119,049	
	4,570	2,274		
260,888	31,968	(20,175)		2,741[2]
	1,682	308		

4

Board of Directors' report on corporate governance

This report, prepared by the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code, includes the information mentioned in Articles L. 225-37-2 to L. 225-37-5 of the French Commercial Code, and in particular:

- information on the company's governance;
- information on the compensation of the corporate officers; and
- information about the capital structure and factors that could have an impact in the event of a public offer.

This report was prepared with the support of the Company's internal departments and the assistance of the Governance, Appointment and Compensation Committee (hereinafter the "GACC").

It was approved by the Board of Directors at its meeting of February 19, 2019.

Gecina complies with the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"). As at the date of preparation of this report, Gecina complies with all recommendations of this Code, which is available on the AFEP (www.afep.com) and MEDEF (www.medef.com) websites.

4.1 Governance

4.1.1 Structure of the Board of Directors and the Executive Management team

Bernard Carayon
Chairman of the Board of Directors, Independent director

Méka Brunel
Director, Chief Executive Officer

Laurence Danon Arnaud
Independent director

Jean-Jacques Duchamp
Permanent representative of Predica, Director

Dominique Dudan
Independent director

Sylvain Fortier
Permanent representative of Ivanhoé Cambridge Inc., Director

Gabrielle Gauthey
Independent director

Claude Gendron
Director

Jacques-Yves Nicol
Independent director

Inès Reinmann Toper
Independent director

Under the bylaws, the Board of Directors must be made up of a minimum of three and maximum of 18 members. The Directors shall be appointed for a term of four years. By way of exception in order to allow the staggered renewal of the mandates of the Directors, the Ordinary General Meeting may appoint one or several Directors for a period of two or three years. Potential observers are chosen from among the shareholders. Their number cannot exceed a maximum of three, and they are appointed for a period of three years.

As at December 31, 2018, the Gecina Board of Directors is made up of ten members, 60% of whom are independent Directors (on the basis of the independence criteria set out in the AFEP-MEDEF Code) and 50% are women.

Ms. Méka Brunel, Director, performs the duties of Chief Executive Officer. Additional information on Executive Management procedures is provided in section 4.1.2.

Until April 18, 2018, the Board of Directors included one observer, Mr. Bernard Carayon, who, on this date, was appointed a Director by the Annual General Meeting, and then at the end of this Meeting, Chairman of the Board of Directors by the Board of Directors.

It should be noted that since the total number of employees of the company and its subsidiaries is lower than the thresholds fixed by Article L. 225-27-1 of the French Commercial Code, there is no Director representing employees on the Board of Directors. However, in accordance with Article L. 2312-72 of the French Labor Code, members of the Works Council attend Board of Directors' Meetings in an advisory capacity.

Changes in the structure of the Board of Directors and its Committees

During the 2018 financial year, the following changes were made to the structure of the Board of Directors and its Committees:

	Departure	Appointment	Renewal
Board of Directors	■ Mr. Bernard Michel April 18, 2018 ■ Ms. Isabelle Courville April 18, 2018	■ Mr. Bernard Carayon April 18, 2018 ■ Ms. Gabrielle Gauthey April 18, 2018	■ Ms. Méka Brunel April 18, 2018 ■ Mr. Jacques-Yves Nicol April 18, 2018
Strategic and Investment Committee	■ Mr. Bernard Michel April 18, 2018	■ Mr. Bernard Carayon April 18, 2018	■ Ms. Méka Brunel April 18, 2018
Audit and Risk Committee	■ Ms. Isabelle Courville April 18, 2018 ■ Mr. Jacques-Yves Nicol July 19, 2018	■ Ms. Gabrielle Gauthey April 18, 2018 (appointed Chairwoman of this Committee on July 19, 2018) ■ Ms. Laurence Danon Arnaud July 19, 2018	■ Mr. Jacques-Yves Nicol April 18, 2018
Governance, Appointment and Compensation Committee	×	×	×

Ms. Gabrielle Gauthey was appointed a Director by the Annual General Meeting of April 18, 2018, for a four-year term, *i.e.* until the end of the Annual General Meeting convened to approve the financial statements for the year ending December 31, 2021.

The Board of Directors' Meeting of April 18, 2018, held after the Annual General Meeting of the same day, having noted the expiry of the term of office of Mr. Bernard Michel as Chairman of the Board of Directors, decided to appoint Mr. Bernard Carayon as Chairman of the Board of Directors for a two-year term, *i.e.* until the end of the Annual General Meeting convened to approve the financial statements for the year ending December 31, 2019, during which time Mr. Bernard Carayon will have reached the age limit set by the current bylaws of the company for the Chairman of the Board of Directors. Following this appointment, Mr. Bernard Carayon resigned from his term of office as an observer, which he had held within the Board of Directors since September 7, 2017.

The terms of office of Ms. Méka Brunel and Mr. Jacques-Yves Nicol as Directors were renewed by the Annual General Meeting of April 18, 2018 for four-year terms, *i.e.* until the end of the Annual General Meeting convened to approve the financial statements for the year ending December 31, 2021.

The applications from Directors for new appointments or renewals of their terms of office were reviewed by the Governance, Appointment and Compensation Committee and by the Board of Directors who have committed to maintaining a balance in terms of diversity within the structure of the Board of Directors.

These appointments and renewals enable the Board of Directors to maintain perfect parity between its male and female members, to benefit from extensive, varied and complementary expertise and to increase the rate of independent Directors from 50% to 60% (in accordance with the independence criteria set out in the AFEP-MEDEF Code).

Changes expected in 2019 :

Upon recommendations of the Governance, Appointment and Compensation Committee, the Board of Directors decided, at its Meeting of February 19, 2019, to ask the Annual General Meeting convened to approve the financial statements for the year ending December 31, 2018, to renew, for a period of four years:

- the term of office of Ms. Dominique Dudan as Director;
- the term of office of the company Predica as Director.

Structure of the Board of Directors and the Executive Management team

The table below presents, for each Director and for the Chief Executive Officer, their age, nationality, gender, independence status, appointment to any Committees, mandate expiry date, number of Gecina shares held, list of offices held as at December 31, 2018, and any offices or functions held during the past five years and terminated. Unless otherwise indicated, all the terms of offices indicated are held outside the Group.

Bernard Carayon, Chairman of the Board of Directors, Independent director

Member of the Strategic and Investment Committee

Age: 69 years old

Nationality: French

First appointment:
GM of 04/18/2018

Office expiry date as Director: OGM 2022

Appointment as Chairman of the Board of Directors:
Board Meeting of 04/18/2018

Office expiry date as Chairman of the Board of Directors:
OGM 2020

Domiciled:
101, avenue Mozart
75016 Paris

Number of shares held:
200

OFFICES HELD AT DECEMBER 31, 2018

- Chairman of Dadou SAS

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Director of:
  - BFT Investment Managers
  - LCL Obligations Euros
  - CACEIS
  - Amundi Finance
  - Amundi Hong Kong LTD
  - LCH Clearnet
  - Amundi Japan
- Permanent representative of Amundi at CPR Asset Management
- Executive Director and Head of the Steering and Control Division at Amundi[1]
- Director and Deputy CEO of Amundi Asset Management
- Chairman of the Board of Directors of Amundi Mutual Fund Brokerage Securities (Thailand) Company Ltd. (formerly Amundi Thailand Ltd.)
- Vice-Chairman of ABC-CA Fund Management Co
- Observer at Gecina

BRIEF RESUME

Bernard Carayon has been the Chairman of the Gecina Board of Directors since April 18, 2018. Until February 2017, he was Head of Steering and Control for Amundi (Finance, Risk, Compliance, Legal, Audit). Since March 2008, Bernard Carayon has served as Director and member of the Executive Management Committee, and Head of Risk Management, Compliance and Regulatory Relations for the Crédit Agricole Asset Management group (CAAM group). From 1999 to 2008, he was Head of Risk Management and Control at Crédit Agricole Indosuez and then at Calyon. Before joining Calyon, Mr. Carayon was Head of Central Risk Control at the CNCA (Caisse Nationale du Crédit Agricole) from 1991 to 1999. Between 1984 and 1989, he worked as an Inspector and Project Manager for the General Inspection & Audit Service. As an Economics graduate, Bernard Carayon began his career in 1978 at the CNCA in the Commitments Department, where he spent six years. He has a PhD in Economics from Paris-Sorbonne University.

(1) Listed company

Méka Brunel, Chief Executive Officer and Director

Member of the Strategic and Investment Committee

Age: 62 years old

Nationality: French

First appointment as Director:
GM of 04/23/2014

Mandate expiry date as Director:
OGM 2022

Appointment as CEO:
Board Meeting of 01/06/2017

Office expiry date (CEO):
Indefinite

Domiciled:
15, rue Jouvenet
75016 Paris

Number of shares held:
28,425

OFFICES HELD AT DECEMBER 31, 2018

- Director and Chairwoman of the Appointments and Compensation Committee of Crédit Foncier de France
- Director and Vice-Chairwoman of EPRA
- Director of FSIF
- Chairwoman of the Development Board of Métropole du Grand Paris (Codev)
- Member of the ORIE Collège Investisseurs (Investment Council)
- Director of the Institut du Capitalisme Responsable

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Director of ORIE
- Chairman of France GBC
- Director of P3
- Chairwoman of Ivanhoé Cambridge Europe
- Director of HBS PG
- Independent Director and member of the Strategic Committee of Poste Immo

BRIEF RESUME

A business leader in the real estate industry, Méka Brunel is an ETP engineer, FRICS and has an executive MBA from HEC. From 1996, she held various Executive Management positions with Simco, which later merged with Gecina. In 2006, she became CEO of Eurosic, before joining Ivanhoé Cambridge in 2009 as Executive Vice President in charge of its real estate business in Europe. She has been a Director at Gecina since 2014 and was appointed as its Chief Executive Officer in January 2017. Actively engaged in community life and industry associations, particularly as a Director of Crédit Foncier de France, Honorary President of the HQE-France GBC association, a Director of FSIF and EPRA, Méka Brunel was also named Professional of the Year in the 2013 and 2018 Pierres d'Or awards. In October 2017, she was appointed Chairwoman of the Development Board of Métropole du Grand Paris.

Laurence Danon Arnaud, Independent director

Member of the Governance, Appointment and Compensation Committee and the Audit and Risk Committee

Age: 62 years old

Nationality: French

First appointment:
GM of 04/26/2017

Office expiry date:
OGM 2021

Domiciled:
30, bd Victor Hugo
92200 Neuilly-sur-Seine

Number of shares held:
203

OFFICES HELD AT DECEMBER 31, 2018

- Independent Director and Chairwoman of the Audit Committee of TF1[(1)]
- Independent Director and Chairwoman of the Strategic Committee of Amundi[(1)]
- Independent Director of Groupe Bruxelles Lambert[(1)]
- Chairwoman of Primerose
- Member of the Academy Technology

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Chairwoman of the Board of Directors of Leonardo & Co
- Director of Diageo Plc[(1)] (UK)
- Senior Advisor at Natixis Partners

BRIEF RESUME

Laurence Danon Arnaud joined the École Normale Supérieure de Paris in 1977, graduating as a qualified physics teacher in 1980. After two years of research in the French national center for scientific research (CNRS) laboratories, she entered the École Nationale Supérieure des Mines in 1981 and graduated as a Corps des Mines engineer in 1984. After five years with the French Ministry for Industry and the Hydrocarbons Division, Laurence Danon Arnaud joined the ELF group in 1989. From 1989 to 2001, she held various positions in the Total FINA ELF group's chemicals branch, notably as CEO of Bostik, the world No. 2 for adhesives, from 1996 to 2001. In 2001, Laurence Danon Arnaud was appointed Chairwoman and CEO of Printemps and a member of the Executive Board of PPR (KERING). Following the repositioning and successful sale of Printemps in 2007, she moved to the world of finance. Initially as Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance from 2007 and 2013, then from 2013 as Chairwoman of the investment bank Leonardo & Co. SAS (subsidiary of the Italian Banca Leonardo group). After Leonardo & Co was sold to Natixis in 2015, she devoted herself to her family office, Primerose. Laurence Danon Arnaud has been a Director of Amundi since 2015 and is Chairwoman of its Strategic Committee. She has also been a member of the Board of Directors of TF1 since 2010, chairing its Audit Committee. She is also served as a member of other companies' Boards of Directors, including the British company Diageo (2006-2015), Plastic Omnium (2003-2010), Experian PLC (2007-2010), Rhodia (2008-2011) and of the Supervisory Board of BPCE (2009-2013) where she chaired its Appointments and Compensation Committee. From 2005 to 2013, Laurence Danon Arnaud was also Chairwoman of the MEDEF Commission. From 2000 to 2003, she was Chairwoman of the Board of Directors of École des Mines de Nantes, and, from 2004 to 2006, Chairwoman of the École normale supérieure Paris Foundation.

(1) Listed company.

Jean-Jacques Duchamp, Permanent representative of Predica - Director

Member of the Strategic and Investment Committee and of the Audit and Risk Committee

Age: 64 years old

Nationality: French

First appointment:
GM of 12/20/2002

Office expiry date:
OGM 2019

Domiciled:
16-18, bd Vaugirard
75015 Paris

Number of shares held by PREDICA: 9,718,418

Number of shares held by Jean-Jacques Duchamp:
444

OFFICES HELD AT DECEMBER 31, 2018

- Deputy CEO of Crédit Agricole Assurances(2), member of the Executive Committee
- Vice-President of the Board of Directors, Director of Générale de Santé SA(1)
- Director of Société Foncière Lyonnaise(1)
- Director of CPR-AM(2)
- Director de Spirica(2) and of ULP(2)
- Director of CA Vita(2)
- Director of Pacifica(2)
- Member of the office of the economic and financial commission of FFSA
- Director of SEMMARIS

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Director of Foncière des Régions(1)
- Director of BES VIDA(2)
- Director of Korian(1)
- Director of CA-IMMO(2)
- Director of Dolcea Vie(2)
- Director of Sanef (Autoroutes du Nord et de l'Est de la France)
- Director of ISR Courtage(2)

BRIEF RESUME

Graduate of AGRO-INAPG and ENGREF. After a career abroad (India, Morocco and Colombia) in public works and hydraulics, and later infrastructure financing with the World Bank, Jean-Jacques Duchamp joined the Crédit Agricole group, where he has held a variety of positions in the general inspectorate of finances and auditing at regional mutuals of Crédit Agricole, and later internationally on capital markets, before joining the Board of Finances of Crédit Agricole group. In 2001, he was part of the personal insurance division of Predica where he assumed the management of "Financing and Corporate" on the Executive Committee. In 2011, he was appointed Deputy CEO of Crédit Agricole Assurance and member of its Executive Committee. He is also a member of the Office of the Economic and Financial commission of the Fédération Française de l'Assurance.

(1) Listed company

(2) Crédit Agricole SA group

Dominique Dudan, Independent director

Member of the Audit and Risk Committee

Age: 64 years old

Nationality: French

First appointment: GM of 04/24/2015

Office expiry date: OGM 2019

Domiciled: 1, rue de Condé 75006 Paris

Number of shares held: 45

OFFICES HELD AT DECEMBER 31, 2018

- Director of Mercialys(1)
- Member of the Supervisory Board of Selectirente(1)
- Member of the Supervisory Board of Swiss Life Reim
- Chairwoman of the Supervisory Board of OPCI Sofidy Pierre Europe
- Member of the Supervisory Board of SCPI Pierre Expansion
- Manager of SCI du Terrier and SCI du 92
- Manager of SARL William's Hotel
- Chairwoman of Artio Conseil

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Chairwoman of Union Investment Real Estate France
- President of 6 real estate investment funds (OPCI) managed on a proprietary basis by Union Investment Real Estate France
- Co-manager of Warburg HIH France
- Director of ORIE (Observatoire régional de l'immobilier d'Île-de-France)
- Co-Chair of the Bozelec Association MX

BRIEF RESUME

After studying science, Dominique Dudan joined the real estate industry. Admitted as a member of the Royal Institution of Chartered Surveyors (MRICS), she subsequently became a Fellow of the institution. Between 1996 and 2005, Dominique Dudan held the position of Development Director inside the Accor Hotels & Resorts group. She then joined HSBC Reim as Director of Operations and Executive Board member, then BNP Paribas Reim as Deputy CEO and Director of Regulated Real Estate Funds. In 2009, Dominique Dudan created her own Artio Conseil structure and in 2010 she became CEO of Arcole Asset Management. From 2011 to 2015, she was Chairwoman of the company Union Investment Real Estate France SAS, then was appointed Manager of Warburg HIH France. Now a Senior Adviser at LBO France and a Corporate Director, Dominique Dudan is also a member of the Observatoire Régional de l'Immobilier d'Île-de-France (ORIE) after having served as its Chairwoman, as a member of the MEDEF Fiscal Commission for the Service Professionals group, a member of the Cercle des Femmes de l'Immobilier and the Club de l'Immobilier d'Île-de-France and a member of Breizh Immo. She is a Knight of the National Order of Merit.

(1) Listed company

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Sylvain Fortier, Permanent representative of Ivanhoé Cambridge Inc. - Director

Chairman of the Strategic and Investment Committee

Age: 53 years old

Nationality: Canadian

First Appointment: Board Meeting of 04/21/2016 (coopted)

Office expiry date: OGM 2021

Domiciled: 80, rue Deauville S. Candiac (QC) J5R 6X7 CANADA

Number of shares held by IVANHOÉ CAMBRIDGE INC.: 40

Number of shares held by IVANHOÉ CAMBRIDGE CONCERT PARTY: 11,575,623

OFFICES HELD AT DECEMBER 31, 2018

- Chief Innovation Officer at Ivanhoé Cambridge Inc.
- Director of Otéra Capital
- Director of Théâtre du Nouveau Monde (non-profit organization)

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Executive Vice President and Head of Investments – Ivanhoé Cambridge Inc.
- Executive Vice President, Residential, Hotels and Real Estate Investment Funds - Ivanhoé Cambridge Inc.
- President, Residential, Hotels and Real Estate Investment Funds, Ivanhoé Cambridge Inc.
- Chairman of the Board of Directors of Otéra Capital

BRIEF RESUME

Sylvain Fortier is Chief Innovation Officer, having previously held the position of President, Residential, Hotels and Real Estate Investment Funds and Strategic Adviser to the CEO of Ivanhoé Cambridge, a real estate subsidiary of the Caisse de dépôt et placement du Québec, one of the largest institutional fund managers in Canada. He was responsible for a residential portfolio valued at CAD 12 billion and a hotel portfolio currently consists of almost 4,000 rooms in Canada and the United States, as well as the company's acquisitions of real estate funds which combined represent over CAD 5 billion in invested capital worldwide. Mr. Fortier is also Director of Otéra Capital, a mortgage lender valued at CAD 11 billion. Sylvain Fortier has almost 30 years of global experience in the investment and financing of real estate. He began his career at London Life, before joining Standard Life. After moving to the Caisse de Dépôt et Placement du Québec and its real estate divisions, he held a number of senior management positions both in Canada and the United States. In 2010, he was appointed Vice President, Strategic Advisory and went on to hold several strategic positions in this field, leading to the role as President, Residential, Hotels and Real Estate Investment Funds at Ivanhoé Cambridge and afterward to his current role. Sylvain Fortier graduated from McGill University (Montreal, Canada) with a Bachelor's degree in commerce, specializing in finance and real estate. He is a member of the PREA and the National Multifamily Housing Council (NMHC) and is a Director of Théâtre du Nouveau Monde (Montreal).

Gabrielle Gauthey, Independent director

Chairwoman of the Audit and Risk Committee

Age: 56 years old

Nationality: French

First appointment:
GM of 04/18/2018

Office expiry date:
OGM 2022

Domiciled:
46, avenue de Suffren
75015 Paris

Number of shares held: 40

OFFICES HELD AT DECEMBER 31, 2018

- Member of the Supervisory Board of CDC Habitat (formerly SNI)
- Chairwoman of SAS Exterimmo
- Director of Naval group
- Member of the Supervisory Board of Radiall

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Chairwoman of the Board of Directors of Cloudwatt
- Director of Investments and Local Development, member of the Executive Committee of the Caisse des Dépôts group, a French public institution
- Permanent representative of the Caisse des Dépôts et Consignations, Director of GIE Atout France

BRIEF RESUME

Ms. Gabrielle Gauthey is a former student of the École Polytechnique and graduate of Télécom Paris Tech and École des Mines of Paris. A general mining engineer, she has a postgraduate diploma (DEA) in economic analysis. The appointment of Ms. Gabrielle Gauthey enables the Board, in particular, to benefit from her expertise in new technologies and innovation. From February 2015 to March 2018, Ms. Gabrielle Gauthey was Investment and Local Development Director and member of the Management Committee of the Caisse des Dépôts group, a French public institution.

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Claude Gendron, Director

Member of the Governance, Appointment and Compensation Committee and the Audit and Risk Committee

Age: 66 years old

Nationality: Canadian

First appointment:
GM of 04/23/2014

Office expiry date:
OGM 2020

Domiciled:
4898, rue Hutchison
Montreal
(Quebec) H2V 4A3 CANADA

Number of shares held: 40

OFFICES HELD AT DECEMBER 31, 2018

- Special Advisor to the senior management team of Ivanhoé Cambridge
- Director of the McCord Museum Foundation of Montreal

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Senior partner at the Fasken Martineau Du Moulin LLP Law Firm
- Executive Vice President for Legal Affairs and Head of Litigation of Ivanhoé Cambridge and companies affiliated to the Ivanhoé Cambridge group
- Member of the Ivanhoé Cambridge Executive Committee

BRIEF RESUME

Claude Gendron is a professional lawyer. He holds the position of Special Advisor to the senior management team of Ivanhoé Cambridge, a real estate subsidiary of the Caisse de Dépôt et Placement du Québec, one of the largest institutional fund managers in Canada. Until 2017, Mr. Gendron was Executive Vice President, Legal Affairs and General Counsel at Ivanhoé Cambridge and a member of its Executive Committee. Claude Gendron holds a degree in business administration from the University of Ottawa (Canada) in addition to a BA and MA in business law from the University of Montreal (Canada). Specialized in financial and real estate transactions for more than 30 years, he started as a legal adviser at the Banque Nationale du Canada, a leading Canadian bank (1975 to 1980). Claude Gendron then continued his career in law firms by joining Fasken Martineau DuMoulin, a leading international business law firm, where he was the senior partner (1998-2013) before joining Ivanhoé Cambridge.

Jacques-Yves Nicol, Independent director

Age: 68 years old

Nationality: French

First appointment:
GM of 05/10/2010

Office expiry date:
OGM 2022

Domiciled:
7, rue Brunel
75017 Paris

Number of shares held: 45

OFFICES HELD AT DECEMBER 31, 2018

- Member of the Club des Présidents de Comité d'Audit of the IFA

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- None

BRIEF RESUME

Jacques-Yves Nicol graduated from ESSEC Business School and completed postgraduate studies in Economics. He was Managing Director of the ESSEC group Alumni Association, after being the Managing Director (France) of Aberdeen Property Investors and Tishman Speyer Properties. He has also held posts at Bank of America in France and internationally, at Bouygues (CFO and Deputy General Manager for Spain), then with the AXA group as Managing Director of AXA Immobilier, then responsible successively for overseeing life-insurance activities in Asia-Pacific and the South Europe/Middle East area of AXA. He is a member of the Club des Présidents de Comité d'Audit of the Institut français des administrateurs.

Inès Reinmann Toper, Independent director

Chairwoman of the Governance, Appointment and Compensation Committee and member of the Audit and Risk Committee

Age: 61 years old

Nationality: French

First appointment:
GM of 04/17/2012

Office expiry date:
OGM 2020

Domiciled:
57, bd du Commandant Charcot
92200 Neuilly-sur-Seine

Number of shares held: 46

OFFICES HELD AT DECEMBER 31, 2018

- Independent Director and Member of the Audit Committee of Cofinimmo(1)
- Vice-Chair of the Supervisory Board of SAS Cleveland(2)
- Director of:
  - AINA Investment Fund (Luxembourg)(2), SICAV
  - Orox Asset Management (Geneva) SA(2)
- Observer for OPCI Lapillus
- Member of the Club de l'Immobilier Île-de-France
- Member of the Cercle des Femmes de l'Immobilier
- Fellow of The Royal Institution of Chartered Surveyors

OFFICES AND FUNCTIONS EXERCISED DURING THE PAST FIVE YEARS AND TERMINATED

- Chairman of Acxior Immo
- Partner at Acxior Corporate Finance
- Director of Acxior Corporate Finance
- Co Joint leader of the Innovative Financing group – Plan Bâtiment Grenelle 2
- Member of the Management Board of EDRCF (Edmond de Rothschild Corporate Finance)

BRIEF RESUME

After studying law (post-graduate degree in property law), Inès Reinmann Toper worked for Dumez SAE and Bouygues, then continued her career with Coprim (Société Générale group), first as Development Director, then as Operational Director and lastly as Corporate Real Estate Commercial Director. From 2000 to 2004, she was the CEO of Tertial, then between 2004 and 2007 was Director of the Icade Commercial Property Market, President of EMGP, President of Tertial and a Board member of Icade Foncière des Pimonts. Between 2007 and 2010, she occupied the position of Managing Director Continental Europe at Segro Plc. She was also a Director of that company. From 2010 to 2014, she was the partner in charge of the real-estate subfund of Acxior Corporate Finance. She is a Real Estate Managing Partner at Edmond de Rothschild Corporate Finance Management Board, and Director of Cofinimmo. She is also a Fellow of the Royal Institution of Chartered Surveyors. In addition, she is a member of the Club de l'Immobilier Île-de-France and the Cercle des Femmes de l'Immobilier.

(1) Listed company.

(2) Edmond de Rothschild group company.

Diversity of the structure of the Board of Directors

The Board of Directors integrates a diversification goal in its structure in terms of the representation of women and men, nationalities, age, qualifications and professional experiences, as recommended by the AFEP-MEDEF Code and its internal regulations (Article 7) which stipulate that "The Board shall regularly examine the desired balance of its structure and that of its Committees especially with respect to the representation of women and men, nationalities and diversity of skills."

The Board of Directors ensures that each movement in its structure is compliant with this goal in order to be able to carry out its tasks under the best conditions. Accordingly, to date, the members of the Board of Directors:

- include two different nationalities (French and Canadian);
- respect gender parity with a 50% representation of women on the Board;
- 60% are independent Directors in accordance with the independence criteria of the AFEP-MEDEF Code; and
- have a range of diverse and complementary expertise, notably in the areas of real estate, finance, accounting, management, law, CSR, risk management and new technologies. Their expertise is detailed in the biographies above, which list the functions and offices held by each of the Directors, as well as the experience and skills thereof. They are also summarized in the table below.

Main areas of expertise of the company Directors

Administration and Management	10
International experience	10
Real Estate	8
Finance and Accounting	8
Banking and Insurance	6
Risks and Audit	5
Human Resources	4
CSR	4
New and Digital technologies	4
Law	3

In line with actions undertaken since 2014, the Board of Directors confirmed its intention to comply with the recommendations of the AFEP-MEDEF Code and the AMF, in terms of diversity of its members, particularly regarding independent Directors, the balanced representation of women and men, and the skills of the Directors.

As such, upon recommendations of the Governance, Appointment and Compensation Committee, the Combined General Meeting of April 18, 2018 was asked to approve the appointment of Ms. Gabrielle Gauthey as independent Director to replace Ms. Isabelle Courville who had resigned as independent Director. Following a selection process carried out with the assistance of an external firm, Ms. Gabrielle Gauthey was selected, with a view to further diversifying the skillset of the current Board of Directors.

In 2018, the company was once again praised for the results of its policy to increase the number of women on the Board of Directors and other executive bodies of the company. For the third consecutive year, Gecina retained its leading position obtained in 2016 in the ranking of companies with female executives on the SBF 120 compiled by Ethics & Boards for the Secretary of State for equality between women and men and the fight against discrimination.

The results achieved in terms of parity and professional equality between men and women were also praised by the French President at the International Women's Day on March 8, 2018.

The Board also aims to preserve the diversity it has created.

In addition, gender balance is also sought within the Executive Committee, among the 10% of employees with the greatest responsibility and, more generally, at company and Group levels. For many years, the company has implemented a human resources management policy designed to attract all talents in their diversity and to build loyalty by taking their specific needs into account. To this end, tools and programs are developed by the company to manage, in particular, the issues of gender balance and equality. In order to ensure these issues are monitored, they are integrated into company agreements, steered by indicators, reflected in objectives where applicable, and presented periodically to employee representatives. This commitment to gender balance has been acknowledged in real terms by the company's pole position in the Ethics & Board ranking on the Feminization of Governing Bodies since 2016 and the percentage of women which stands at 50% of the Board of Directors, 33% of the Executive Committee and 41% of the 10% of positions considered to carry the "greatest responsibility".

Training of Directors

In the context of the introduction of new Directors, and pursuant to the AFEP-MEDEF Code recommendation relating to the training of Directors, documentation on the key subjects of the company ("Director's kit") has been distributed to the latter.

Meetings with the company's senior officers were also organized in 2018 for the Directors.

In addition, a budget was allotted for the training of Directors and the use of external consultants by the Board of Directors and its Committees. As such, in 2018, training specific to the Audit and Risk Committee was given to its members.

Independent Directors

Each year, after seeking the opinion of the Governance, Appointment and Compensation Committee, the Board of Directors reviews the status of each of its members in relation to the independence criteria listed in Article 8 of the AFEP-MEDEF Code, namely:

Criterion 1: Employees and corporate officers during the preceeding 5 years
Must not be, or have been during the preceeding five years:
- an employee or executive corporate officer of the company;
- an employee, executive corporate officer or Director of an entity consolidated by the company;
- an employee, executive corporate officer or Director of the parent company of the company or a company consolidated by said parent company.

Criterion 2: Inter-related offices
Must not be an executive corporate officer of a company in which the company directly or indirectly holds a Director mandate, or in which an employee who has been appointed as such or an executive corporate officer of the company (currently or at any time in the last five years) holds a Director mandate.

Criterion 3: Significant business relationships
Must not be a client, supplier, investment banker, commercial banker or adviser:
- of significance to the company or its Group;
- or for which the company or its Group represent a significant amount of business.

The assessment of the nature (significant or not significant) of the relationship between the company or its Group is made by the Board on the basis of quantitative and qualitative criteria (*e.g.* continuity, economic dependence, exclusivity, etc.), as set out in the Corporate Governance report.

Criterion 4: Family ties
Must not have any close family ties with a corporate officer.

Criterion 5: Statutory Auditors
Must not have served as a Statutory Auditor for the company at any time in the last five years.

Criterion 6: Term of office exceeding 12 years
Must not have been a Director of the company for more than 12 years. The loss of independent Director status occurs on the 12th anniversary.

Criterion 7: Status of non-executive corporate officers
A non-executive corporate officer cannot be considered independent if he/she receives variable compensation in cash or securities or any performance-based compensation from the company or the Group.

Criterion 8: Status of major shareholder
Directors representing major shareholders of the company or its parent company may be considered independent provided these shareholders are not actively involved in the control of the company. However, if Directors hold more than 10% of the share capital or voting rights, the Board, acting on the basis of a report issued by the Governance, Appointment and Compensation Committee, must systematically investigate compliance with the independence criteria, taking account of the shareholder structure of the company and the existence of any potential conflicts of interest.

CRITERIA[1]	Criterion 1: *Employees and corporate officers during the preceeding 5 years*	Criterion 2: *Inter-related offices*	Criterion 3: *Significant business relationships*	Criterion 4: *Family ties*	Criterion 5: *Statutory Auditors*	Criterion 6: *Term of office exceeding 12 years*	Criterion 7: *Status of non-executive corporate officer*	Criterion 8: *Status of major shareholder*	Classification made by the Board of Directors
Mr. Bernard Carayon	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Ms. Méka Brunel	×	×	✓	✓	✓	✓	✓	✓	Not independent
Ms. Laurence Danon Arnaud	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Predica Mr. Jean-Jacques Duchamp	✓	✓	✓	✓	✓	×	✓	×	Not independent

CRITERIA[1]	Criterion 1: *Employees and corporate officers during the preceeding 5 years*	Criterion 2: *Inter-related offices*	Criterion 3: *Significant business relationships*	Criterion 4: *Family ties*	Criterion 5: *Statutory Auditors*	Criterion 6: *Term of office exceeding 12 years*	Criterion 7: *Status of non-executive corporate officer*	Criterion 8: *Status of major shareholder*	Classification made by the Board of Directors
Ms. Dominique Dudan	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Ivanhoé Cambridge Inc. Mr. Sylvain Fortier	✓	✓	✓	✓	✓	✓	✓	×	Not independent
Ms. Gabrielle Gauthey	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Mr. Claude Gendron	✓	✓	✓	✓	✓	✓	✓	×	Not independent
Mr. Jacques-Yves Nicol	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Ms. Inès Reinmann Toper	✓	✓	✓	✓	✓	✓	✓	✓	Independent

(1) In this table, ✓ represents a criterion of independence that is fulfilled and × represents a criterion of independence that is not.

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Attendance of the Directors at Meetings of the Board of Directors and the Committees in 2018

	Attendance at Board of Directors' Meetings	Attendance at Strategic and Investment Committee Meetings	Attendance at Audit and Risk Committee Meetings	Attendance at Governance, Appointment and Compensation Committee Meetings
Mr. Bernard Carayon Chairman of the Board of Directors	100%	100%	N/A	N/A
Ms. Méka Brunel Chief Executive Officer and Director	100%	100%	N/A	N/A
Ms. Laurence Danon Arnaud Director	90%	N/A	100%	100%
Mr. Jean-Jacques Duchamp (Predica) Director	100%	100%	100%	N/A
Ms. Dominique Dudan Director	100%	N/A	100%	N/A
Mr. Sylvain Fortier (Ivanhoé Cambridge Inc.) Director	100%	100%	N/A	N/A
Ms. Gabrielle Gauthey Director	100%	N/A	100%	N/A
Mr. Claude Gendron Director	100%	N/A	100%	100%
Mr. Jacques-Yves Nicol Director	100%	N/A	100%[1]	N/A
Ms. Inès Reinmann Toper Director	100%	N/A	100%	100%

N/A: not applicable.
(1) Mr. Jacques-Yves Nicol was a member and Chairman of the Audit and Risk Committee until July 19, 2018.

Shares held by Directors

As stated in the internal regulations of the Board of Directors, each Director must own at least 40 shares in the company for the duration of his or her term in office.

Directors are responsible for reporting to the Autorité des marchés financiers (French market regulator) within three trading days and with a copy addressed to Gecina, any 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. Transactions carried out by people with close links to the Directors as described by the applicable regulations are also concerned. This reporting obligation applies only when the total sum of transactions carried out over the course of the calendar year exceeds €20,000.

A summary of the transactions carried out in 2018 by managers and/or people to whom they are closely linked, involving company shares, is presented below:

Declarer	Financial instruments	Type of transaction	Number of transactions	Transaction amount
PREDICA SA, member of the Board of Directors	Shares	Dividend paid in shares	1	€25,323,300.00
SWORD INVESTMENT SARL legal entity linked to Ivanhoé Cambridge Inc., Director	Shares	Disposals	1	€472,932,765.00
Méka BRUNEL, Director and Chief Executive Officer	Shares	Dividend paid in shares	1	€14,985.00
	Shares	Acquisition	1	€38,646.42
Nicolas DUTREUIL, member of the Executive Committee	Shares	Acquisition of performance shares	1	€0.00
	Shares	Dividend paid in shares	1	€6,345.00
Philippe VALADE, member of the Executive Committee	Shares	Acquisition of performance shares	1	€0.00
Frédéric VERN, member of the Executive Committee	Shares	Acquisition	1	€98,379.43
Gabrielle GAUTHEY, member of the Board of Directors	Shares	Acquisition	1	€5,680.00
Bernard CARAYON, Chairman of the Board of Directors	Shares	Acquisition	1	€20,800.00

Rules about multiple offices

The internal regulations of the Board of Directors (Article 2), in compliance with the recommendations of the AFEP-MEDEF Code and the applicable provisions in terms of the numbers of corporate officers and Directors, states that:

"Directors should devote the necessary time and attention to their duties and participate, as much as possible, in all Board Meetings and, as applicable, in the Meetings of the Committees to which they belong. A Director shall not hold more than four other offices in listed companies external to the Group, including foreign ones. Where a Director exercises executive functions in the company, such Director must devote his/her time to the management of the company and shall not hold more than two other Directorships in listed companies external to his/her Group, including foreign ones. He/she shall seek the approval of the Board before accepting another corporate office in a listed company."

Furthermore, the Directors' charter (Article 16), which is an appendix to the Board of Directors' internal regulations, specifies that *"The Director undertakes, for any new office of any kind, inside the Group, a French or foreign company, to contact the Chairman of the Board of Directors or the Secretary of the Board of Directors, in order to inform him/her, as necessary, of the conditions for compliance with the regulation applicable to the holding of multiple offices and the principles stemming from this charter"*.

4.1.2 Executive Management procedures

4.1.2.1 Separation of the duties of Chairman of the Board of Directors and Chief Executive Officer

The Board of Directors considers that the separation of duties is the most suitable form of governance for the company's activity, as it helps to strengthen Strategic and Control functions at the same time as the Operational functions. It should also strengthen governance and allow a better balancing of powers between the Board of Directors on the one hand, and the CEO on the other.

4.1.2.2 Role of the Chairman of the Board of Directors

The Chairman of the Board takes care to develop and maintain a close and regular relationship between the Board and the Executive Management, to guarantee the continuity and consistency of its implementation of the plans set out by the Board.

He is regularly updated by Executive Management on significant events and situations pertaining to the Group and in particular with regard to its strategy, organization, monthly financial reporting, major investment and divestment projects, and major financial transactions. He may request from Executive Management or the Executive Directors of the company, informing the Chief Executive Officer as such, any information required to guide the Board of Directors and its Committees in the performance of their duties.

In the event of a proven failure by or within any of the company's bodies, the Chairman of the Board shall take the necessary steps to remedy the situation as quickly as possible.

He alone may speak on behalf of the Board, except in exceptional circumstances where a specific mandate has been given to another Director.

During the 2018 financial year, no specific duties, other than those provided for by law, were carried out by Mr. Bernard Carayon, Chairman of the Board of Directors.

4.1.2.3 Powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in the company's name under any and all circumstances.

As an internal measure and pursuant to the provisions of Article 4.1.2 of the internal regulations, the Board of Directors has set limits to the CEO's powers.

Accordingly, pursuant to Article 4.1.2 of the Board of Director's internal regulations and the law, the Chief Executive Officer may not grant any endorsement, deposit or guarantee to third parties without the express prior authorization of the Board of Directors. The Board's internal regulations also provide that the CEO be specifically required to obtain the authorization of the Board of Directors for any significant decision beyond certain thresholds and/or falling outside the scope of the annual budget and the strategic business plan or are related to their change or for any decision likely to involve a conflict of interest between a member of the Board of Directors and the company or leading to a change in the company's corporate governance or share capital.

Authorizations for guarantees, endorsements and deposits – Article L. 225-35 of the French Commercial Code

The Board of Directors' Meeting of February 21, 2018 renewed the authorization given to the CEO, with an option to subdelegate 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, (ii) €50 million on behalf of third parties, and (iii) without limit for guarantees made to tax and customs authorities, and to continue with any deposits, endorsements and guarantees granted previously.

Commitments made by Gecina in previous financial years, which were still in effect as at December 31, 2018, represented a total of €441 million.

4.1.3 Conditions for the preparation and organization of the Board of Directors' work

The procedures for the Board of Directors' organization and operation are governed by the company's bylaws and by the internal regulations of the Board of Directors. These internal regulations were adopted by the Board of Directors on June 5, 2002 and are regularly reviewed by the Board of Directors. They have been amended whenever necessary, as well as the appendices mentioned below, to reflect the regulatory context, marketplace recommendations and changes in corporate governance.

Attached to these regulations are: the Director's charter, the charter of the representative of the Works Council on the Board of Directors and the internal regulations of the Governance, Appointment and Compensation Committee, of the Audit and Risk Committee, and of the Strategic and Investment Committee.

Some sections of the Board of Directors' internal regulations are reproduced in this report. They are also available on the company's website, in accordance with AMF recommendation 2012-02 as updated.

4.1.3.1 Role of the Board of Directors

In accordance with Article 3 of its internal regulations, the Board of Directors:

- sets the strategies for the company's business and oversees their implementation, in particular through management control;
- addresses any issues relating to the effective performance of the company and, through its deliberations, resolves any issues affecting said performance and carries out any controls and checks that it deems appropriate;
- is kept regularly informed about changes in the Group's activities and property holdings, as well as its financial situation and cash flow. It is also informed about any significant commitments made by the Group;
- decides, in the context of authorizations given by the Shareholders' General Meeting, on any transactions leading to a change in the company's share capital or the issue of new shares and, more generally, deliberates on issues falling under its legal or regulatory authority. In addition, any significant transaction that does not fall within the company's stated strategy, including major investments for organic growth or company restructuring, is subject to the prior approval of the Board of Directors;
- reviews and approves prior to their implementation, as an internal measure, the deeds, transactions and commitments that fall under the restrictions to the powers of the Chief Executive Officer, defined and set out in Article 4.1.2. of its internal regulations (see section 4.1.2 above);
- 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;
- presents to the Annual Ordinary General Meeting the compensation of corporate officers in accordance with the recommendations of the AFEP-MEDEF Code and the applicable legal provisions;
- deliberates annually on the company's policy with respect to professional and wage equality, in accordance with the applicable legal provisions.

As part of the exercise of their duties, the Directors are entitled to meet with the company's key senior management, in the presence or absence of the CEO and of the Chairman of the Board of Directors, after submitting a prior request to the Chairman of the Board of Directors and informing the CEO thereof.

Directors can organize Work Meetings on specific subjects in order to prepare, if necessary, Board of Directors' Meetings, including without the presence of the CEO or the Chairman. In this case, the Chairman or the CEO shall be informed thereof in advance.

Furthermore, the Board of Directors:

- undertakes to promote the long-term creation of value by the company taking account of the social and environmental challenges of its activities. It proposes, where applicable, any statutory changes that it deems appropriate;
- regularly examines, in line with the strategy it has defined, opportunities and risks such as financial, legal, operational, social and environmental risks, and the measures taken in response to these. To this end, the Board of Directors shall receive all the information necessary to the performance of its role, notably from the corporate executive officers;
- ensures, where appropriate, the implementation of a procedure for preventing and detecting corruption and influence peddling. It shall receive all necessary information to this effect;
- it also ensures that the executive corporate officers adhere to an anti-discrimination and diversity policy, particularly with regard to a balanced representation of gender within its executive bodies.

4.1.3.2 Organization and frequency of Board of Directors' Meetings

The Board of Directors meets whenever necessary but at least four times a year, these Meetings being normally convened by its Chairman. The Directors making up at least one third of the members of the Board of Directors may, upon indicating the agenda of the Meeting, convene the Board at any time. The Chief Executive Officer may also ask the Chairman to convene a Board Meeting on a specific agenda. Decisions are taken by a majority vote of the members present or represented. In the event of a tie, the Chairman of the Meeting does not have a casting vote.

Article 14 of the bylaws and Article 6 of the Board's internal regulations allow Directors to meet and take part in the Board's deliberations using video-conferencing or telecommunications facilities, or any other means provided for under French law. They are deemed present using such facilities for calculating the *quorum* and majority votes, except for the adoption of decisions described in Articles L. 232-1 and L. 233-16 of the French Commercial Code, namely approval of annual financial statements and the management report and approval of the 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 do not, however, prevent any Directors excluded from *quorum* and majority calculations from taking part in Meetings and giving their opinion on an advisory basis.

Number of Meetings and average attendance rate for the 2018 financial year

TYPE OF MEETINGS	Number of Meetings	Average attendance rate
Board of Directors	10	97%
Strategic and Investment Committee	7	100%
Audit and Risk Committee	8	100%
Governance, Appointment and Compensation Committee	7	100%

4.1.3.3 Activities of the Board of Directors in 2018

In addition to the performance by the Board of Directors of its duties in accordance with the provisions of the law and market recommendations, 2018 was notably marked by the effective implementation of the Group's forward-looking and client-focused strategy.

The Board met ten times, with an attendance rate of 97%.

Monitoring of the Group's routine management

The Board of Directors is regularly informed about changes in the Group's activities and property holdings, as well as its financial position and cash flow. To this end, the Executive Management presents an overview of the Group's business (landing forecast, rental management, disposals and investments, financing and overheads) at each Board of Directors' Meeting.

During 2018, the Board of Directors set up the Group's 2017 annual and consolidated financial statements, the consolidated financial statements for the period ended June 30, 2018, reviewed business at March 31 and September 30, 2018, and set up management forecasts, press releases as well as the annual and half-year financial reports and the Reference Document. It monitored the execution of the budget for the 2018 financial year and approved the budget for the 2019 financial year and ruled on the streamlining of the Eurosic and Foncière de Paris bond issues.

The Board of Directors noted the capital increases resulting from subscriptions by members of the Group's savings plan and performance share and stock option plans. It approved in principle the capital increase relating to the issue of new shares following the decision to allow shareholders to receive the balance of the 2017 dividend in shares and set the issue price of the shares issued in payment. It also renewed the authorization given to the CEO to grant deposits, endorsements and guarantees on behalf of the company within the limits restated above (see paragraph 4.1.2.3).

Pursuant to Article L. 225-40-1 of the French Commercial Code, the Board of Directors, after reviewing the related-party agreements signed and authorized in prior years whose performance continued in 2017, duly noted the continuation of these agreements.

Governance

The Board of Directors, at its Meeting of April 18, 2018, appointed Mr. Bernard Carayon as Chairman of the Board of Directors to replace Mr. Bernard Michel who on that date had reached the age limit set out in the company bylaws for the Chairman of the Board of Directors and whose term of office as Director expired at the end of the Annual General Meeting of April 18, 2018.

Furthermore, the Board of Directors, on a recommendation from the Governance, Appointment and Compensation Committee, proposed to the Annual General Meeting of April 18, 2018 the appointment de Ms. Gabrielle Gauthey to replace Ms. Isabelle Courville who resigned at the end of this Annual General Meeting.

In line with actions undertaken since 2014, the Board of Directors confirmed its intention to follow the recommendations of the AFEP-MEDEF Code and the AMF, in particular regarding the appointment of independent Directors, gender representation and the expertise of Directors (see the diversity policy described in paragraph 4.1.1).

At its Meeting of July 19, 2018, the Board of Directors reviewed the structure of its Audit and Risk Committee and appointed Ms. Gabrielle Gauthey as its Chairwoman, replacing Mr. Jacques-Yves Nicol who had resigned, and appointed Ms. Laurence Danon Arnaud as a member of the Committee.

With respect to compensation, the Board of Directors expressed its opinion on the various compensation elements concerning Ms. Méka Brunel, Chief Executive Officer, as well as the new Chairman of the Board of Directors, Mr. Bernard Carayon, and the Directors of the Board (see section 4.2). In this respect, the Board of Directors, assisted by the Governance, Appointment and Compensation Committee ensured compliance with the provisions of the AFEP-MEDEF Code and AMF recommendations on executive and Directors' compensation.

Authorization for real estate acquisition/development and disposal transactions in line with the defined strategy

The Board of Directors has ensured the implementation of the strategy with the objective of reinforcing its leadership on the Paris office property market, delivering yield and creating value for the company's shareholders, taking a total return approach.

To this end, it ruled on a variety of investing activities.

Continuing the CSR and innovation strategy

The Board of Directors continued its deliberations on its innovation and CSR strategy.

The Board of Directors also reviewed the 2017 report on the comparative situation as presented to it by the company Secretary in charge of human resources, and duly noted the company's policy with respect to professional and wage equality.

Risk management and monitoring of disputes

The Board of Directors, assisted by the Audit and Risk Committee, has continued to ensure the existence of reliable procedures for identifying, controlling and evaluating the company's commitments and risks. In this respect, the works of the Audit and Risk Committee in the field have been extensively reported to the Board of Directors.

General Data Protection Regulation (GDPR)

Following the entry into force on May 25, 2018 of the GDPR, the Board of Directors rapidly took these new issues into account and implemented numerous actions to ensure its compliance with the regulation including the appointment of a Data Protection Officer (DPO), the drafting of data protection policies and the creation of a data processing file.

4.1.3.4 Board of Directors' Committees in 2018

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 and Investment Committee;
- the Audit and Risk Committee; and
- the Governance, Appointment and Compensation Committee.

The internal regulations of each of these Committees specify their operating principles and roles.

The Committees systematically submit an executive summary of their findings to the Board of Directors.

Furthermore, the Committees may call upon any expert of their choice to assist them in their duties (after having informed the Chairman of the Board of Directors or the Board of Directors itself), at the expense of the company. The Committees shall verify, where applicable, the objectivity, competence and independence of said expert.

Strategic and Investment Committee

Structure	**4 members, of which 1 independent** ▪ Ivanhoé Cambridge Inc., represented by Mr. Sylvain Fortier, Chairman of the Committee ▪ Ms. Méka Brunel ▪ Mr. Bernard Carayon ▪ Predica, represented by Mr. Jean-Jacques Duchamp
Main duties	**The Committee:** ▪ reviews the strategic projects presented by Executive Management, including their economic and financial consequences (budget, financing structure, including cash flow forecasts); ▪ provides guidance to the Board through its analysis of the strategic plans submitted to it by Executive Management, on developments and the progress of ongoing significant transactions; ▪ examines information on market trends, reviews the competition and the resulting medium- and long-term outlook; ▪ examines the company's long-term development projects specifically with respect to external growth, especially those 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; ▪ evaluates the Corporate Social Responsibility policies proposed by Executive Management and ensures the integration of such policies in the company's strategy. It also monitors their development and improvement to guarantee the company's growth. 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.
2018 Work	**The Committee met seven times, with an attendance rate of 100%.** During these Meetings, the Committee notably: ▪ examined the annual, half-year and quarterly financial statements and reviewed the dividend distribution policy, proposing the payment in shares of the 2017 final dividend; ▪ issued recommendations in relation to various acquisition, disposal and asset development projects following an in-depth examination of their economic, financial and strategic consequences; ▪ received a presentation from Executive Management on the strategic plans and issued recommendations notably relating to the Group's brand policy; ▪ reviewed the financial delegation proposals presented to the Annual General Meeting; ▪ ensured the proper monitoring of the Group's CSR and innovation policy; ▪ checked the execution of the 2018 budget and analyzed the 2019 budget proposal.

Audit and Risk Committee

The Committee operates and performs its tasks in accordance with Articles L. 823-19 and L. 823-20 of the French Commercial Code (transposing the EU Directive of May 17, 2006), the AFEP-MEDEF Code, the works of the IFA and the IFACI, and specifically the works of the EPRA.

Structure	**6 members, of which 4 independent and no executive corporate officers** ▪ Ms. Gabrielle Gauthey, Chairwoman of the Committee ▪ Ms. Laurence Danon Arnaud ▪ Ms. Dominique Dudan ▪ Mr. Claude Gendron ▪ Predica, represented by Mr. Jean-Jacques Duchamp ▪ Ms. Inès Reinmann Toper The Chair of the Committee has a casting vote in the event of a tie. All members have specific expertise in financial or accounting matters, presented in greater detail under section 4.1.1.
Main duties	**The Committee gives the Board of Directors 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 (including the pre-approval of the provision of services other than certification of accounts), and the performance of their legal audit duties with respect to the annual and consolidated financial statements; ▪ the process for appointing appraisal experts and the performance of their engagement; ▪ financial policy and financing plans; ▪ risk mapping, quality, internal control and their effectiveness; ▪ the operation and assignments of Internal Audit; ▪ the main risks linked to sensitive judicial cases/proceedings. 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. As part of its work, the Committee ensures that the timelines for the provision and review of the financial statements are sufficient.
2018 Work	**The Committee met eight times, with an attendance rate of 100%**. During these Meetings, the Committee notably: ▪ examined the results of the appraisals of the property assets as at December 31, 2017 and June 30, 2018, the annual and consolidated financial statements for the 2017 financial year and the consolidated financial statements at June 30, 2018, reviewed business at March 31 and September 30, 2018, examined the situation of financing and hedging plans, as well as the 2019 budget. On these occasions, it examined the clarity and reliability of the information communicated to shareholders and to the market by reviewing the draft press releases. It studied the management report; ▪ conducted a review of rental, legislative, financial, technological and fraud risks, and risks related to CSR;

2018 Work	▪ examined the work plan, the Internal Audit reports and the financing, hedging and banking relations plan. At these Meetings, Internal Audit submitted presentations on its review of off-balance sheet commitments and risk mapping. The Committee also reviewed the draft analysis of risk exposure and performed an in-depth analysis of certain risks and certain aspects of internal control. In addition, it was kept informed of changes in sensitive judicial cases/procedures in order to examine associated risks and provisions, where applicable; ▪ examined the risks and the accounting and financial treatment of significant acquisition and disposal transactions. The Committee also examined the impacts and risks associated with the share buyback program; ▪ reviewed the budget for the Statutory Auditors and verified the independence thereof, having specifically in this respect, and in accordance with applicable regulations, granted pre-approval of the duties and services, other than certification, assigned to the Statutory Auditors. Statutory Auditors systematically participate in the Committee's works relating in particular to the different presentations of accounts, and presented to the Committee the results of the legal audit, the review of certain aspects of internal control and the recommendations issued as well as the selected accounting options. Furthermore, the Committee held an in-depth Meeting with the Statutory Auditors, without the presence of management; ▪ continued to devote a portion of its time to the research into and analysis of the EU Audit Reform, covering in particular the increased role of the Audit Committee in terms of the selection of auditors, auditor independence and the pre-approval of services other than the certification of accounts, as well as the enhanced prerogatives of the French auditors' council (*Haut Conseil du Commissariat aux Comptes*); ▪ reviewed current regulations (EU Audit Reform, Sapin II Law/Fight against corruption, EU General Data Protection Regulation "GDPR") and accounting requirements (European Accounting Directive, IFRS 9, 14 and 16); ▪ checked the existence of a process for appointing the independent third party tasked with verifying CSR information and issued a recommendation on the selection of the latter.

Governance, Appointment and Compensation Committee

Structure	**3 members, of which 2 independents and no executive corporate officers** ▪ Ms. Inès Reinmann Toper, Chairwoman of the Committee ▪ Ms. Laurence Danon Arnaud ▪ Mr. Claude Gendron The Chair of the Committee has a casting vote in the event of a tie.
Main duties	**The Committee:** ▪ reviews the operation of the Board of Directors and its Committees and makes proposals to improve corporate governance; ▪ leads discussions on the Committees in charge of preparing the Board of Directors' work; ▪ supervises the Board of Directors' assessment procedure; ▪ examines the structure of the company's executive bodies and prepares a succession plan for corporate officers and Directors; ▪ makes proposals to the Board of Directors on all aspects of officers' compensation. The Committee may invite officers and executives of the company and its subsidiaries, Statutory Auditors and, more generally, any person who may be of assistance in achieving its goals, to its Meetings.
2018 Work	**The Committee met seven times, with an attendance rate of 100%.** At these Meetings, the Committee addressed various issues related to governance, appointment and compensation. **With regard to governance and appointments, the Committee notably:** ▪ reviewed the independence of the Directors; ▪ issued recommendations relating to the role of Chairman of the Board of Directors within the context of the appointment of Mr. Bernard Carayon, who replaced Mr. Bernard Michel; ▪ committed, at the request of the Board of Directors, to the recruitment of a female independent Director, with the assistance of an external firm selected for this purpose. At the end of this process, the Committee recommended that the Board of Directors propose, at the General Meeting of April 18, 2018, the appointment of Ms. Gabrielle Gauthey, to replace Ms. Isabelle Courville who resigned on this date. On this occasion, the Committee paid special attention to diversifying the composition of the Board of Directors in terms of establishing a balanced representation of gender and expertise; ▪ issued recommendations relating to the structure and chairmanship of the Audit and Risk Committee following the resignation of Mr. Jacques-Yves Nicol from his position as member and Chairman of the Committee; ▪ continued its work on the succession plan for executive corporate officers. This plan, which was reviewed regularly by this Committee, envisages various continuity solutions depending on the duration for which the executive corporate officer in question is unavailable: ▪ expressed an opinion on those Directors who may qualify as being independent; ▪ supervised the assessment work of the Board of Directors (see section 4.1.3.5) and issued recommendations to the Board of Directors.

2018 Work	**With regard to compensation, the Committee notably:**
	▪ examined the elements of the compensation of Ms. Méka Brunel, CEO. In this respect, the Committee ensured compliance with the principles laid down in the AFEP-MEDEF Code: exhaustiveness, balance between compensation elements, comparability, coherence, intelligibility of rules and measure; ▪ reviewed the elements of the compensation of Mr. Bernard Michel, Chairman of the Board of Directors until April 18, 2018; ▪ issued recommendations relating to the compensation of Mr. Bernard Carayon, Chairman of the Board of Directors from April 18, 2018, in accordance with the compensation policy adopted by the Annual General Meeting of April 18, 2018; ▪ reviewed draft press releases related to the elements of the compensation of executive corporate officers which were made public immediately after the Board Meeting at which they were approved; ▪ was informed of the compensation policy for key non-executive corporate officers; ▪ debated the use of the budget for and the calculation method of attendance fees in respect of 2018. In addition, the Committee analyzed current regulations, notably the Sapin II Law introducing the Board of Directors' report on corporate governance. The Committee also familiarized itself with the company's Human Resources policy and its policy pertaining to professional gender equality. It also monitored the integration of the Eurosic teams following the company's acquisition of the latter. Over the course of the 2018 financial year, the Chairman of the Board of Directors was invited to attend certain Committee Meetings that covered the appointment of Directors and the succession plan for corporate officers. Similarly, the Chief Executive Officer was invited to attend certain Committee Meetings that covered, in particular, the compensation of Executive Committee members.

4.1.3.5 Evaluation of the Board of Directors' work and the performance of Executive Management

The rules for evaluating the Board of Directors' work are defined in its internal regulations (Article 7):

- annual discussion of its operating principles and those of its Committees;
- potential discussion once a year, excluding corporate officers and chaired by the Chairman of the Governance, Appointment and Compensation Committee, relative to the quality of the company's management, its relations with the Board of Directors 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.

Pursuant to the decision of the Board of Directors, the assessment of its work and that of its Committees in 2018 was carried out by an external firm specializing in this area.

The assessment of the functioning of the Board of Directors was conducted by means of interviews of all Directors on the basis of an interview guide previously validated with the Chairman of the Governance, Appointment and Compensation Committee, and the Board Secretariat.

The questionnaire and the interviews addressed the following main themes:

- the expectations of Directors ;
- the organization and operation of the Board of Directors;
- relationships between the Board of Directors and the Committees;
- organization and operation of Committees;
- the composition of the Board of Directors and the Directors' compensation;
- the areas of competence of the Board of Directors and its working methods;
- relationships between the Board of Directors and the Executive Management, shareholders and stakeholders.

This evaluation work gave rise to a report that was prepared and presented to the Governance, Appointment and Compensation Committee on February 18, 2019 and to the Board of Directors on February 19, 2019. An item was placed on the agenda of these Meetings.

Through this assessment, the Directors expressed their satisfaction, particularly in the following areas:

- Board Meetings with appropriate and well-managed agendas, under the leadership of the new Chairman of the Board, and with sufficient time set aside for discussion;
- the compliance of the Board's operation with corporate governance rules;
- the efficiency of the Board Secretariat;
- the effective functioning of the various Board Committees and the successful completion of their duties;
- the active contribution of each member of the Board;
- the reinforcement of the complementarity of the skills and expertise present in the Board, embodied by the recent integration of new members;
- the high quality, in both substance and form, of files presenting strategic decisions submitted to the Board;
- the holding of a strategic seminar whose organization and content reflected genuine progress.

Some Directors expressed a desire for improvement in the following areas:

- the continuation of efforts to synthesize the reporting of the work of certain Board Committees, including the Audit and Risk Committee;
- the effective formalization of the executive session (Board meeting without the presence of the Executive Management), choosing the appropriate format and frequency;
- the reinforcement, already in progress, of the Directors' grasp of the company's internal organization;
- the establishment of a formal integration program for future members of the Board.

4.1.4 Conflicts of interest among the administrative bodies and Executive Management

The internal regulations of the Board of Directors and the Directors' charter, in accordance with the AFEP-MEDEF recommendations, set out the rules to be followed by Directors in the area of prevention and management of conflicts of interests.

Article 2 of the Board of Directors' internal regulations state that *"The Director shall inform the Board of any situations of conflict of interest, even potential, and shall refrain from participating in the vote on the corresponding deliberation".*

Article 14 of the Directors' charter provides further clarity on the issue by stating that: *"The Director undertakes to ensure that the interests of the company and of all its shareholders prevail under all circumstances over direct or indirect personal interests.*

Any Director who may, even potentially, be it directly or through an intermediary in a situation of conflict of interests with respect to the corporate interest, owing to the duties that he or she performs and/or the interests that he or she owns elsewhere, undertakes to inform the Chairman of the Board of Directors or any person designated by said Chairman. In the event of a conflict of interests, the Director shall refrain from participating in the debates and decision-making on the issues concerned and may have to leave the Board Meeting during the debates or voting, where necessary. This rule shall be waived if all Directors have to abstain from taking part in the vote owing to the application of this rule.

Pursuant to the law, each Director shall communicate to the Chairman of the Board any agreement to be concluded directly or by the intermediary of another person, with the company or its subsidiaries, except where it is not material for any of the parties owing to its object or financial implications.

Regarding a legal entity which is a Director, the agreements concerned are those concluded with the company itself and the companies that it controls or which control it as defined by Article L. 233-3 of the French Commercial Code. The same applies for agreements in which the Director is indirectly interested.

The Director may, for any ethical issue, even occasional, consult the Chairman of the Board of Directors or the Chairman of the Governance, Appointment and Compensation Committee."

Each year, the Governance, Appointment and Compensation Committee devotes a point of its agenda to reviewing potential situations of conflict of interest.

For transactions for which there could be a conflict of interests (acquisition, disposal of assets, etc.), the Board of Directors ensures that the aforesaid rules are strictly followed. Furthermore, the information or documents linked to such transactions are not disclosed to the Directors in such situations of conflicts of interests, even potential ones.

To Gecina's knowledge:

- no member of the Board of Directors has been convicted of fraud in the last five years;
- none of its members have held senior positions in companies subject to bankruptcy, receivership or liquidation proceedings 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 have 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 the knowledge of Gecina, (i) there exist no arrangements or agreements entered into with the major shareholders, clients, suppliers or other parties, by virtue of which any of the Directors were selected, (ii) there exist no restrictions other than those, where applicable, mentioned in section 4.3, accepted by the corporate officers concerning the sale, within a certain period of time, of stake(s) in the share capital, (iii) there exist no service contracts linking members of the administration bodies to Gecina or to any of its subsidiaries providing for the granting of benefits at the end of such a contract.

To the company's knowledge, there is no family link among (i) members of the Board of Directors, (ii) corporate officers of the company and (iii) between the persons referred to under (i) and (ii).

4.1.5 Related-party agreements

Agreements and commitments authorized during the year

No agreement or commitment was submitted for the approval of the Board of Directors during the 2018 financial year.

Agreements and commitments approved in previous years which remained in force during the financial year

Pursuant to the provisions of Article L. 225-40-1 of the French Commercial Code, based on order 2014-863 of July 31, 2014, the agreements and undertakings mentioned above approved in previous financial years and which continued to be performed during the year, were reviewed by the Board of Directors' Meeting of February 21, 2018, which duly noted the continuation of these agreements and commitments, as well as by the Board of Directors' Meeting of February 19, 2019.

Agreement defining the terms and conditions of the severance pay, in the event of the termination of the duties of Ms. Méka Brunel as Chief Executive Officer

The Board of Directors on January 6, 2017, authorized, pursuant to Article L. 225-38 of the French Commercial Code, the conclusion of an agreement defining the terms and conditions of the severance pay, in the event of the termination of the duties of Ms. Méka Brunel as Chief Executive Officer. The terms of this agreement can be summarized as follows:

- a severance pay granted to Ms. Méka Brunel in the event of forced departure. The amount of the payment is based on her seniority as CEO of the company. For seniority of more than two years, the amount of severance pay will be a maximum of 200% of her total gross compensation in respect of her position as CEO (fixed + variable) for the preceding calendar year.
- payment will be subject to the fulfilment of the performance conditions set forth below.
- the severance payment will be made at 100% only if the average of the bonuses for the last two years (N-1 and N-2) ended before termination is equal to or greater than the target bonus.

Performance conditions	Severance pay
Average of the bonuses for the years N-1 and N-2 ≥ target bonus	100%
Average of the bonuses for years N-1 and N-2 ≥ 80% target bonus	80%
Average of the bonuses for years N-1 and N-2 ≥ 70% target bonus	50%
Average of the bonuses for years N-1 and N-2 < 70% target bonus	No severance pay

It is the duty of the Board of Directors to check that these performance-related criteria are satisfied, with the understanding that the Board of Directors may take into account exceptional events that occurred during the year.

The prior authorization of the Board of Directors was based on the fact that this agreement was in the company's interests.

This agreement was approved by the Shareholders' General Meeting of April 26, 2017.

Assistance and consultancy agreement previously signed with Ms. Dominique Dudan, Independent Director at Gecina

The assistance and consultancy agreement signed with Ms. Dominique Dudan on December 7, 2017 continued until March 28, 2018, date on which it ended. It had been authorized by the Board of Directors in respect of regulated agreements.

Ms. Dominique Dudan's total compensation in respect of this assignment amounted to a lump sum of €20,000 excluding tax, of which €10,000 excluding tax and expenses were paid in 2018.

4.1.6 Special conditions governing the attendance of shareholders at General Meetings

The conditions governing shareholders' attendance at General Meetings are specified in Article 20 of the bylaws and are restated in section 8.3 of the Registration Document, in the chapter on legal information.

4.1.7 Summary of financial authorizations

Securities concerned Date of General Meeting (Term of authorization and expiry date)	Restrictions	Use of authorizations
1. Issue with pre-emptive subscription right		
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or the issue of transferable securities (A) GM of April 18, 2018 – 21st resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** €100 million (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million	Issue of 16,850 shares from the stock option plans of 2010
Capital increase by capitalization of reserves, profits or premiums (B) GM of April 18, 2018 – 28th resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** €100 million	None
2. Issue without pre-emptive subscription right		
Capital increase by issue of shares and/or marketable securities giving access to share capital in connection with a public offer (C) GM of April 18, 2018 – 22nd resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** €50 million (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million	None
Capital increase by issue of shares and/or marketable securities giving access to share capital in the event of a public exchange offer initiated by the company (D) GM of April 18, 2018 – 23rd resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** €50 million (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million **Maximum amount of marketable securities representing debt securities** €1 billion	None
Capital increase by issue of shares and/or transferable securities giving access to share capital in connection with a private placement offer (E) GM of April 18, 2018 – 24th resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** €50 million (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million	None
Capital increase as remuneration for contributions in kind (F) GM of April 18, 2018 – 26th resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** 10% of adjusted share capital (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million	None
Issue of shares at a freely-set price (G) GM of April 18, 2018 – 27th resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** 10% of adjusted share capital per year subject to ceilings applicable to (C) & (E)	None
Capital increase through issues reserved for members of the company savings plans (H) GM of April 18, 2018 – 29th resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** €2 million (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million	33,557 shares issued in December 2018

Securities concerned Date of General Meeting (Term of authorization and expiry date)	Restrictions	Use of authorizations
Performance shares (I) GM of April 18, 2018 – 30th resolution (26 months maximum, expiring June 18, 2020)	**Maximum number of existing or yet-to-be-issued performance shares** 0.5% of share capital on the day of the decision by the Board of Directors to grant **Shares granted to executive corporate officers:** Maximum 0.2% of share capital on the day of the decision by the Board of Directors to grant (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million	Award of 57,920 shares to be issued on February 22, 2021
3. Issue with or without pre-emptive subscription right		
Increase of the number of shares to issue in case of capital increase (J) GM of April 18, 2018 – 25th resolution (26 months maximum, expiring June 18, 2020)	**Maximum amount of capital increase** 15% of original issue (A) + (C) + (D) + (E) + (F) + (H) + (I) + (J) limited to €150 million	None
4. Share buyback		
Share buyback transactions GM of April 18, 2018 – 20th resolution (18 months maximum, expiring October 18, 2019)	**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: €180 per share Maximum overall amount of the share buyback program: €1,356,541,920	
Reduction of share capital by cancellation of treasury shares GM of April 18, 2018 – 31st resolution (26 months maximum, expiring June 18, 2020)	**Maximum number of shares that can be canceled in 24 months** 10% of shares comprising the adjusted share capital	None

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4.2 Compensation

The information presented below, drafted with the assistance of the Governance, Appointment and Compensation Committee, reflects, in view of its presentation, the AFEP-MEDEF Code, the activity reports of the French council for corporate governance (*Haut Comité de Gouvernement d'Entreprise*), the AMF 2018 report on corporate governance and the compensation for officers and the guide for preparing annual reports updated by the AMF.

4.2.1 Compensation policy for executive corporate officers

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria used to determine, allocate and award the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors and to the Chief Executive Officer are presented below. These principles and criteria are similar to those applicable in 2018 and have not been subject to any special changes.

The General Meeting of April 17, 2019 will be asked, on the basis of these elements, to approve the compensation policy for the executive corporate officers for 2019. To this end, two resolutions, set out below, will be presented in relation to the Chairman of the Board of Directors and the Chief Executive Officer, respectively. It should be noted that resolutions of this type will be submitted at least every year for the approval of the Shareholders' General Meeting as required by law.

If the General Meeting of April 17, 2019 does not approve these resolutions, compensation will be determined in line with the compensation policy that was approved for previous years, or, if there is no compensation policy that was previously approved, in line with the compensation allocated for the previous year or, if no compensation was paid for the previous year, in accordance with standard practice in the company.

It should be noted that the payment of the variable and exceptional compensation elements depends on the approval by an Ordinary General Meeting of the compensation elements for the executive corporate officer in question in respect of the previous financial year.

Furthermore, it should be noted that the Board of Directors and the Governance, Appointment and Compensation Committee take into consideration and rigorously apply the principles recommended by the AFEP-MEDEF Code (exhaustiveness, balance between compensation elements, comparability, coherence, intelligibility of rules and measure). These principles apply to all elements of the corporate officers' compensation.

4.2.1.1 Compensation policy for the Chairman of the Board of Directors, non-executive corporate officer

Determination of the Chairman of the Board's compensation is the responsibility of the Board of Directors and is based on the recommendations of the Governance, Appointment and Compensation Committee.

In this context, the Board of Directors and the Governance, Appointment and Compensation Committee may take into consideration the benchmarking studies and, where applicable, the duties assigned to the Chairman of the Board of Directors in addition to the general duties stipulated by law.

The compensation of the Chairman of the Board of Directors consists of a fixed compensation and of benefits in kind (company car and IT devices required to perform his duties).

The Chairman of the Board of Directors receives no variable compensation in cash or securities or any performance-based compensation from the company and/or the Group.

He does not receive attendance fees in his capacity as Director.

By way of illustration, the Board of Directors decided, on the recommendation of the Governance Appointment and Compensation Committee, to set the gross annual fixed compensation of the Chairman of the Board at €300,000 in 2019.

The compensation of Bernard Carayon takes into account the review by the Board of Directors of the duties of the Chairman of the Board of Directors. The duties of the Chairman are described in the internal regulations of the Board of Directors as follows: "The Chairman of the Board takes care to develop and maintain a confident and regular relationship between the Board and the Executive Management in order to ensure the permanence and continuity of its implementation of the strategies laid down by the Board. It is regularly informed by the Executive Management of significant events and situations relating to the life of the Group, in particular with regard to strategy, organization, monthly financial reporting, major investment and divestment projects and major financial transactions. He may ask the Executive Management or the Company's executive directors, informing the Chief Executive Officer thereof, for any information liable to enlighten the Board of Directors and its committees in the performance of their duties. He speaks alone on behalf of the Board, except in exceptional circumstances or when a specific mandate is given to another director."

Draft resolution submitted to the General Meeting of April 17, 2019 on the approval of the elements of the compensation policy for the Chairman of the Board of Directors

"The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having read the Board of Directors' report on Corporate Governance prepared pursuant to Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria used to determine, allocate and award the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors in respect of 2019, as presented in the corporate governance report in Chapter 4 of the 2018 Reference Document, page 180".

4.2.1.2 Compensation policy for the Chief Executive Officer, Executive Corporate Officer

Determination of the Chief Executive Officer's compensation is the responsibility of the Board of Directors and is based on the recommendations of the Governance, Appointment and Compensation Committee.

In this context, the Board of Directors and the Governance, Appointment and Compensation Committee may take into consideration the benchmarking studies in addition to any non-recurring elements occurring over the course of the year.

The CEO's compensation includes a fixed compensation, an annual variable compensation, and performance shares as well as benefits in kind. A severance payment in the event of forced termination can also be awarded and depends on seniority and the achievement of performance conditions, pursuant to the provisions of the AFEP-MEDEF Code and the article L. 225-42.1 of the French Commercial Code.

Fixed compensation

The gross annual fixed compensation is set by the Board of Directors and based on the recommendations of the Governance, Appointments and Compensation Committee, in accordance with the principles as recommended by the AFEP-MEDEF Code.

This amount should in principle be reviewed only at relatively long intervals (time of the term of office). However, exceptional circumstances may give rise to its review during the year by the Board of Directors as a result of changes in the scope of responsibility or significant changes within the company or the market. In these particular situations, the adjustment of the fixed compensation and the reasons for it will be made public.

In application of these principles, we note that with effect from January 1, 2018 following the approval by the 2018 Annual General Meeting of the CEO compensation policy, the Board of Directors, based on the work done by Mercer to analyze a sample of 15 comparable real estate companies, and on the recommendation of the Governance, Appointment and Compensation Committee, has set the annual fixed compensation of Méka Brunel at €650,000.

It should be noted that the Mercer study was based on a sample of 15 European real estate companies, seven French (Altarea-Cogedim, Carmila, Foncière des Régions, Klépierre, Mercialys, SFL and Unibail-Rodamco), three German (Deutsche Wohnen, GSW Immobilien and Vonovia), four British (British Land, Hammerson, Land Securities and Segro) and one Swiss (Swiss Prime Site).

In view of the foregoing, the fixed compensation of the Chairman of the Board of Directors and Chief Executive Officer amounts to €950,000, as in the previous year.

Annual variable compensation

The rules for setting this compensation must be consistent with the annual assessment of the performance of the Chief Executive Officer and with the company's strategy. These are contingent upon the performance of the CEO and the progress made by the company.

The Board specifically defines the quantifiable and qualitative criteria used to determine the annual variable compensation.

The quantitative performance criteria will be based on the main financial indicators decided by the Board to assess the financial performance of the Group and, in particular, those provided to the market such as EBITDA, the net recurring earnings per share and the real estate investment performance of Gecina compared with the MSCI index.

The qualitative criteria will be set based on detailed objectives defined by the Board that reflect the implementation of the Group's strategic plan as well as other performance indicators or objectives intended to assess the level of achievement of overall or specific strategic initiatives.

A maximum limit is set for each portion that corresponds to the quantitative and qualitative criteria, with the quantitative criteria carrying the most weight. These will account for 60% of the target variable compensation and the qualitative criteria for 40%. The maximum amount of variable compensation is determined as a percentage of the fixed compensation and is proportionately higher than this fixed portion. It is set at 100% of the CEO's fixed compensation, but it is possible to achieve a maximum of 150% of the fixed compensation if the target quantitative and qualitative performance criteria are exceeded.

By way of example, for 2019, the target variable compensation of Ms. Méka Brunel, CEO, was set by the Board of Directors on February 19, 2019 at 100% of her fixed compensation, with however the possibility of reaching a maximum of 150% of fixed compensation if the target quantitative or qualitative performance criteria are exceeded. The quantitative criteria represent 60% of the target variable compensation and the qualitative criteria represent 40%.

Quantitative performance criteria: Target 60%/Maximum 90%

The achievement of the quantitative performance criteria will be established according to the grid below:

EBITDA % ACHIEVED/BUDGET	Bonus	NRI – GS per share % achieved/budget	Bonus	Asset Value Return % property value creation	Bonus
> 102	30%	> 102	30%	> MSCI +1%	30%
> 100	20% Target	> 100	20% Target	> MSCI +0%	20% Target
> 98	10%	> 98	10%	> MSCI -0.5%	10%
> 96	5%	> 96	5%	> MSCI -1%	5%
< 96	0%	< 96	0%	< MSCI -1%	0%

NRI - GS = Net Recurring Income - Group Share per share
MSCI = Index that measures real estate investment performance in France

Qualitative performance criteria: Target 40%/Maximum 60%

Each qualitative criterion is quantified:

QUALITATIVE CRITERIA	Target bonus (40%)	Maximum bonus (60%)
Confidential strategic objective	16%	24%
Deployment of the "YouFirst" brand	16%	24%
Finalization of the IT systems changeover	8%	12%

Payment of the annual variable compensation of the CEO for 2019 is conditional upon its approval by the Ordinary General Meeting to be held in 2020.

Performance shares

Performance shares are not only intended to encourage the executive corporate officers to consider their action over the long term, but also to enhance loyalty and promote the alignment of their interests with the corporate interest of the company and the interest of the shareholders.

The Board of Directors may, when setting up the company's performance share plans, award performance shares to the CEO. These allocations, which are valued based on IFRS, cannot account for more than 100% of the maximum annual gross compensation granted to them (fixed portion + maximum variable portion). The allocations must be subject to demanding relative and, if applicable, internal performance conditions, which must be met over a period of three years.

The performance conditions consist, in general, of two criteria representative of Gecina's performance, adapted to the specificity of its business activity, that correspond to the key indicators followed by investors and analysts to measure the performance of companies in the real estate sector. They are set by the Board of Directors, which will also review their achievement following a prior review by the Governance, Appointment and Compensation Committee. Whether or not they are awarded is also ultimately subject to a presence condition applicable to all of the beneficiaries, unless otherwise provided by the plan rules (*e.g.* in the event of death or disability) or decided by the Board of Directors.

The Chief Executive Officer must make a formal commitment to not engage in risk hedging transactions on performance shares until after the end of the share holding period that may be set by the Board of Directors.

Information relating to the performance shares awarded to Ms. Méka Brunel is presented in Tables 6 and 10 hereafter (AFEP-MEDEF recommendation).

Exceptional compensation

In accordance with the AFEP-MEDEF Code (Article 24.3.4), the Board of Directors, at the recommendation of the Governance, Appointment and Compensation Committee, has adopted the principle that the Chief Executive Officer may receive exceptional compensation in certain exceptional circumstances which will have to be precisely communicated and justified.

In any case, in the event of such a decision by the Board:

- the payment of this exceptional compensation, the amount of which will be assessed on a case-by-case basis by the Board of Directors, at the recommendation of the Governance, Appointment and Compensation Committee, depending on the event justifying it and the particular involvement of the party concerned, may not take place without prior approval from the shareholders pursuant to Article L. 225-37-2 of the French Commercial Code;
- this decision will be made public immediately after it has been taken by the Board of Directors; and
- it must be justified and the events leading up to it explained.

It should be noted that this compensation may only be granted in exceptional circumstances and that it will require the approval of the Gecina's Annual General Meeting. In addition, it must be below a maximum ceiling of 100% of the annual base salary.

Benefits in kind

The Chief Executive Officer may benefit from a company car in accordance with company policy, in addition to the health insurance and welfare benefits policies set up by the company.

Severance payment in the event of termination of the CEO's duties

The Board of Directors may decide, subject to the provisions of Article L. 225-42-1 of the French Commercial Code and the AFEP-MEDEF Code, to grant a severance payment in the event of termination of the Chief Executive Officer's duties.

The performance conditions associated with this payment are applied over at least two financial years. They are strict and only allow payment to the CEO in the event of forced departure.

The severance pay shall not, where applicable, exceed the sum of two years' compensation (annual fixed and variable).

As an example, the Board of Directors of January 6, 2017 decided that a severance payment would be granted to Ms. Méka Brunel, CEO, in the event of forced departure. The calculation and performance conditions of this payment are detailed in paragraph 4.1.5 of this report.

The CEO shall not receive any attendance fees.

Draft resolution submitted to the General Meeting of April 17, 2019 on the approval of the elements of the compensation policy for the Chief Executive Officer

"The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having read the Board of Directors' Report and the Corporate Governance Report prepared pursuant to Article L.225-37-2 of the French Commercial Code, approves the principles and criteria used to determine, allocate and award the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind attributable to the Chief Executive Officer in respect of the 2019 financial year, as they are presented in the Corporate Governance Report appearing in Chapter 4 of the 2018 Registration Document, from page 181".

4.2.2 Compensation elements paid or awarded in respect of the 2018 financial year and comparison with the 2017 financial year

Pursuant to Article L. 225-100 of the French Commercial Code, the General Meeting rules upon the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind paid or awarded in respect of the preceding financial year through specific resolutions for the Chairman of the Board of Directors and the Chief Executive Officer. The General Meeting must explicitly approve the payment of variable and exceptional compensation elements.

It will thus be proposed to the General Meeting of April 17, 2019 to approve the compensation elements paid or awarded in respect of the 2018 financial year to Mr. Bernard Michel, Chairman of the Board of Directors until April 18, 2018, to Mr. Bernard Carayon, Chairman of the Board of Directors since April 18, 2018, and to Ms. Méka Brunel, Chief Executive Officer, as described hereafter.

4.2.2.1 Compensation elements paid or awarded to Mr. Bernard Carayon, Chairman of the Board of Directors since April 18, 2018

Elements of compensation	Amount or accounting valuation *(in €'000)* 2017	2018	Overview
Fixed compensation	N/A	209	
Annual variable compensation	N/A	N/A	Mr. Bernard Carayon is not entitled to any variable compensation.
Multi-year variable compensation	N/A	N/A	Mr. Bernard Carayon is not entitled to any multi-year variable compensation.
Exceptional compensation	N/A	N/A	Mr. Bernard Carayon is not entitled to any exceptional compensation.
Award of stock options	N/A	N/A	No stock options were awarded in 2018.
Award of performance shares	N/A	N/A	Mr. Bernard Carayon is not entitled to performance shares.
Attendance fees	N/A	N/A	Members of the management team do not receive attendance fees in their capacity as corporate officers in Group companies.
Benefits in kind	N/A	N/A	Company car.
Severance pay	N/A	None	Mr. Bernard Carayon is not entitled to any severance pay.
Non-compete compensation	N/A	N/A	Mr. Bernard Carayon is not entitled to any non-compete compensation.
Pension plan	N/A	N/A	Mr. Bernard Carayon does not have a supplementary pension plan with the Group.

4.2.2.2 Compensation elements paid or awarded to Mr. Bernard Michel, Chairman of the Board of Directors until April 18, 2018

Elements of compensation	Amount or accounting valuation *(in €'000)* 2017	2018	Overview
Fixed compensation	550	165	
Annual variable compensation	N/A	N/A	Mr. Bernard Michel is not entitled to any variable compensation.
Multi-year variable compensation	N/A	N/A	Mr. Bernard Michel is not entitled to any multi-year variable compensation.
Exceptional compensation	N/A	N/A	Mr. Bernard Michel is not entitled to any exceptional compensation.
Award of stock options	N/A	N/A	No stock options were awarded in 2018.
Award of performance shares	N/A	N/A	Mr. Bernard Michel is not entitled to performance shares.
Attendance fees	N/A	N/A	Members of the management team do not receive attendance fees in their capacity as corporate officers in Group companies.
Benefits in kind	8	2	Company car.
Severance pay	None	None	Mr. Bernard Michel is not entitled to any severance pay.
Non-compete compensation	N/A	N/A	Mr. Bernard Michel is not entitled to any non-compete compensation.
Pension plan	N/A	N/A	Mr. Bernard Michel does not have a supplementary pension plan with the Group.

4.2.2.3 Compensation elements paid or awarded to Ms. Méka Brunel, Chief Executive Officer

Elements of compensation	Amount or accounting valuation *(in €'000)* 2017	2018	Overview
Fixed compensation	493	650	
Annual variable compensation	600	956	The target variable compensation is set at 100% of the fixed portion of the compensation with, however, a possibility of reaching a maximum of 150% of the fixed portion of the compensation if the target quantitative or qualitative performance criteria are exceeded. The quantitative criteria represent 60% of the variable compensation and the qualitative criteria represent 40%. The qualitative performance criteria relate to disposals, indebtedness, talent and digital development. Fulfillment of quantitative performance criteria is determined in accordance with the grid presented below this table.
Multi-year variable compensation	N/A	N/A	Ms. Méka Brunel is not entitled to any multi-year variable compensation.
Exceptional compensation	N/A	N/A	Ms. Méka Brunel is not entitled to any exceptional compensation.
Award of stock options	N/A	N/A	No stock options were awarded in 2018.
Award of performance shares	N/A	921	12,000 performance shares were granted to Ms. Méka Brunel for the duration of her term of office as Chief Executive Officer and in accordance with the following terms: ▪ this allocation represents 0.016% of the share capital as at the date of the plan and 20.7% of all shares allocated to Group employees and officers benefiting from the same plan; ▪ the value (IFRS 2) of the 12,000 shares granted represents 56.7% of her potential total annual gross compensation for the 2018 financial year; ▪ the term of the vesting period is three years and the holding period is two years. Definitive acquisition of performance shares is subject to compliance with the presence condition and achievement of the following performance conditions: **Total Shareholder Return (TSR): performance criteria adopted for 75% of the performance shares awarded** ▪ Gecina's Total Shareholder Return compared to the Euronext IEIF "SIIC France" TSR index over the same period (opening share price on January 4, 2021 versus opening share price on January 2, 2018), the number of performance shares vested varying to reflect the performance rate achieved: ▪ all the shares contingent on this condition shall only vest if the shares outperform this index by at least 5%; ▪ at 100% of the index, 80% of the total number of shares contingent on this condition will be vested; ▪ in the event of a performance rate of between 101% and 104%, stepwise progression will be applied up to the achievement of 96% of the total number of shares contingent on this condition;

Elements of compensation	Amount or accounting valuation (in €'000) 2017	2018	Overview
			▪ in the event of performance comprised between 99% and 85%, stepwise regression will be applied within the limit of the achievement of 25% of the total number of shares contingent on this condition; ▪ in the event of performance below 85%, none of these performance shares will be vested. **Total Return: performance criterion adopted for 25% of the performance shares awarded** ▪ Total return: triple net NAV dividends attached per share compared to a group of five French real estate companies [1]. The vesting of performance shares shall be contingent on exceeding the average performance of the comparison group. If this average performance is not exceeded, none of these performance shares will be vested.
Attendance fees	N/A	N/A	Members of the management team do not receive attendance fees in their capacity as corporate officers in Group companies.
Benefits in kind	8	9	Company car and new technologies.
Severance pay			See paragraph 4.2.1.2.
Non-compete compensation	N/A	N/A	Ms. Méka Brunel is not entitled to non-compete compensation.
Pension plan	N/A	N/A	Ms. Méka Brunel does not have a supplementary pension plan with the Group.

(1) Covivio, Icade, SFL, Tour Eiffel, Unibail-Rodamco-Westfield.

Annual variable compensation of the CEO in respect of 2018

The target variable compensation for 2018 is set at 100% of the fixed portion of the compensation with, however, the possibility of reaching a maximum of 150% of the fixed portion of the compensation if the target quantitative or qualitative performance criteria are exceeded. This possibility to reach a maximum of 150% is in line with the median average observed on the sample used by the Mercer firm of fifteen listed European real estate companies. The quantitative criteria represented 60% of the variable compensation target and the qualitative criteria represented 40%.

Quantitative performance criteria: Target 60%/Maximum 90%

The achievement of the quantitative performance criteria was established according to the grid below:

EBITDA % ACHIEVED/BUDGET	Bonus	NRI – GS per share % achieved/budget	Bonus	Asset Value Return % real estate value creation	Bonus
> 102	30%	> 102	30%	> MSCI +1%	30%
> 100	20% Target	> 100	20% Target	> MSCI +0%	20% Target
> 98	10%	> 98	10%	> MSCI -0.5%	10%
> 96	5%	> 96	5%	> MSCI -1%	5%
< 96	0%	< 96	0%	< MSCI -1%	0%

NRI - GS = Net Recurring Income - Group share per share.
MSCI = Index that measures real estate investment performance in France.

The quantifiable criteria were set in order to combine elements relating to the construction of recurring net income, operating margin and value creation momentum, thereby combining capital return ambitions with rental yield ambitions. These criteria are therefore aligned with the overall performance strategy followed by the Group since early 2015.

Qualitative performance criteria: Target 40%/Maximum 60%

Each qualitative criterion is quantified:

QUALITATIVE CRITERIA	Target bonus (40%)
Realisation of the sales plan of €1.2 billion, as announced at the time of the acquisition of Eurosic in order to reduce the LTV to less than 40% through arbitrages strengthening the centrality strategy	1/3
Human resources policy, including the setting up of a leadership training programme for all the managers and a talent review as well as the drawing up of a succession plan for the company's managers	1/3
Continuation of the reflections on the changes relating to digital developments in real estate practices	1/3

If the target is exceeded, these qualitative criteria can reach 60% of fixed compensation.

The Board of Directors, on February 19, 2019, having reviewed these quantitative and qualitative performance criteria, and at the recommendation of the Governance, Appointment and Compensation Committee, set the variable compensation of Ms. Méka Brunel in respect of the 2018 financial year at 147% of her fixed base compensation in 2018, *i.e.* € 955,500. This 147% breaks down as follows:

- 90% for the achievement of quantitative criteria:
  - 30% for EBITDA (€536.1m achieved for a target of €524.9m),
  - 30% for net recurring income (€5.93 per share achieved for a target equivalent to €5.64 per share after adjustment for the detachment of pre-emptive subscription rights,
  - 30% for Gecina's real estate investment performance (Asset Value Return) in relation to the MSCI index (AVR +5.0% vs. return on capital MSCI France offices +3.7%);
- 57% for the achievement of qualitative criteria.

4.2.3 Standardized presentation of the compensation of executive corporate officers

In the interests of legibility and comparability of information on the compensation of executive corporate officers, all elements of the compensation of Mr. Bernard Michel until April 18, 2018, Mr. Bernard Carayon since April 18, 2018 and Ms. Méka Brunel are presented below, in table format as recommended by the AMF and the AFEP-MEDEF Code (Table 3 appears in section 4.2.4 "Directors' compensation").

Table summarizing the compensation and stock options and shares granted to each executive corporate officer (table 1)

In €'000	12/31/2017	12/31/2018
Bernard Carayon - Chairman of the Board of Directors(1)		
Compensation due for the period (details in table 2)	N/A	209
Valuation of the multi-year variable compensation allocated during the period	N/A	N/A
Valuation of stock options awarded during the period	N/A	N/A
Valuation of performance shares awarded during the period	N/A	N/A
TOTAL	**0**	**209**
Bernard Michel – Chairman of the Board of Directors(2)		
Compensation due for the period (details in table 2)	558	167
Valuation of the multi-year variable compensation allocated during the period	N/A	N/A
Valuation of stock options awarded during the period	N/A	N/A
Valuation of performance shares awarded during the period	N/A	N/A
TOTAL	**558**	**167**
Méka Brunel - CEO(3)		
Compensation due for the period (details in table 2)	1,101	1,615
Valuation of the multi-year variable compensation allocated during the period	N/A	N/A
Valuation of stock options awarded during the period (details in table 4)	N/A	N/A
Valuation of performance shares awarded during the period (details in table 6)	N/A	921
TOTAL	**1,101**	**2,536**

(1) Mr. Bernard Carayon was appointed Chairman of the Board at the end of the Combined General Meeting of April 18, 2018.
(2) The term of office of Mr. Bernard Michel expired at the end of the Combined General Meeting of April 18, 2018.
(3) Ms. Méka Brunel was appointed Chief Executive Officer on January 6, 2017.

Table summarizing the compensation of each executive corporate officer (table 2)

In €'000	12/31/2017 Amounts due	12/31/2017 Amounts paid	12/31/2018 Amounts due	12/31/2018 Amounts paid
Bernard Carayon - Chairman of the Board of Directors(1)				
Fixed compensation			209	209
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation				
Attendance fees				
Value of benefits in kind (new technologies)				
Value of benefits in kind (company car)				
TOTAL			**209**	**209**
Bernard Michel – Chairman of the Board of Directors(2)				
Fixed compensation	550	550	165	165
Annual variable compensation				
Multi-year variable compensation				
Exceptional compensation				
Attendance fees				
Value of benefits in kind (new technologies)				
Value of benefits in kind (company car)	8	8	2	2
TOTAL	**558**	**558**	**167**	**167**
Méka Brunel - CEO(3)				
Fixed compensation	493	493	650	650
Annual variable compensation*	600		956	600
Multi-year variable compensation				
Exceptional compensation				
Severance pay				
Attendance fees				
Value of benefits in kind (new technologies)			1	1
Value of benefits in kind (company car)	8	8	8	8
TOTAL	**1,101**	**501**	**1,615**	**1,259**

* *The variable compensation due for year N-1 is paid in year N.*
(1) *Mr. Bernard Carayon was appointed Chairman of the Board at the end of the Combined General Meeting of April 18, 2018.*
(2) *The term of office of Mr. Bernard Michel expired at the end of the Combined General Meeting of April 18, 2018.*
(3) *Ms. Méka Brunel was appointed Chief Executive Officer on January 6, 2017.*

Stock options for the purchase of new or existing shares awarded during the year to each executive corporate officer by the issuer and by any Group company (table 4)

No stock option for new or existing shares was granted to executive corporate officers in 2018.

Stock options for the purchase of new or existing shares exercised during the year by each executive corporate officer (table 5)

No executive corporate officer exercised stock options for new or existing shares in 2018.

Performance shares awarded to each corporate officer (table 6)

Performance shares awarded by the Shareholders' General Meeting during the year to each corporate officer by the issuer and by any Group company	Date of the plan	Number of shares awarded during the financial year	Valuation of shares according to the method used for the consolidated financial statements [1]	Date acquisition	End of holding period	Performance conditions
Méka Brunel - CEO	02/21/2018	12,000	€76.79	02/22/2021	02/22/2023	Gecina share performance compared to the Euronext SIIC France index - dividends reinvested (for 75%) Triple net NAV dividends attached per share compared to a group of five French real estate companies [2] (for 25%)

(1) Estimate of the fair value of the performance shares under IFRS2 – AON Report.
(2) Covivio, Icade, SFL, Tour Eiffel, Unibail-Rodamco-Westfield.

The Board of Directors, on February 21, 2018, granted to Ms. Méka Brunel, as part of the 2018 performance share award plan, 12,000 performance shares for the duration of her term of office as Chief Executive Officer and in accordance with the following terms:

- this allocation represents 0.016% of the share capital as at the date of the plan and 20.7% of all shares allocated to Group employees and officers benefiting from the same plan;
- the value (IFRS 2) of the 12,000 shares granted represents 56.7% of her potential annual total gross compensation for the 2018 financial year;
- the term of the vesting period is three years and the holding period is two years.

It should be noted that these 12,000 performance shares are awarded to Méka Brunel for the entirety of her term, i.e. for a period of four years. Spread over four years and taken at their IFRS value (€76.79 per performance share), this allocation represented 35% of her annual base salary.

Definitive acquisition of performance shares is subject to compliance with the presence condition and achievement of the following performance conditions:

Total Shareholder Return (TSR): performance criteria adopted for 75% of the performance shares awarded

Gecina's Total Shareholder Return compared to the Euronext IEIF "SIIC France" TSR index over the same period (January 4, 2021 opening share price *versus* January 2, 2018 opening share price), the number of performance shares vested varying to reflect the performance rate achieved:

- all the shares contingent on this condition shall only vest if the shares outperform this index by at least 5%;
- at 100% of the index, 80% of the total number of shares contingent on this condition will be vested;
- in the event of a performance rate of between 101% and 104%, stepwise progression will be applied up to the achievement of 96% of the total number of shares contingent on this condition;
- in the event of performance comprised between 99% and 85%, stepwise regression will be applied within the limit of the achievement of 25% of the total number of shares contingent on this condition;
- in the event of performance below 85%, none of these performance shares will be vested.

Total Return: performance criterion adopted for 25% of the performance shares awarded

- Total return: Triple net NAV dividends attached per share compared to a group of five French real estate companies[1]. The vesting of performance shares shall be contingent on exceeding the average performance of the comparison group. If this average performance is not exceeded, none of these performance shares will be vested.

Holding period of securities

The performance shares that will be definitively vested for Ms. Méka Brunel will be recorded in a registered account and must be held in registered form until the end of the two-year holding period. In addition, Ms. Méka Brunel is required to hold at least 25% of the performance shares which will be definitively vested for her until the end of her term of office. This obligation will continue to apply until the total amount of shares held and definitively vested represents 200% of the last gross annual fixed compensation, calculated on that same date. This second obligation then replaces the first.

Prohibition on hedging

Ms. Méka Brunel may not use any hedging instrument to hedge the risk inherent in her shares.

Mr. Bernard Carayon is not entitled to performance shares in respect of his term of office as Chairman of the Board of Directors. Mr. Bernard Michel did not benefit from performance shares in respect of his term of office as Chairman of the Board of Directors, which ended on April 18, 2018.

(1) Covivio, Icade, SFL, Tour Eiffel, Unibail-Rodamco-Westfield.

Performance shares that became available for each corporate officer (table 7)

No performance share became available for corporate officers in 2018.

History of the allocation of stock options for the purchase of new or existing shares – information on stock options for the purchase of new or existing shares (table 8)

None.

Stock options for the purchase of new or existing shares granted to the top 10 non-corporate officer employee beneficiaries and options exercised by these beneficiaries (table 9)

Stock options for new or existing shares granted to the top ten non-corporate officer employees and options exercised by the latter	Total number of options granted/shares subscribed or bought	Weighted average price	Share purchase options of December 18, 2008	Share subscription options of December 27, 2010
Options granted during the year by the issuer and by any company in the options allocation scope, to the top 10 employees of the issuer and any company included in this scope, where the number of options granted under the plans is the highest (comprehensive data)	none			
Options held on the issuer and the companies described above, exercised during the financial year, by the ten employees of the issuer and its companies, where the number of options bought or subscribed under the plan is the highest (comprehensive data)	31,650	€42.81	26,988	4,662

4

History of performance share awards (table 10)

	AP18[1]
Date of Shareholders' Meeting	04/21/2016
Date of Board Meeting	02/21/2018
Total number of shares awarded free of charge	57,920
of which the number of shares awarded to: Ms. Méka Brunel	12,000
Acquisition date of shares	02/22/2021
End of holding period	02/22/2023
Performance Conditions	Performance of the Gecina share compared to the Euronext SIIC France index dividends reinvested (for 75%) Triple net NAV dividends attached per share compared to a group of five French real estate companies [2] (for 25%)
Number of shares definitively awarded at 02/19/2019	-
Aggregate number of canceled or obsolete shares	4,600
Outstanding shares awarded free of charge at year end (in vesting period)	53,320

(1) The vesting period for performance shares, as stated in the plan rules, is three years from the date of the Gecina Board of Directors' Meeting that decided to grant said shares, subject to the fulfillment of a presence condition and a performance condition, the terms of which are described below:

Total Shareholder Return: *performance criterion adopted for 75% of the performance shares awarded*
- *The Gecina Total Shareholder Return compared over a period of three years with the Euronext IEIF SIIC France index - dividends reinvested over the same period (opening share price of January 4, 2021 versus opening share price of January 2, 2018), the number of performance shares vested varying to reflect the performance rate achieved:*
- *if the average performance of Gecina shares is equal to the average performance of the Euronext IEIF SIIC France index - dividends reinvested, a performance rate of 80% shall be applied to the target number of shares;*
- *if the average performance of Gecina shares is between 101% and 105%, stepwise progression will be applied up to the achievement of 100%;*
- *if the average performance of Gecina shares is between 99% and 85%, stepwise regression will be applied up to the maximum achievement of 25%;*
- *in the event of performance below 85%, no performance shares will be awarded.*

Total Return: *performance criterion adopted for 25% of the performance shares awarded*
Total return: Triple net NAV dividends attached per share compared to a group of five French real estate companies [2]. The vesting of performance shares shall be contingent on exceeding the average performance of the comparison group:
- *if the average performance of Gecina's total return is below the average of the comparison group over the period from January 1, 2018 to June 30, 2020, no performance shares will be awarded;*
- *if the average performance of Gecina's total return is above the average of the comparison group over the period from January 1, 2018 to June 30, 2020, 100% of the shares will be awarded.*

In addition, the Chief Executive Officer must hold at least 25% of the performance shares definitively vested for him/her until the end of his/her term of office. This obligation shall apply until the total amount of shares held reaches, upon definitive vesting, a threshold equal to 200% of the most recent gross annual fixed compensation as assessed on the same date.

(2) Covivio, Icade, SFL, Tour Eiffel, Unibail-Rodamco-Westfield.

Other information (table 11)

Corporate officers		Employment contract Yes	Employment contract No	Supplementary pension plan Yes	Supplementary pension plan No	Compensation[(1)] or benefits due or likely to become due as a result of the termination of, or change in duties Yes	Compensation[(1)] or benefits due or likely to become due as a result of the termination of, or change in duties No	Compensation relating to a non-compete clause Yes	Compensation relating to a non-compete clause No
Bernard Carayon – Chairman			x		x		x		x
Date of appointment	04/18/2018								
Office expiry date[(2)]	GM 2022								
Bernard Michel – Chairman			x		x		x		x
Date of appointment	02/16/2010								
Office expiry date[(2)]	04/18/2018								
Méka Brunel - CEO			x		x	x			x
Date of appointment	01/06/2017								

(1) Compensation in the event of termination of the duties of the Chief Executive Officer are presented in section 4.1.5.

(2) The General Meeting of April 18, 2018 decided to appoint Mr. Bernard Carayon as an independent Director, to replace Mr. Bernard Michel whose term of office expired at the end of this Meeting. The four-year term of office of Mr. Bernard Carayon will expire at the end of the General Meeting convened to approve the financial statements for the 2021 financial year.

4

4.2.4 Directors' compensation

The Combined General Meeting of April 24, 2015 set, for the year starting on January 1, 2015, the annual total amount of attendance fees granted to Directors at €800,000.

The table below presents the attendance sharing method as adopted by the Board of Directors which takes into account benchmarking studies and the recommendations of the AFEP-MEDEF Code.

	Sharing method *(in euros)*
Annual fixed portion for each Director	20,000
Annual fixed portion for each Committee member	6,000
Annual fixed portion for each Committee Chairman	25,000
Variable portion by attendance at a Board Meeting	3,000
Variable portion by attendance at a Committee Meeting	2,000

The other methods relating to the payment of attendance fees are also described below:

- if an extraordinary Committee Meeting takes places (i) during an interruption of a Board of Directors session, (ii) or immediately before, (iii) or immediately after, only the Board of Directors will give rise to compensation;
- should several Board of Directors' Meetings be held on the same day, especially on the day of the Annual General Meeting, attendance of these Meetings by a Director shall be considered as only one attendance;
- as appropriate, capping amounts and any rebates at the end of the year in order not to exceed the annual total amount authorized by the General Meeting and ensure a balance between the number of Meetings and each of the Committees.

As a result of the application of these rules, the variable portion linked to the regular attendance of Board Meetings and Committee Meetings outweighs the fixed portion.

Mr. Bernard Carayon, while he was an observer, *i.e.* until April 18, 2018, was paid compensation in the same way as the Directors.

Furthermore, it should be noted that:

- Directors linked to the Ivanhoé Cambridge group do not receive attendance fees for reasons related to the internal policy of their group;
- Mr. Bernard Michel, Chairman of the Board of Directors until April 18, 2018, Mr. Bernard Carayon, Chairman of the Board of Directors since April 18, 2018, and Ms. Méka Brunel, Chief Executive Officer, do not receive attendance fees;

- some extraordinary Committee Meetings held immediately before Board of Directors' Meetings, and the Board of Directors' Meeting held after the Annual General Meeting of April 18, 2018 did not lead to any compensation.

On this basis, the amounts of attendance fees paid in 2017 and 2018 were as follows:

Table summarizing the attendance fees and other compensation received by non-executive corporate officers (table no. 3 AMF guideline – AFEP-MEDEF Code)

NON-EXECUTIVE CORPORATE OFFICERS	Amounts paid during the 2018 financial year *(in euros)*	Amounts paid during the 2017 financial year *(in euros)*
Ivanhoé Cambridge Inc., represented by Mr. Sylvain Fortier		
Attendance fees	-	-
Other compensation		
Mr. Bernard Carayon(1)		
Attendance fees	14,918	12,356
Other compensation		
Ms. Isabelle Courville(2)		
Attendance fees	16,693	60,000
Other compensation		
Ms. Laurence Danon Arnaud		
Attendance fees	70,712	40,808
Other compensation		
Ms. Dominique Dudan		
Attendance fees	67,000	62,000
Other compensation(3)		
Mr. Claude Gendron		
Attendance fees	-	-
Other compensation		
Ms. Gabrielle Gauthey(2)		
Attendance fees	52,896	
Other compensation		
Mr. Jacques-Yves Nicol		
Attendance fees	70,699	81,000
Other compensation		
Predica, represented by Mr. Jean-Jacques Duchamp		
Attendance fees	82,000	80,000
Other compensation		
Ms. Inès Reinmann Toper		
Attendance fees	106,000	97,110
Other compensation		
TOTAL	**480,918**	**433,274**

(1) Mr. Bernard Carayon received attendance fees in respect of his position as observer which ended on April 18, 2018. On this date, he was appointed Director and Chairman of the Board of Directors and as a result he no longer receives attendance fees.
(2) Directors whose terms of office began or ended during the 2018 financial year.
(3) In addition to attendance fees, Ms. Dominique Dudan received a fixed compensation of €20,000 excl. VAT for a specific role assigned to her by the Board of Directors' Meeting of October 19, 2017 and which ended on March 28, 2018, of which €10,000 excl. VAT paid at the beginning of 2018.

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

4.3 Information about the capital structure and factors that could have an impact in the event of a public offer

Under Article L. 225.37.5 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 1).

Information about the capital structure is presented in detail in Chapter 2 of the Consolidated Financial Statements (Note 2.5.9.1).

There is no limitation on voting rights and the shares do not carry double voting rights. However, the number of exercisable voting rights must be adjusted to take account of treasury shares which have restricted voting rights.

The company is not aware of the existence of any shareholders' agreements that may concern it.

5

Risks

5.1 Risks

5.1.1 General organization of risk factor control

Risk management is a dynamic process that is defined and implemented under Executive Management's responsibility.

It covers all of the company's activities, processes and assets and consists of a number of behaviors, procedures and actions adapted to the Group's characteristics in order to maintain risks at an acceptable level for the company.

Risk management is integrated in the company's decision making and operational processes. It is one of the management and decision-making tools. It gives Executive Management an objective and comprehensive vision of the potential threats to and opportunities for the company so that it can take measured and considered risks, thereby supporting their decisions with regard to the allocation of human and financial resources.

The Board of Directors ensures that the Group's strategy and objectives take full account of the major risks that are identified. Through the work of the Audit and Risk Committee, it ensures that the effectiveness of the internal control and risk management systems is monitored.

Executive Management is responsible, either directly or through the Executive Committee, of designing and implementing the internal control systems and risk management procedures, including the definition of the roles and responsibilities within the Group.

Operational management ensures the application of Group policy in terms of the management of risks it is responsible for by implementing the risk identification, analysis and treatment for the activities.

The functional departments are responsible for areas of expertise and functions dedicated to managing the global risk control process, by assisting operational management to identify and assess the principal risks by making available resources, tools, analyses and controls.

The Risk and Compliance Department, which reports to the Risk and Internal Audit Department, is in charge of implementing a structured, permanent and adaptable system to identify, analyze and treat general risks. It supervises the risk management policy, the mapping of operational risks and the internal control and compliance within the company.

As part of the drive to reinforce the Group's integrated risk management culture, the Risk and Compliance Department also intervenes in strategic issues, including development projects, investments, divestments, financing and marketing.

In 2018, the holistic approach to risk management was further reinforced by the appointment on April 18, 2018 of Mr. Bernard Carayon as Chairman of the Board of Directors of Gecina. His appointment strengthened the company's risk management skills due to his extensive experience in this field.

Furthermore, the risks related to the safety and the environment of the buildings are supervised by the Technical Department and are subject to regular reviews validated by Executive Management.

The Internal Audit Department, reporting directly to Executive Management, strengthens the process through the implementation of its audit plan, which is developed on the basis of a risk-based approach and also takes into account the concerns of Executive Management and the Audit and Risk Committee.

Risk management policy

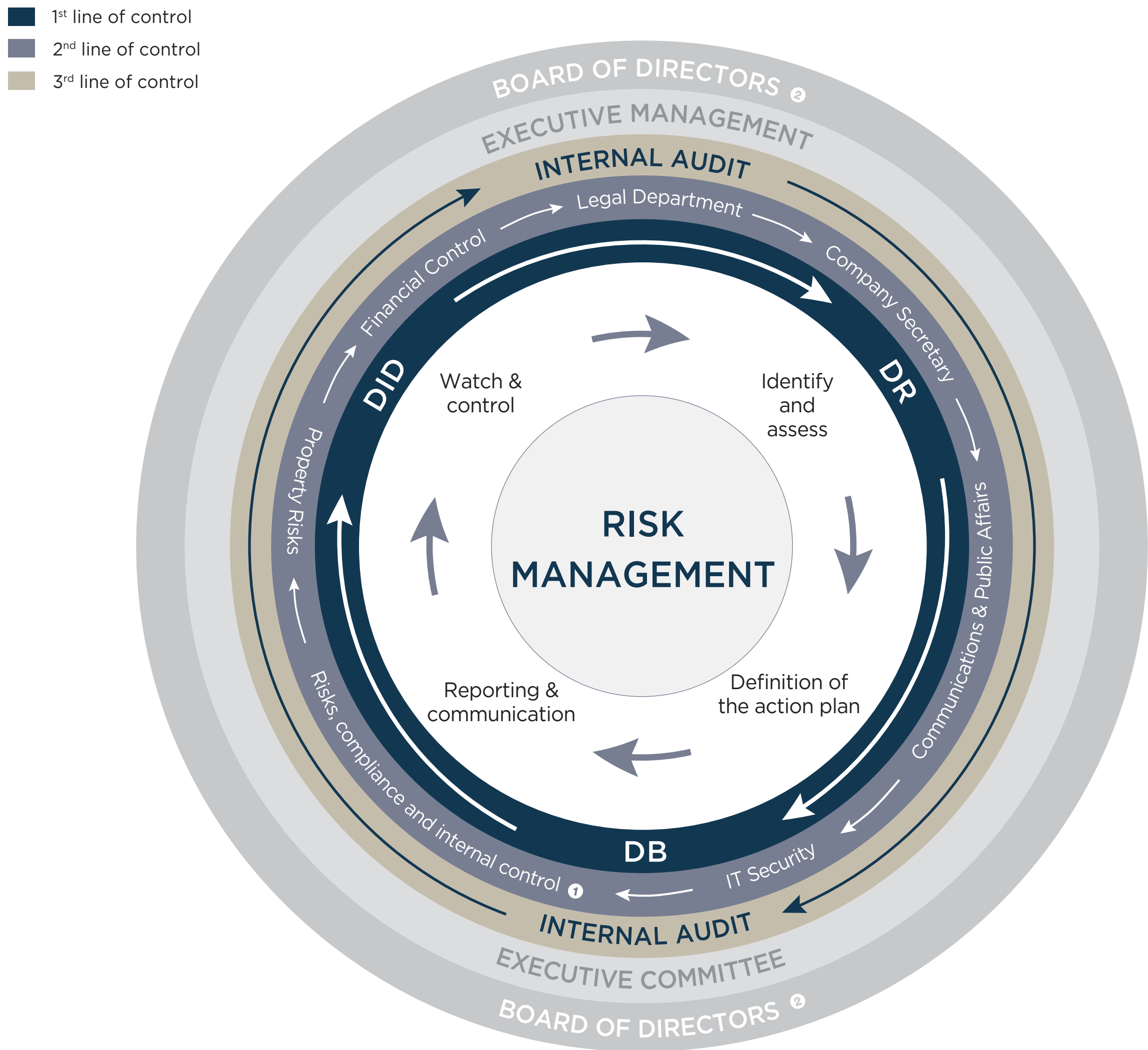
As part of risk management, Gecina has defined an appetite for risk that matches the company's risk profile as defined by Executive Management, in order to conduct its business and achieve its objectives while taking into consideration the strategy and values of the company. In general, the company's operations must also be conducted in compliance with regulations and the principles defined in the Group's ethics charter. They must also comply with the company's CSR commitments.

All risk control processes are incorporated in a risk management policy deployed in-house. This policy is closely correlated with the Group's strategy. For this reason, it is updated at times of significant change in the Group's strategy.

This policy makes it easier to incorporate risk management into the organization's objectives, culture and operation. It strengthens the ties between the company's strategy and risk management through a process to identify, analyze and handle risks, primarily on the basis of the risk mapping. The risk management policy clarifies the roles and responsibilities of all stakeholders and tends to strengthen the involvement of each party. This risk management policy can be consulted by all Group employees on the company's Intranet.

The three lines of control model

Executive Management is at the center of the overall risk control process whose structure is based on "three lines of control". This reference model, which reflects the IFACI/AMRAE position, is organized along three lines of control that define the roles and responsibilities of operational management, Group functions, and Internal Audit. It helps to clarify any issues related to risk management systems and contributes to their effectiveness.



DID = Investments and Development Department
DB = Offices Department
DR = Residential Department

❶ Internal rules and Delegation of powers and authorities
❷ CAR – Audit and Risk Committee

1st line of control	2nd line of control	3rd line of control
The first line of control corresponds to controls performed by line management. It consists of operational managers who are responsible for assessing and decreasing risk.	The second line of control corresponds to the various functions set up by management to monitor risk control and compliance. This line consists of functional departments which are responsible for areas of expertise, and functions dedicated to managing the global risk control process.	The third line of control covers the effectiveness and consistency of the first 2 lines of control and consists of Internal Audit, which reports to the highest levels of the organization to ensure overall assurance. Furthermore, the external audits also provide independent assurance.

Risk factor sensitivity and correlation

The purpose of a risk correlation study is to identify interactions among the principal risks in order to improve the risk control process. In 2018, the Risk and Compliance Department, together with the Finance Department, carried out a sensitivity analysis of the Group's principal risk factors (LTV, ICR, NAV, Net Recurring Income) and of the principal exogenous parameters related to the real estate markets that could affect them, especially interest rate, margin and liquidity risks. This analysis was presented to the Audit and Risk Committee and the Board of Directors.

5.1.2 Summary of the principal risk factors

5.1.2.1 Summary table of the principal risk factors and control processes

Every year, Gecina analyzes those risks whose occurrence could have a material impact on the Group's business. The summary table of the Group's principal risks shows a classification of the risks by type, presented according to three level ratings scale.

Note that the summary table neither seeks to compile an exhaustive inventory of risks and control processes, nor make a chronological ranking, with respect to the dynamic changes in each of the risk levels over time. Risk control actions are integrated into the objectives determined by each of the departments concerned.

The pictograms summarizing the assessment of risk factors are represented based on the following key:

- 🔴 **High risk**
- 🟡 **Medium risk**
- 🟢 **Low risk**

The risk factors related to CSR issues are covered in a specific presentation in chapter 6 "From societal responsibility to sustainable performance".

Summary table of the principal risk factors that are material and specific to the Gecina group

Risk factors	Potential impacts	Principal control processes
	Economic	
🔴	**REAL ESTATE MARKET**	
Structural risk specific to the real estate market and due to the cyclical nature of the markets, consisting mainly of fluctuations in supply and demand, changing interest rates and the economic situation.	▪ Impact on the completion of investment and sale transactions. ▪ Decline in rental incomes and deterioration of the Group's results. ▪ Lower valuations of the Group's property portfolio.	▪ Implementation of Annual Asset Reviews, the 10-year business Plans, and the tracking of key indicators. ▪ Sensitivity analysis of the main risk components. ▪ Use of external consultants/studies/business intelligence. ▪ Presence in the most resilient markets (Paris Central Business District).
🟡	**DEVELOPMENT OPERATIONS/CONSTRUCTION**	
Risks related to exogenous factors in the case of development operations and constructions: volume of sites, company defaults, budget overruns, economic uncertainties, etc.	▪ Increase in corresponding costs. ▪ Legal risks related to non-compliance with labor regulations. ▪ Carrying costs or the effect of lower valuation potential of the assets. ▪ A decline in the quality of the services provided by the Group.	▪ Bimonthly Committee Meetings to monitor operations in the presence of the EXCO. ▪ Revisiting business processes and strengthening approval processes: rules for the selection of suppliers, due diligence, budget reporting, etc. ▪ Monitoring risks linked to development projects presented to the Audit and Risk Committee.
🟡	**ACQUISITIONS/DISPOSALS**	
Risk of overestimating the expected yield or the value accretion potential of the acquired assets, or failure to detect hidden defects of said assets.	▪ Exceeding the financial resources allocated upon acquisition. ▪ Difficulty in disposing an asset.	▪ Bimonthly Committee Meetings to monitor operations in the presence of the EXCO. ▪ Existence of a process for investment dossiers.

Risk factors	Potential impacts	Principal control processes
Technological		
CYBERSECURITY		
Risk related to exogenous changes to the environment in terms of IT, particularly affecting the physical security of hardware (tools/infrastructure) and software (viruses, breaches of rights, the Cloud, etc.), the security of information flows (data loss, breaches of the IT Security system, cyber attacks, etc.).	■ Loss of revenue through data processing failure, corrupted data, loss or destruction of IT equipment, data and archives, business interruptions or fraud and theft. ■ Cost of repair or reconstruction: in terms of security, business interruptions and delayed transactions.	■ IT security intelligence and raising employee awareness to digital and technological risks. ■ Regular updates of security applications. ■ Regular renewal and investment plan for security infrastructure (intrusion testing, etc.). ■ Taking out an insurance policy for cybersecurity, ■ Monitoring of the Disaster Recovery Plan.
DIGITAL		
Risks related to changing job descriptions and business lines as part of the digital transformation of the Group's lines of business (online payment, electronic signature, changing IT environment).	■ Loss of skills. ■ Deterioration in the social climate due to resistance to change. ■ Consequences for the Group's results.	■ Policy regarding change management support which notably includes anticipating employees' training needs. ■ Revisiting internal processes. ■ Risk analysis related to new uses. ■ Developments in compliance with the GDPR.
Financial		
CORPORATE - COMMERCIAL COMMUNICATIONS		
Risk related to the increase in the number of external channels of communication and the number of internal and external parties involved in communications (notably on social media).	■ Damage to the reputation of the commercial brand. ■ Consequences for the Group's results. ■ Influence on the share price.	■ Existence of a department devoted to this issue. ■ Communications approval process. ■ Press and social media intelligence tool to track the amount and tone of media coverage.
DECLINE IN THE FINANCIAL OCCUPATION RATE		
Risk consisting of a large proportion of exogenous factors (economic situation, and property portfolio turnover) linked to the development pipeline and marketing strategy.	■ Reduction in rental income and increased operating expenses due to higher vacancy rates. ■ Deterioration in the Group's results.	■ Quarterly Group budget review. ■ Budget reviews: key indicators monitoring, issues, latest news, marketing, assumptions, action plans. ■ Regular monitoring of rental issues: vacancy, operational, strategic (pipeline/delivery) rental status, etc.

Risk factors	Potential impacts	Principal control processes
Legal		
LEGAL DISPUTE IN SPAIN		
Risks linked to acquisitions and undertakings made in Spain during Joaquín Rivero's term as Chairman and CEO. Risk factors possibly arising from the legal dispute in Spain that might lead to criminal liability for the Company and/or its current officers.	▪ An increase in corresponding costs or legal risks. ▪ Deterioration in the Group's results. ▪ Damage to the Group's reputation.	▪ Legal monitoring of the transactions undertaken by the Group's internal legal staff with the support of external counsel. ▪ Review of the consistency of all case files to reduce the risk of strategic litigation.
PROPERTY RISKS		
Risks related to the real estate business (health & safety, security, environment). In 2018, property risk mapping covered 17 areas of risk divided into categories: protection of health, safety, protection of the environment, protection of Gecina employees.	▪ Potential endangering of tenants. ▪ Legal risks related to non-compliance with regulations. ▪ Adverse impacts on the Group's financial situation and earnings. ▪ Damage to the Group's reputation.	▪ These risks are assessed on the basis of reporting standards defined for each area of risk, and indicators measuring the performance levels of the buildings. ▪ Internal reporting standards for property risks revised in 2018. ▪ Regular monitoring by the Audit and Risk Committee.
CORRUPTION AND TAX EVASION		
Risks essentially concerning non-compliance with regulations, notably the Sapin II Act, covering issues of fraud, collusion and corruption within the various Group departments. The Group is not concerned by the risk of tax evasion in view of the scope of its business being domestic.	▪ Legal risks related to non-compliance with regulations. ▪ Adverse impacts on the Group's financial situation and earnings. ▪ Damage to the Group's reputation.	▪ Implication of the Risk and Compliance Department in all significant Group transactions (regulatory intelligence, risk analysis, corruption, fraud, etc.). ▪ Implementation of a process to manage whistleblowing. ▪ Training of the employees (managers and staff members) most exposed to the risks of corruption and influence peddling.

5.1.3 Additional information about certain risk factors

5.1.3.1 Risks related to a reduction in the financial occupancy rate for offices

The average financial occupancy rate of the Group's buildings was 94.9% at the end of December 2018. When the current leases expire, Gecina may be unable to renew or lease the assets concerned as rapidly as it expects and with terms as favorable as those of the current leases. Should Gecina be unable to attract enough tenants to rent its offices and maintain a satisfactory financial occupancy rate and rental income, this could adversely affect its revenues, operating income, profitability and valuation of its property holdings.

Rental volume by three-year commercial lease terms[1]

In € million	2019	2020	2021	2022	2023	2024	2025	> 2025
Commercial leases	124	66	78	40	29	56	21	136

Rental volume by commercial lease agreements expiry schedule[1]

In € million	2019	2020	2021	2022	2023	2024	2025	> 2025
Commercial leases	74	35	70	26	31	41	45	227

(1) Excluding other commercial properties.

Breakdown of tenants by sector (Offices - annualized rents base)

	2018
Public sector	7%
Insurance	4%
Other	5%
Banks	5%
Real estate	3%
Industry	8%
Information and communication technologies	5%
Luxury - retail	15%
Communications - TV	4%
Services	37%
Telecoms	7%

5.1.3.2 Property risk factors

The Property Risk Management function carries out mapping of property risks. It aims to identify and define sets of standards and policies for each of the major risks associated with the property portfolio.

It is meant to be updated whenever the relevant regulations change and in the event of a significant change in the Group's strategy. It also seeks to help the different Group players pay more attention to risks linked to buildings under their day-to-day management and to reinforce their involvement in this regard.

5.1.4 Risks linked to certain transactions in Spain

Up until 2009, Gecina, chaired by Mr. Joaquín Rivero, made a certain number of acquisitions in the Spanish real estate sector, including SIF Espagne's acquisition of a 49% stake in Bami Newco in 2009. Gecina also made certain commitments, notably granting certain guarantees relating to these acquisitions, as referred to in Notes 2.5.5.13 and 2.5.9.3 of the Notes to the Consolidated Financial Statements.

Gecina cannot entirely rule out the possibility of non-compliance with its internal control and risk management arrangements resulting in additional financial, legal or regulatory risks that have not been identified to date. Occurrence of such risks may impact the Group's reputation, results or financial situation.

5.1.5 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 creates to cover the estimated risks (see also Note 2.5.5.13 of the Notes to the Consolidated Financial Statements).

Except the disputes mentioned below, the disputes and claims in which Gecina and its subsidiaries are parties to this day are in the normal course of their business.

5.1.5.1 Pending criminal court disputes

To date, the company is not in a position to evaluate any potential risks, in particular, regulatory, legal or financial, arising from the facts covered by the ongoing criminal proceedings and cannot, in particular, exclude the possibility that it may be joined as a party in the future, together with the company's officers and representatives.

- In 2009, a complaint was filed in France pertaining to certain transactions involving in particular the former Chairman of Gecina's Board of Directors, Mr. Joaquín Rivero.

  The company fully assisted the investigations and joined the proceedings as a civil party in 2010 to safeguard its interests.

  The investigating judge, Mr. Van Ruymbeke, during the investigation ordered the seizure of sums representing the dividends owed to Joaquín Rivero and the companies he controlled pursuant to the resolutions passed by the Shareholders' Meetings of April 17, 2012 and April 18, 2013 (around €87 million).

Mr. Joaquín Rivero was sent back to the Paris Criminal Court (*Tribunal correctionnel*) on various counts as a result of the aforementioned complaint and, in a ruling handed down on March 11, 2015, he was convicted of misuse of corporate assets and money laundering and sentenced to four years of imprisonment, with a one-year suspended sentence. He was also ordered to pay around €209 million to Gecina in damages and a fine of €375,000. The Court ordered the confiscation of all the sums seized during the investigation (around €87 million). The Court also indicated that a portion of the damages would have to be paid directly by the AGRASC (*Agence de gestion et de recouvrement des avoirs saisis et confisqués*) to Gecina, firstly from the confiscated assets which the AGRASC managed and up to this amount. Lastly, Mr. Joaquín Rivero was acquitted on the counts of failure to report threshold crossings and circulation of false or misleading information.

As the parties have appealed this decision, the ruling is not enforceable.

Joaquín Rivero died on September 18, 2016. His passing renders the public action against him void but does not cancel Gecina's civil action, which may continue, against Mr. Rivero's assigns.

On December 5, 2018, the Paris Court of Appeal issued a ruling confirming that the appeal was extinguished and upheld the judgment of March 11, 2015 by the Criminal Court in all its provisions, which are now enforceable.

Furthermore, the €86 million representing the amount of the dividends due to Joaquín Rivero through his company Alteco, currently in judicial liquidation in Spain, and which had been subject to seizures ordered by Judge Van Ruymbecke in 2012 and 2013 as part of these proceedings, was sealed by a transactional protocol agreed with the liquidator; a protocol which also led to the favorable ruling of December 5, 2018.

The protocol will enable Gecina to receive damages, in due course, of around €59 million, equivalent to approximately two thirds of the sums that had been seized during the investigation.

Following the judgment of March 11, 2015, Gecina sequestrated the 8,839 shares held personally by Joaquín Rivero and the dividends due from 2014. This seizure became enforceable following the ruling given on December 5, 2018.

- On September 11, 2014, the Spanish bank Abanca requested the payment by Gecina of €63 million pursuant to the guarantee letters of endorsements that were allegedly signed in 2008 and 2009, by Mr. Joaquín Rivero, former Gecina officer.

  Gecina, which had no knowledge of these letters of endorsement, considered, after talking to its legal advisers, that they represent a fraudulent arrangement since they are in breach of its corporate interest and of applicable rules and procedures.

  For these reasons, Gecina informed Abanca that it contested the fact that it owed the sum being claimed and that as a result, it would not respond to its claim. On October 24, 2014, the company filed a criminal complaint against Mr. Rivero and any other person involved, for misuse of authority under these letters of endorsement. Since Mr. Joaquín Rivero was not the only person targeted by this complaint, this procedure is still ongoing. Abanca summoned Gecina before the Court of First Instance of Madrid. (see section 5.1.5.2).

- On July 16, 2012, the company was informed by Banco de Valencia of the existence of four promissory notes issued in 2007 and 2009, for a total amount of €140 million, three of them being in the name of "Gecina SA Succursal en España" and the other in the name of "Gecina SA", for a Spanish company called Arlette Dome SL. The latter would seem to have presented the above mentioned promissory notes to Banco de Valencia to guarantee loans granted by the bank.

  After verification, the company realized that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome SL which could have justified their issue. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the issue were to be confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. Following a series of decisions and appeals, Gecina was recognized as civil party to the proceedings on April 19, 2016 before the National Court, where the company continues to assert its rights. No provision was recognized for this purpose.

5.1.5.2 Pending civil and commercial court disputes

- The Spanish bank Abanca, after seeking the payment by Gecina of €63 million (€48.7 million in principal) pursuant to the guarantee letters of engagement allegedly signed in 2008 and 2009 by Mr. Joaquín Rivero, former Gecina officer (see section 5.1.5.1), issued a summons to Gecina to appear in the lower court of Madrid in order to obtain payment of the sums claimed.

  Gecina is challenging Abanca's claims, asserting its rights and defending its interests in these proceedings. On June 10, 2016, the Court of First Instance of Madrid declared that it had no jurisdiction to try the dispute. On July 14, 2016, Abanca appealed this decision. On July 4, 2017, the Madrid Court of Appeal declared that the Spanish Courts do have jurisdiction to hear Abanca's claim. The proceedings on the merits are ongoing before the court of First Instance of Madrid. Gecina also filed a criminal complaint in France against Mr. Rivero and any other party involved, for misuse of authority for letters of commitment cited by Abanca (see section 5.1.5.1).

  No provision was recognized for this purpose.

- Bami Newco was the subject of insolvency proceedings commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

  The liquidation plan sent to the parties in November 2015 is still being executed by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the *de facto* and *de jure* Directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

  The Spanish company Bamolo, to which Gecina granted in 2007 a €59 million loan, which matured in October 2010, filed for bankruptcy in 2011. Gecina has reported this loan refund receivable as a loss, under the Spanish proceedings. Having gained knowledge of a loan at the same time as the Gecina loan, granted by Bamolo, for an equivalent amount to a company known as Eusko Levantear Eraikuntzak II (ELE), also in receivership, Gecina is asserting its rights and defending its interests in these two bankruptcy proceedings. Following the liquidation phase of Bamolo, on March 10, 2015, Gecina filed, before the Spanish courts, a liability action against the *de jure* and *de facto* Directors of Bamolo, including Mr. Joaquín Rivero, for fraudulent bankruptcy. The proceedings are ongoing.
- There are no other government, judicial or arbitration proceedings pending, including any proceeding of which the company is aware, or with which it is threatened, which may or have had in the last twelve months material impacts on the financial situation or profitability of the company and/or the Group.

5.1.6 Insurances

The essential purpose of Gecina's policy in terms of insurances is to protect its property portfolio and protect against any possible liabilities.

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 tenants.

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

The insurance program consists of four distinct parts: Insurance for developed real estate assets, including Property Owner Liability (POL/RCPI); construction insurance (contractor's liability insurance and job site insurance); third-party liability (general and environmental); and other policies (vehicles, staff travel, comprehensive IT risks, fraud and malicious intent, 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 POL account for the bulk of the budget, because of its strategic importance to the Group in terms of risk management.

These risks are insured in a program that covers Gecina as well as all its subsidiaries or partnerships with leading insurers, principally Chubb and AXA, Allianz and Liberty Mutual, through its insurance brokers, Assurances Conseils, Siaci Saint Honoré, Marsh and 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.

5.1.6.1 Coverage of damage and liabilities associated with properties

Because of the 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.

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

The property portfolio is covered up to its brand-new value with a Limit of Indemnity (LOI) of €150 million, with the exception of seven assets (large office or residential buildings) which are covered by LOIs of €300 million and three office assets acquired in 2015 which benefit from an LOI of €600 million.

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

5

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

A master-agreement signed with Allianz, through the Firm Marsh, provides all construction risks, contractor's liability and promoter (*Constructeurs Non Réalisateurs*) coverage to all construction sites for up to €15 million.

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

5.1.6.2 General and professional third-party liability

The consequences of bodily, material and immaterial third-party liability due to employee malpractice or flawed professional work are insured under a Group policy.

Mandatory coverage for professional third-party liability of subsidiaries whose activities come under the Hoguet Law is incorporated into the Group's civil liability program. The program was renewed for three years on January 1, 2018.

5.1.6.3 Environmental third-party liability

This guarantee was set up as early as 2007 to cover Gecina's liability for damage suffered by third parties and damage to biodiversity when such damage is the result of the impact of the Group's activities on the environment, and also any costs incurred from on-site pollution cleanup operations to neutralize or eliminate an environmental hazard. The program was renewed for two years on January 1, 2018.

5.1.6.4 Lease management and management of supplier contracts

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

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.

The court costs, and the expenses and internal costs of defense 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 respected: its technical commitments; its control over them; its disclosure and advisory obligations, its contractual obligations.

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

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

5.1.6.5 Claims

There was no significant claim in 2018 and until the date of publication of this document.

5.2 Information regarding certain control activities

5.2.1 Internal control procedures for the production and processing of accounting and financial information

Production and processing of accounting and financial information

The process for producing financial statements is mostly based on:

- the existence of formalized procedures related to closing and to the consolidation of financial statements based on a specific account closing schedule;
- the regular update of the Group's accounting principles and methods to reflect regulatory changes and the activity of Group companies;
- anticipation, validation and documentation of accounting and financial incidences of any significant transaction that occurs during the financial year;
- analytical reviews to validate changes in the main balance sheet items and the income statement linked to changes in Group structure;
- in addition, the Financial Department submits every year to the Audit and Risk Committee a presentation of various year-end sensitive issues, prior to the Committee's Annual Accounts Review Meeting.

The Group's Accounts and Tax Department performs and checks all the accounting works of the Group companies through a single information system. This centralization enables better control over accounting and consolidation practices, in accordance with the principles and standards defined at Group level.

The procedure and schedule of year-end closure are distributed to all parties involved and include the tasks of centralization, reconciliation and analysis that are required for the accuracy of the financial and accounting information. This process includes a hierarchical review of the closing procedures of all Group companies at each reporting date. Specific documentation has been issued to cover these procedures. In general, the reliability of accounting information is guaranteed by an organizational structure ensuring a separation of duties and control measures undertaken by the Group's various entities. Invoicing and collection of rent and other charges are tasks performed by the operational departments in accordance with specific procedures and subject to a series of detailed controls. Major transactions are automatically recorded in the accounting information system.

Furthermore, the budgetary monitoring system based on the Group's chart of accounts and the comparative analyses developed by the Financial Control function provide further reassurance.

Off-balance sheet commitments are monitored for each consolidated entity, centralized, then subject to a specific semi-annual review by Internal Audit.

Gecina also relies on external advice, on tax issues in particular, by reviewing and monitoring the Group's main risks and disputes.

The reliability of the valuation of the real estate properties is based on a biannual process of property appraisals. The Valuations and Appraisals function is responsible for coordinating and overseeing the performance of property appraisals, performed at least twice a year by independent appraisers, in connection with the semi-annual reporting. The function reports to Financial Control. It is centralized and separate 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.

Furthermore, internal valuations are carried out by each operational department concerned on the basis of the updated rental statements of the latest rentals carried out and the application of a yield rate per asset, which reflects developments on the markets concerned. This information is cross-checked using metric values and previous period appraisals. The property appraisal process is governed by a specific procedure that explicitly defines the principles for selecting appraisers, and indicates how appraisal campaigns should be conducted. Under this procedure, the Audit and Risk 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.

Experts are selected on the basis of specifications and under the supervision of the Audit and Risk Committee.

The Financial Communication Department handles the following key activities:

- the preparation and drafting of press releases: these are subject to a strict writing process and a suitable level of control and approval;
- the drafting and supervision of the Registration Document and of the half-year financial report. The Registration Document/half-year report approval process is centralized in the Finance Department with several levels of control;

- special presentations to third parties of the company: a presentation is used for investor roadshows. It can be complemented by additional presentations for individual investors or shareholders. Presentations are also made to credit rating agencies (with the approval of all departments involved). CSR and corporate governance presentations for non-financial investors. Publication of the presentations is supervised by the departments (financial and operational) and by the CEO.

Financial Control

The Financial Control Department makes a significant contribution to the reliability of financial and accounting information through its budgetary activities and analyses.

Budget preparation and control

A forecast budget is drawn up for each building, covering rent, work and property-related expenses. Assumptions are made for each building with regard to vacancy rate, turnover rate, new letting trends and re-letting periods.

Budget monitoring of properties is performed on a monthly basis for rent and construction work, and quarterly for property-related expenses. Any differences between forecasts and actual figures are analyzed and justified in conjunction with the relevant operational departments.

With respect to overheads, payroll expenses are checked every month, and other expenses are checked quarterly.

Monitoring of activity indicators

There are activity indicators for measuring the performance of the rental activity in each sector. These indicators are primarily used to monitor rentals and departure notices. The Financial Control Department, 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

This 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 optimize their earnings or decide on their future status within the property holdings.

To monitor operations more effectively, Gecina's Financial Control is carried out at two levels:

- on an operational level by liaising directly and continuously with each of the departments by supplying the reports required for monitoring the activity and useful for decision taking;
- on a centralized level, it is specifically responsible for drawing up and monitoring budgets, tracking key business indicators, analyzing the profitability of properties and conducting property appraisals. It produces detailed monthly reports on each business line and performs any budgetary analysis specifically requested by the Executive Management.

The Financial Control Department is currently composed of 12 financial controllers and integrated into the Finance Department.

5.2.2 Risk and Internal Audit Department

The Risk and Internal Audit Department, reporting to Executive Management, includes the Risk and Compliance and the Internal Audit Departments.

It takes part in supervising internal control and risk management.

RISK AND INTERNAL AUDIT DEPARTMENT
7 people

INTERNAL AUDIT | **RISK AND COMPLIANCE**

ROLE

Internal Audit

- Internal Audit's annual work plan is approved by Executive Management and includes:
  - Periodic audits of specific areas,
  - Recurring assignments related to the control of the production and processing of accounting and financial information,
  - One-off assignments requested by Executive Management or the Audit and Risk Committee;

  The annual audit plan and mission reports are distributed to the Chairman, Executive Management and the Audit and Risk Committee.
- Monitoring the implementation of recommendations;
- Monitoring fees and the independence of the Statutory Auditors, presented to the Audit and Risk Committee.

Risk and Compliance

- Coordinating risk management and compliance procedures;
- Supervising risk management policy and mapping operational risks;
- Ensuring the continuous verification of the application of the principal activities of the internal control systems;
- Monitoring the implementation of recommendations;
- Prior analysis of the risks and sensitivity of the strategic issues presented to the bimonthly committee meetings;
- Monitoring and training of employees in terms of compliance and the whistleblowing process;
- Supervision of:
  - Anti-fraud and anti-corruption measures in the context of the Sapin II Act,
  - The fight against money laundering and the financing of terrorism;
- Compliance checks regarding the proper application of the Sapin II Act/surveillance of watch procedures.

5.2.3 Further information regarding the Risk and Compliance Department

Risk analysis

In 2018, the Risk and Compliance Department was involved in the dynamic management of the portfolio of assets with:

- integration of risk analysis into the twice yearly budget review process to provide an in-depth analysis of market trends, as well as the assets held, taking into account risk factors based on various scenarios;
- integration of the prior analysis of risks and sensitivity within the Development, Investment, Divestment, Financing, Marketing (DIFC) Committee on a bimonthly basis. The purpose of this Committee is to carry out a review, shared with all the other Departments, of the case files in the presence of the members of the Executive Committee. The review may then be presented to the Board of Directors as appropriate.

Ethics charter

All the regulations, measures and internal processes were supplemented by the implementation of the Group's ethics charter. The ethics charter covers aspects specifically related to corruption in terms of whistleblowing. It is appended to the internal regulations.

The ethics charter was drafted in accordance with Gecina's fundamental values and ratified by the Board of Directors. It was distributed to all employees and posted on the Group's website and on the Intranet. It focuses on nine key issues:

- compliance with regulations;
- the Group's commitments to its stakeholders;
- the Group's corporate social responsibility;
- community involvement and political neutrality;
- work conduct;
- ethical business management;
- confidentiality;
- stock exchange compliance;
- whistleblowing mechanism.

Each employee is asked to follow and ensure that others follow the charter and act with integrity at all times. A practical guide illustrating the principles listed in the ethics charter has been distributed to all administrative staff. In the event of an additional query regarding a transaction or doubt about a specific situation, employees may report this directly to the Chief Compliance Officer. A whistleblowing mechanism has been in place since 2012 through a special email address. Depending on the nature and severity of the problem, a Whistleblowing Committee is convened and an appropriate range of disciplinary measures implemented, if applicable.

Each new employee is given the ethics charter and the practical guide on joining the company. A presentation on the charter is also added to the orientation process for new Group employees and the executive induction seminar. In this way, all new employees attended the presentation in 2018, comprising a total of eight awareness raising sessions. Taking into account the initial training given when the charter was issued in 2012, and the rate of staff turnover since then, 98% of Group employees have been familiarized with the ethics charter.

Anti-fraud and anti-corruption measures

The Group's anti-fraud and anti-corruption arsenal is supervised by the Risk and Compliance Department. It is based on the evaluation and analysis of risks of fraud and corruption through annual risk mapping projects.

The evaluation helps to define specific prevention measures based on the Group's ethics charter and on the internal procedures standard, which include various controls, segregation of duties and access security measures.

Prevention is also based on awareness raising actions conducted by the Risk and Compliance Department, which organizes regular briefings and training for the Group's employees.

A detection system includes the risk of fraud and corruption in the permanent control audit work carried out by the Risk and Compliance Department within the reporting and warning systems, as well as *via* one-off investigations when anomalies are detected or reported. This system is enhanced by updating the ethics charter, on these aspects in particular.

As a continuation of the implementation of the Sapin II Act, the Risk and Compliance Department continually maintains and reinforces its risk control mechanism in terms of the fight against corruption, fraud and influence peddling.

The fight against money laundering and the financing of terrorism

Monitoring of the fight against money laundering and terrorism financing is an integral part of the ethics charter notably *via* the whistleblowing mechanism. This is the subject of a formalized process and operational departments have tools to identify and manage these risks. In a similar way to the fight against corruption, six training sessions were organized by the Risk and Compliance Department for the most exposed employees, covering the areas of money laundering and the financing of terrorism. The training included a summary of the key points of the Sapin II Act, a presentation of the anti-corruption measures put in place at Gecina, and hands on role play sessions.

An additional detection system has been established, by incorporating anti-money laundering and terrorism financing risks into the permanent audit control work performed by the Risk and Compliance Department. The system was further strengthened in 2018 *via* the implementation of a new counter-party identity intelligence tool.

In view of the current requirements and the associated reputational risks, the fight against money laundering and the financing of terrorism is a central issue at the core of the work done by the Risk Management and Compliance Department, particularly in terms of procedures.

6

From corporate responsibility to sustainable performance

6.1 Our commitment to people, the planet and our heritage

6.1.1 Gecina and CSR

Environmental emergency, digital transformation, and aspirations of new generations are all factors that accelerate the renewal of production, operating and consumption models. This is why Gecina, already considered as a pioneer in matters of sustainable development, merged its research and development, innovation and CSR departments, this year. In fact, beyond the intrinsic performances of its buildings, Gecina is working on more contributory approaches aiming to reduce energy dependency, improve local environmental performance, and better take into consideration the specific needs of the territories and the users of its buildings. Acting in favor of a sustainable model means promoting an environmental model, centered on human beings, that collaboratively integrates the necessary level of technology.

With its property portfolio concentrated in Paris and the inner suburbs, Gecina is a player at the local level. The central location of its assets prevents the creation of urban sprawl and limits emissions resulting from commuting. The real estate park is regularly renovated to adapt its assets to the energy transition. Finally, its expertise in commercial and residential environments allows Gecina to focus on the reversibility of spaces and offer new functions. Thus, since 2015, three office buildings have been transformed into student residences. Moreover, with the Rose de Cherbourg operation delivered in 2018, Gecina was the first property company to reintroduce housing units in La Défense.

Nonetheless, evolving in a sector that generates one quarter of the greenhouse gas emissions and two-thirds of the waste produced in France, since 2008 Gecina has adopted ambitious Corporate Social Responsibility (CSR) policies and quantitative objectives. With its ten years of experience, Gecina concentrates on four CSR priorities (See 6.2 "Our CSR priorities"): the low carbon policy, the circular economy, biodiversity and the well-being of occupants. Each of these priorities is part of an overall responsibility approach, the performance of which is measured by tracking key indicators and the generalization of certifications and labels awarded by independent third-parties (HQE Construction, HQE Exploitation, WELL®, BiodiverCity®, WiredScore…).

In this constantly changing world in which we have to anticipate and assist new ways of living, Gecina is putting in place tools and methods with its employees, as well as working on federating its customers, suppliers, and more broadly speaking, its stakeholders (See 6.3 "Our action levers"). The new CSR governance will rely on the collective intelligence of the teams and function in a cross-disciplinary manner. Gecina will expand the CSR criteria already present in its supplier assessments, as well as its performance-based specifications, and the individual objectives of its employees.

In the same spirit, in order to propose new user experiences that are unique and differentiated, as part of its new relational and service-based brand YouFirst, Gecina is putting in place an extensive open innovation policy. This approach positions Gecina as a proactive player in social and environmental innovation. The Group's operating teams can rely on the new R&D and Innovation Department that is structuring an ecosystem of innovative players (innovation fund, start-ups, innovative suppliers, schools, etc.) and the rising power of employees. Gecina will be able to step up flexibility and the pooling of certain spaces in its building network, and further personalize the customer path, in particular through targeted services and enhanced digital fluidity.

To assist this transformation, in 2018, Gecina acquired new expertise by recruiting 55 new employees, and also launched the first version of a Graduate Program for young talents.

Finally, Gecina's commitment is also demonstrated by its support of citizen actions that serve the public interest (see 6.4 "Our support actions"). Improvement in the living conditions of disabled persons, protection of the environment, and preservation and protection of the cultural heritage, are its priority focuses of intervention. Gecina relies on its two foundations: the Fondation Gecina (Gecina Foundation) and the Ville et Patrimoine Foundation (City and Heritage Foundation). It has also signed the "One building one work of art" charter of the Ministry of Culture, and is a partner of the Forum International de la Météorologie et du Climat (international forum on metrology and climate) presided by the climatologist Jean Jouzel.

In conclusion, faced with expectations of more economical, more responsible, more service-efficient and customizable user experiences, Gecina's challenge is to fight against climate warming while improving the quality of life of its customers and developing the local economy. Ultimately, it is a matter of simultaneously taking care of people, the planet and our heritage.

6.1.2 Priority CSR risks and opportunities for Gecina

In 2018, Gecina completed its CSR risks and opportunities mapping. This work supplements the identification of the Group's risks conducted by Gecina's Audit and Risk Department. It allows to recenter the analysis of the CSR challenges identified in the 2016 materiality matrix on the most essential points, linked to the Gecina business model.

To conduct the exercise, a sector-based universe of CSR risks and opportunities was initially established based on investor requirements, market trends, and Gecina's 2016 materiality analysis. On this basis, all of the members of the Executive Committee, the Audit and Risk Department, and the CSR

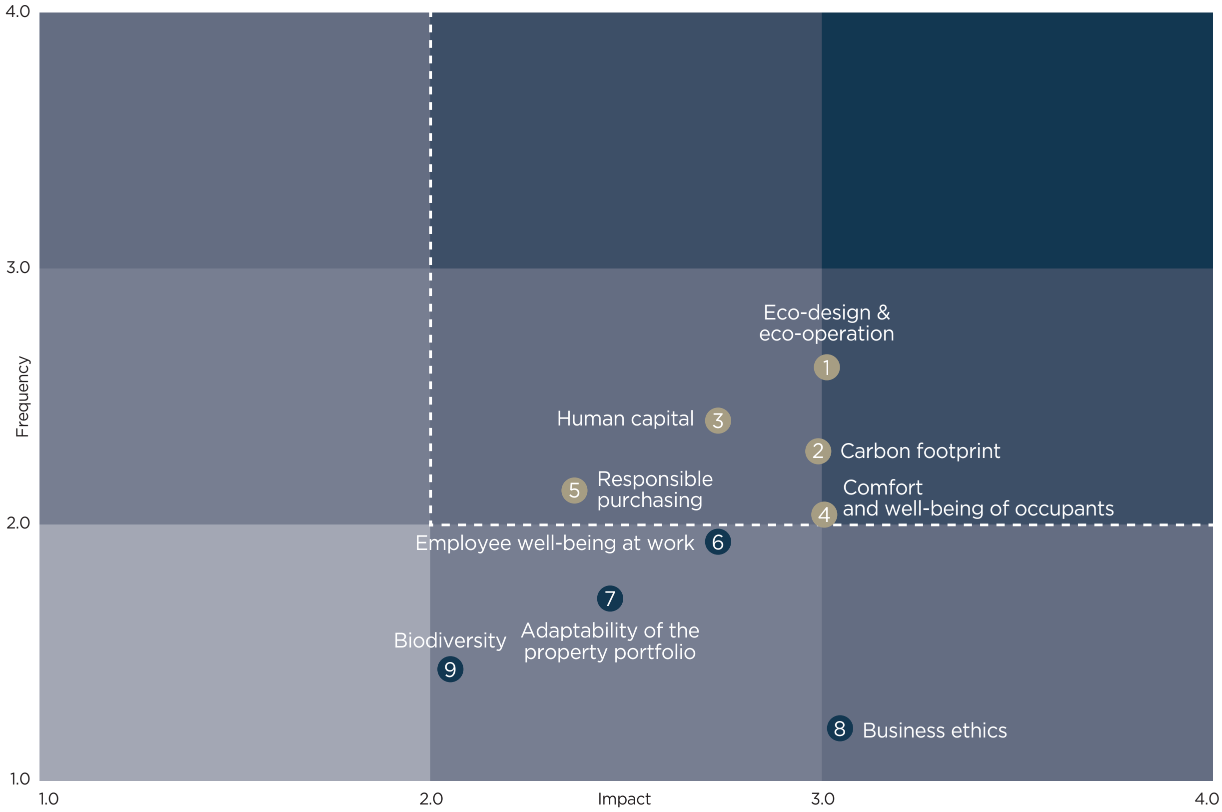
Department took part individually, then in a plenary meeting, in evaluating the most significant CSR themes for Gecina related to its activity.

Two focuses for rating were established, on a four-level scale from 1 (limited) to 4 (critical):

- the severity in terms of impact on reputation, operating costs, revenue, and customer loyalty to Gecina;
- the frequency at which the risk could arise.

At the same time, the level of control of each risk and opportunity was evaluated to determine whether the actions deployed by the Group are adequate to manage the CSR risks and opportunities that it faces. This rating took into account the goal and the scope of deployment of the CSR actions as well as the robustness of the performance management.

CSR risks/opportunities inherent in Gecina's activity



Five CSR risks and opportunities emerge from this analysis. They are considered as priorities since the probability of their occurrence and their impact on the activity were evaluated as high:

- **Eco-design & eco-operation** is related to the energy efficiency and rational management of resources in the development and operation of Gecina's assets;
- **Carbon footprint** corresponds to the capacity to reduce the greenhouse gas emissions related to the work of refurbishing operation of assets;
- **Human capital** refers to talent and skills management, diversity within the company and the quality of life at work;
- **Comfort and well-being of occupants** is linked to the expectation of Gecina's clients and the changes in uses;
- **Responsible purchasing** means making sure that Gecina's suppliers have high performance with respect to CSR matters.

Like the Group's risks, this work was presented to the Audit and Risk Committee. It will track the effectiveness of the action plans implemented and managed by the Executive Committee to ensure the best management.

6.2 Our CSR priorities

6.2.1 Low carbon buildings

6.2.1.1 Background

Gecina, like all players in the real estate industry, is very concerned about the fight against green house gas emissions and has several action levers:

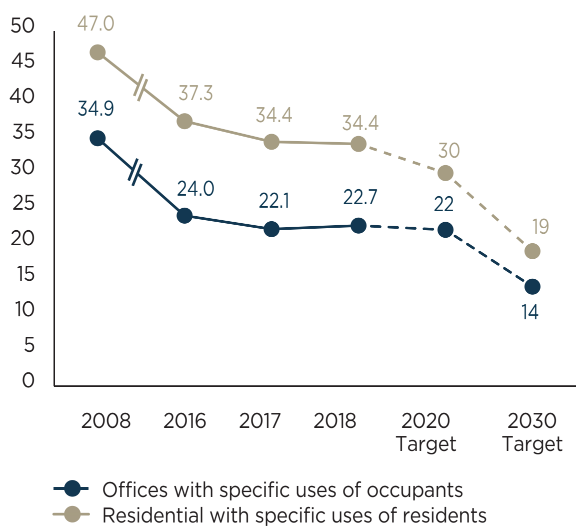
- improving energy efficiency and using energies that emit less greenhouse gas for its operating buildings. This is a major challenge since property represents one quarter of the greenhouse gas emissions in France;
- eco-designing real estate developments, by using construction materials and equipment that emit low levels of greenhouse gases, both during the manufacturing phase and when operated in an occupied building. In addition, property reconstruction may enable a four-fold reduction in the energy consumption of an existing building;
- involving its customers and suppliers in the fight against greenhouse gas emissions. Customer usages impact between 10% and 30% of the emissions of buildings. The role of maintenance operators is crucial to properly configure equipment and control their energy consumption. Finally, corporate clients seek high-performance company headquarters in order to embody their own low carbon ambitions.

6.2.1.2 Commitments

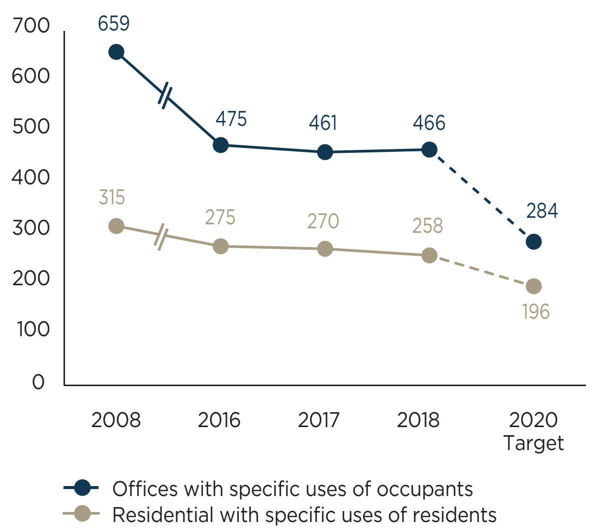
- To put in place an internal carbon fund and stimulate low carbon innovation ;
- To make low carbon the standard in:
  - managing the operating portfolio with an objective to reduce our greenhouse gas emissions by **60%** by 2030 (as to 2008); and
  - the design of developments with a goal of achieving **carbon neutrality** by the end of 2050.
- To produce renewable energy in each of our development projects.

Key performance indicators

GHG emissions linked to buildings in operation (in kgCO$_2$ per sq.m)



Energy performance of the property portfolio (in kWh of primary energy per sq.m)



6.2.1.3 Action plans

	Key actions	Progress and results
Low carbon design	**Creation of a guide for Life Cycle Analysis (LCA) in the Design phase**	▪ Homogeneous measurement of the carbon footprint of all new refurbishment ▪ 86% of assets delivered in 2018 benefited from a LCA ▪ 88% of assets undergoing reconstruction benefited from a LCA (excluding light renovations)
	Carbon footprint of materials taken into account in the specifications	▪ Low carbon requirements of materials in new refurbishment projects as far as possible ▪ On-going inventory of low carbon materials and equipment to be favored in the design phase ▪ In 2018, an opportunity study awarded to an engineering firm to identify the work and actions for reducing greenhouse gas emissions of the property portfolio
Decarbonizing the energy mix	**Facilitating connections to low carbon energy sources**	▪ 40% of commercial buildings connected to an urban heating network ▪ 18% connected to a cooling network ▪ 40% of residential buildings connected to an urban heating network
	Strengthening green energy contracts	▪ 28% of renewable energies in the energy mix through renewable origin guarantees compared to 18% used in the traditional energy mix, which accounts for a difference of 2,255 metric tons of CO_2 that Gecina does not deduct from its CO_2 emissions ▪ A three-year contract signed in 2018 for the progressive integration of biogas to supply the boilers of the residential property portfolio
	Producing renewable energy	▪ 70% of Gecina's electricity consumption is covered by a green energy contract ▪ 69% of surface areas delivered include the production of renewable energy via photovoltaic panels
Limiting energy consumption	**Improving energy performance**	▪ 10 projects under development that are designed to achieve average performance of 64.86 kWh/sq.m for final energy once the property is operational ▪ 12 buildings retro-commissioned between 2017 and 2018 (in addition to the 24 assets where this solution was deployed between 2016 and 2017) ▪ More than €2 million invested in 2018 to improve the energy efficiency of the portfolio ▪ 92 buildings have ISO 50001 certification (43 offices, 35 residences and 14 student residences) ▪ 62% of residential surface areas covered by an incentive contract linked to the energy performance of the building. In 2017, 42% of covered surface areas benefited from a bonus. ▪ 69% of surface areas covered by a green lease

6

Promoting wooden structures

As far as possible, Gecina promotes the use of materials enabling a reduction in the carbon footprint of its reconstruction operations. Wooden construction is therefore favored in all of the Group's operations. Its main interest is carbon storage: one cubic meter of wood absorbs 700 kg[1] of CO_2. In addition, unlike other materials, the industrialization of wood components uses little energy, which limits production-related GHG emissions by 180 kg[2] of CO_2 per m^3 compared with 400 kg[3] of CO_2 for reinforced steel. The light weight and availability of the material has an advantageous effect, notably for reducing emissions related to transport. Finally, it is a dry industry, which limits both the impact of work on the neighboring residents and the time of completion.

At the construction site at 7, rue de Madrid, a 1,500 sq.m extension, attached to the re-constructed building, will be built with a wooden frame. The Ville d'Avray project, initially designed with a steel structure in 2014, was redesigned so that its 125 housing units are built in wood.

(1) http://www.carbone4.com/le-clt-un-systeme-de-construction-innovant-permettant-de-reduire-lempreinte-carbone-de-la-construction/
(2) http://www.carbone4.com/le-clt-un-systeme-de-construction-innovant-permettant-de-reduire-lempreinte-carbone-de-la-construction/
(3) https://www.infociments.fr/sites/default/files/article/fichier/SB-146.pdf

Deployment of an energy monitoring system of buildings

As part of its digitalization program, in January 2019 Gecina began deploying two solutions for remote metering on roughly ten commercial buildings.

This test phase, scheduled to last approximately six months, will allow the Group to select the most efficient tool for monitoring the energy performance of its commercial real estate portfolio and for detecting new sources of energy gains.

Two criteria will be taken into account for the choice of the finalist:

- the technical implementation of infrastructure to report energy and water consumption ;
- the ability to support energy management (identification of possible savings, assistance in the implementation by the operator, measurement of the shortfall of certain actions, etc.).

The property portfolio will be progressively equipped by the end of 2021.

An internal carbon fund to stimulate low carbon transformation

In order to integrate the management of greenhouse gas emissions with the operating business lines and to stimulate low carbon innovation among its employees, at the end of 2018 Gecina created an internal carbon fund. Concerning operations, each operating department contributes, on a prorated basis, greenhouse gas emissions of the buildings that it operates, on the basis of €12 per tonne of CO_2 emitted. Concerning real estate developments, the projects are taxed on the level of greenhouse gas emissions during construction. Operating outperformance may be valued as a bonus. However, to strengthen the transformational character of this mechanism in the case of developments, the cost of CO_2 emissions will be €55 per tonne in 2019.

The purpose of this fund is to accelerate decarbonization of the property portfolio by financing the excess cost of highly innovative solutions. The fund was created in order to apply low carbon solutions internally (an approach called "insetting") as a replacement for purchasing certified carbon credits made between 2016 and 2018.

Analysis of the effects of climate change

In 2017, the potential effects of climate change on Gecina's office buildings were analyzed in three stages:

- awareness of the major climatic variations that may impact the Paris region by 2050-2070;
- identification of the areas of asset vulnerability to these climatic variations (facades and roofs, fan coils, comfort of occupants, equipment in the basement, etc.) for seven families of representative buildings in the property portfolio;
- adjustment of results according to the location of the building (heat island exacerbating the risk of a heatwave, flood-risk area).

Nine assets have accordingly been identified as priorities given the level of their exposure to physical risks related to climate change. Their portfolio value is €0.9 billion.

In addition to these physical risks, so-called transition risks can also materialize at various stages of a building's operating cycle:

- increase in construction costs in the event of incompatibility between the extraction and production stages of highly emissive materials and the need to reduce CO_2 emissions;
- extension of construction times and deterioration in the quality of developments in the event of extreme weather events.

6.2.2 Circular economy

6.2.2.1 Background

The circular economy promotes a resource-efficient economy involving the development of recycling, pooling and eco-design.

At Gecina, the circular economy on the scale of a building applies on several levels:

- **recycling of construction site waste**. In fact, the building sector generates 40 million tonnes of waste each year in France, 90% of which comes from construction and rehabilitation works, according to a study by the French Building Federation (FFB). The regulatory obligation to recover 70% of building sector waste in 2020 by recycling, reuse, or infilling, offers the industry the opportunity to better manage its waste;
- **reducing the consumption of raw materials and resources at the source:**
  - by promoting the purchase of eco-designed products in order to reduce the environmental impacts linked to raw materials, of which the sector consumes half of global production ;
  - by improving the quality and the performance of the buildings, by minimizing the use of materials ;
  - by identifying the possibilities of recovering energy byproducts and reusing other types of losses.
- **extending the life time and the use of the building while adapting to changing usages**, by pooling certain areas, for example.

6.2.2.2 Commitments

- To promote the reuse and recycling of resources from our deconstruction sites through the use of a digital marketplace;
- To design buildings that evolve over time and are more simple to deconstruct;
- To promote recycled or reused materials in our restoration projects;
- To profit from resource centers generated during the operating phase of a building (energy, water, CO_2).

6

Key performance indicators

More than 80%

of waste on sites completed in 2018 was recycled as raw materials

2,020*

tonnes of operating office waste collected including 32% recovered as materials and 39% recovered as energy

** For 34% of commercial buildings covered by a collection contract with annual reporting.*

6.2.2.3 Action plans

Key actions	Progress and results
Initiating resource diagnosis	▪ 80% of equipment and materials identified as reusable or recyclable in the resource diagnosis of the Live project were recovered ▪ Four resource diagnosis initiated in 2018 for restructuring projects in progress
Adapting and changing our design models	▪ Active participation in the call of interest in a circular economy of the Building-Energy Foundation (*Fondation Bâtiment Énergie* - FBE) for the challenges related to the convertibility and reversibility of spaces, and deconstructibility
Recovering deconstruction waste	▪ More than 80% of delivered construction site waste recycled as materials ▪ Sale of 1,200 sq.m of carpet and auction resale of the existing furniture from the renovation of Gecina's headquarters
Recovering resources from operating activities in the property portfolio	▪ 3 Gecina buildings equipped with Cy-clope ashtrays designed to recover and reuse cigarette butts as a material in the manufacture of construction plates which are then used in the design of outdoor furniture. In 2019, 4 new assets will have these ashtrays (St Augustin, 20 Ville l'Evêque, Octant & Sextant, 32 Guersant). ▪ 13 residential buildings equipped with "Relais" collection points, the leading operator for collection and recovery of textiles, clothing and shoes in France ▪ Opportunity study awarded to an engineering firm in 2018 to develop circular economy actions at the scale of the operating building
Limiting resource consumption and pooling	▪ Collection of rain water for irrigating green areas ▪ Raising awareness of residents and office occupants to selective sorting during Waste Reduction Week and at tenant meetings run by management teams ▪ Deployment of shared libraries in the residential buildings ▪ 441 parking places in 20 buildings in the property portfolio to be pooled via the OPnGO solution

A genuine reuse project at 75, avenue de la Grande Armée - Live

The restructuring of the former headquarters of the PSA group has become the prototype of the circular economy approach that Gecina would like to initiate in all of its operations. In 2018, this site thus began by auditing reuses made in partnership with the company Cycle Up'. At the end of the cleaning-up step, 80% of resources diagnosed in this audit were reused or recycled, thus avoiding emissions equivalent to a new 500 sq.m office construction (i.e. 284 tonnes of CO_2 avoided). Some were directly designated for building restoration, in particular labrador green granite that had been laid on the building facade.

A second life was also given to a lot of materials and equipment thanks to announcements posted on the Cycle Up' digital marketplace. Several organizations benefited from this: the reinsertion company ARES to remodel its headquarters, the association Solidarité Sida for the Solidays festival, and the insertion company Balluchon to equip its kitchens. The designers at Maximum and the Moonarchitecture agency drew on their imagination and creativity to redesign and give a new purpose to this construction site waste.

6.2.3 Comfort and well-being of occupants

6.2.3.1 Background

Comfort and well-being are becoming more and more important for residential and office occupants. Driving forces of the improvement of the quality of life, these are also important factors for our Office-clientele in attracting talent and for team productivity.

User expectations break down into three areas of focus:

- health and environment, leading to very precise technical specifications;
- a new concept of spaces, that must now be adapted to the new ways of living and working;
- the availability of services that simplify the lives of users.

6.2.3.2 Commitments

With the launch of the relational brand YouFirst, Gecina strengthened its commitment to enhance well-being and go beyond the technical treatment of its assets. YouFirst proposes a user experience that takes into consideration the new usage needs of occupants.

We are therefore committed to the following:

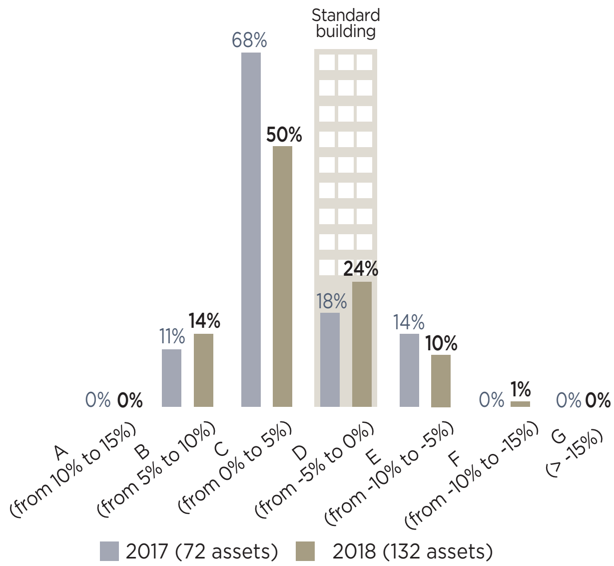
- ensuring that 100% of developments bear the WELL Building Standard® label, as per our objective set in early 2018. This label is based on seven areas: air, water, access to healthy and varied food, light, physical activity, comfort, and the mental and emotional health of users;
- measuring and improving the intrinsic qualities of our office buildings based on modeling the productivity and well-being generated by an office building based on the methodology developed by the VIBEO[1] working group. Elements such as light, ventilation, air quality, acoustics and proximity to green areas are taken into consideration in the evaluation. 2020 objective is for 75% of office buildings to contribute more to the productivity of their occupants than a standard building;
- designing or assisting space planning to promote proximity, conviviality, and social connections among the users. This would be similar to the remodeling of the Gecina headquarters, or even the thinking on co-living;
- developing the implementation of services to occupants, in connection with local players, and thus enable our clients to benefit the most from the centrality of Gecina's property portfolio.

Key performance indicators

88%

of Gecina's office buildings contribute more to the productivity of their occupants than a standard building (VIBEO method).

Breakdown of Gecina's buildings according to their occupant productivity contribution label (VIBEO method)



(1) *Intangible value of buildings and well-being of occupants (Valeur Immatérielle des bâtiments et Bien-Être des Occupants) – a working group made up of the companies BNP Paribas Real Estate, Bolloré Logistics, Bouygues Construction, EDF, Engie, Covivio, Gecina, Goodwill Management, Ivanhoé Cambridge, Saint Gobain and Sercib – to scientifically determine a theoretical methodology for evaluating the contribution of an office building to the productivity of its occupants (based on the Thésaurus Ecopolis© model of Goodwill Management) and verify it in a series of in situ tests.*

55,933 sq.m
are WELL® certified

113,370 sq.m
are acquiring the label

6.2.3.3 Action plans implemented for the comfort and well-being of occupants

Key actions	Progress and results
Respecting the provisions of the specifications regarding occupant well-being for restructurings	▪ Six office buildings delivered in 2018 contribute more to the productivity of occupants compared with a standard building
Developing a new concept of spaces	▪ Active participation in the call for an expression of interest for the circular economy of the Building-Energy Foundation (*Fondation Bâtiment Énergie* - FBE) regarding the challenges relating to the transformability and reversibility of spaces ▪ Extension of communal areas in restructured office buildings and student residences ▪ Complete redesign of work spaces and common areas carried out at Gecina headquarters
Development of shared services in offices	▪ 74% of commercial buildings delivered have the maximum grade for building services (concierge services, fitness rooms, inter-company restaurant, parking lots, showers)
Developing alternative means of transport	▪ 21 office buildings equipped with Electric Vehicle Recharge Infrastructure (EVRI) ▪ 22 office of buildings equipped with a bike shed
Promoting accessibility for disabled persons in the common areas of our buildings	▪ 82% of the common areas of the assets diagnosed with respect to accessibility, of which 100% are compliant with the requirements of the French Labor Code ▪ €195,000 in expenditures provided for in the work plans to promote access for disabled persons by 2020

A head office completely redesigned to promote employee well-being

In 2018, a major work was carried out in the historical headquarters of Gecina for the purpose of improving the comfort and well-being of employees. These changes generate over 7% productivity more than a standard building.

The main technical improvements focused on improving the ventilation of spaces by installing CO_2 monitors, lighting now managed by twilight sensors and the installation of acoustic baffles. In parallel with these improvements, restoration of the facades has begun.

Concerning relaxation and comfort at work, large common areas are dedicated to employees at the entry to each working area with self-serve access to coffee, plain and sparkling water and in-season fruits. The departitioning of work spaces, designed for greater modularity, promotes interdepartmental collaboration and discussions. A friendly meeting area and a terrace with trees has been created on the 6th floor which is opened to employees who can use the cafeteria at any time of the day, and flexible and convivial work areas have been installed.

Constructing solutions jointly with occupants

In line with its desire to help its clients reduce greenhouse gas emissions caused by their usages, and to increase the comfort of occupants, Gecina tested the "nudge" approach on one of its office buildings. The "nudge" approach consists of constructing solutions jointly with the occupants of a building on given issues. During this workshop, run by a specialized start-up, 14 occupants identified 14 solutions to four given issues: noise in open spaces, window opening, aggressive driving in parking lots, and use of stairs.

6.2.4 Biodiversity

6.2.4.1 Background

For a player in the real estate industry, promoting biodiversity can be envisaged in several ways:

- **Avoid land artificialization and reintegrate in-ground vegetation.**

  The need to seal surface areas has consequences on living organisms, and in France the equivalent area of one department is sealed every seven years. Even though Gecina contributes little to urban sprawl, it is sensitive to this and committed to developing in-ground vegetation in its properties.
- **Working for the preservation of species.**

  Today one animal or plant species disappears every 20 minutes around the world. In addition, 50% of raw materials extracted are consumed by the real estate sector. With this in mind, Gecina has made the protection of biodiversity a priority in its CSR policy.
- **Promoting biophilia, or the connection between humans and other living organisms.**

  Gecina's voluntary policy to promote biodiversity in its network of buildings contributes to enrich the biodiversity of the City of Paris, which is already quite significant, with 1,300 animal species and 637 plant species inventoried.

In addition, beyond the benefits to the well-being of the occupants, biodiversity contributes to the energy efficiency of the buildings and cooler temperatures in the summer. Gecina also wants to raise awareness to these issues among urban citizens, with the goal of recreating a social dialog on the subject, which is fundamental today for strengthening our urban resiliency.

6.2.4.2 Commitments

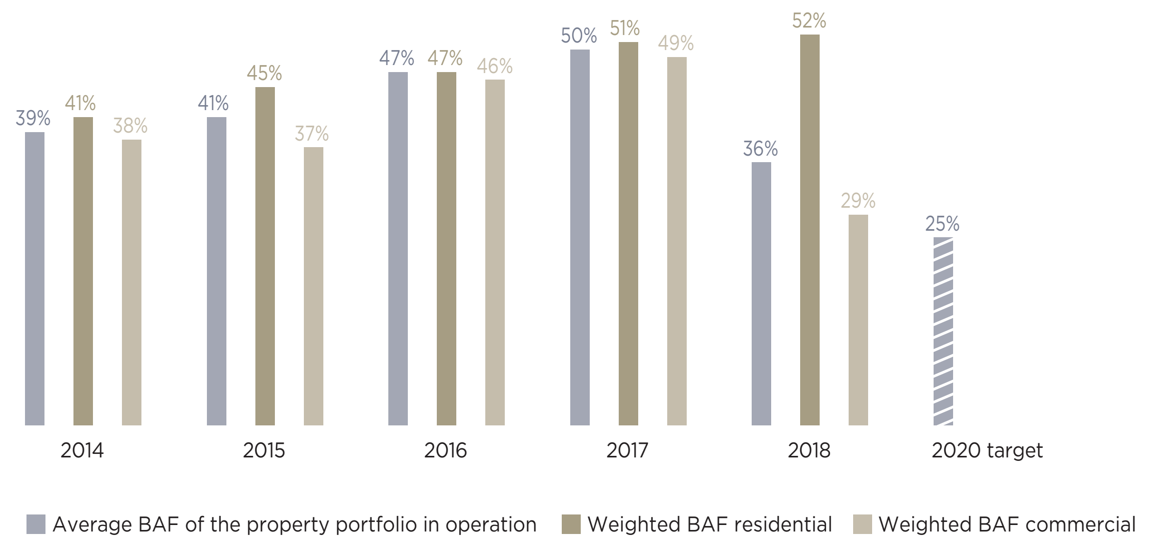
- The objective of 100% of developments labeled BiodiverCity® was made official at the beginning of 2018;
- To expand vegetated areas and protect the biodiversity in dense urban areas, with the objective not to go below 25% of vegetated areas at in-ground equivalent at current scope;
- To promote and protect the implantation of local animal and plant species;
- To involve occupants in managing vegetated spaces to re-create a social dialog and raise awareness to biodiversity.

Key performance indicators

36%	94,106 sq.m	96,391 sq.m
of vegetated spaces at in-ground equivalent	are BiodiverCity® certified	are acquiring the label

6

Greenification of plots in the property portfolio in bare earth equivalents (Biotope Area Factor - BAF)[1]



(1) The sale of the Les Bordes asset located in Brétigny-sur-Orge and comprising 206,858 sq.m of plots of land, reduced the proportion of revegetated plots of land in the property portfolio in 2018. 95% of this plot was revegetated in full earth.

6.2.4.3 Our action plans

Key actions	Progress and results
To protect biodiversity and promote the implantation of local species	▪ Inventory of fauna and flora present in the property portfolio ▪ Systematic intervention of an ecologist for all new programs ▪ Creation of habitats for local species ▪ Prohibition of the use of phytosanitary products (such as glyphosate) for providers of green spaces
To boost vegetation in dense urban areas	▪ 68% of surface areas delivered awarded the BiodiverCity® label in 2018 ▪ An office building and a residential building are being reviewed with a view to testing the BiodiverCity® Life evaluation grid being created by the International Biodivercity Property Council (IBPC) ▪ 14% of all parcels of new assets delivered and acquired are vegetated at in-ground equivalent ▪ 200 sq.m of courtyard were unsealed at the 7 Madrid work site ▪ The green spaces of the Valmy building in the Paris 20th arrondissement are being renovated ▪ Opportunity study carried out by a consulting firm in 2018 to develop urban agriculture: a total of 10 projects were identified, based on a participatory and productive models
To recreate social connections around areas of urban biodiversity	▪ Events on the theme of biodiversity organized by the residents of the two buildings that have the BiodiverCity® label ▪ 2 urban agriculture workshops were organized at two student residences

6.2.4.4 Reconnecting people to the living world through the BiodiverCity® label

BiodiverCity® certification goes hand-in-hand with the need to reconnect residents with nature. Gecina has made the commitment to sponsor several events per year on the theme of biodiversity for two buildings certified in 2017, until the audit for renewal in 2020.

For the Grande Halle building in Lyon, three workshops were thus organized by an ecologist specifically chosen by Gecina: discovering the world of insects; micro-gardening and learning about city birds.

At 55 Amsterdam, in the Paris 8th arrondissement, this mission has been given to Welcome at Work, the community manager of the site. In 2018, residents were able to take part in a plant workshop (creation of a mobile plant frame to be exhibited in the reception hall) and the sponsorship of a hive with over one hundred honey pots distributed.

6.3 Our levers for action

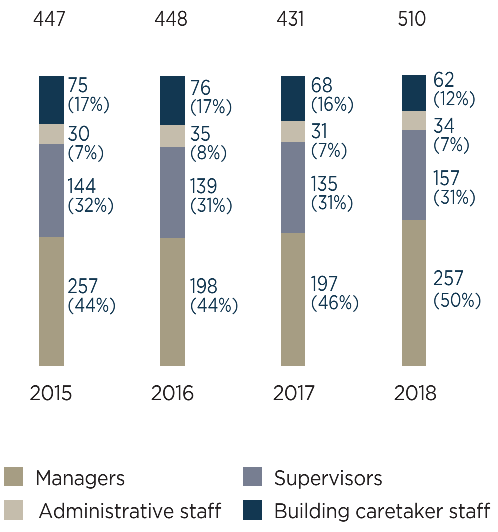
6.3.1 Human heritage

6.3.1.1 Background

The management of human assets is a mainstay to transform the company and change the business, particularly in the fast-changing real estate sector, which is witnessing a change in usages, the digitization of business lines and environmental challenges to be addressed to enable the sustainable use of the property portfolio. Indeed, according to a study by the Observatoire des métiers de l'immobilier et de la ville, 74% of real estate executives encountered recruitment difficulties in 2018 (compared to 58% two years ago). The ability to work in an open team and to meet client needs are two critical skills sought by the industry, according to this same study carried out among 900 executives from the real estate sector.

With this in mind, Gecina does its utmost to attract and retain new talent in its teams, while developing the know-how and skills of its employees.

Change in the breakdown of employees



6.3.1.2 Commitments

- Attract and retain people with diversified agile talents who are skilled and motivated, so as to support Gecina's transformation and guarantee the Group's performance;
- Develop and manage employees' key skills and know-how through a Human Resource Policy focusing on the evolution of business lines and occupier usages;
- Support diversity by implementing an inclusive and non-discriminatory Human Resources policy that is free from all discrimination ;
- Guarantee employees' well-being thanks to a pleasant working environment.

Key performance indicators

85%

of directors are covered by the succession plan

6%

of employee expenses allocated to training

20 hours

of training per employee in permanent contracts

55

employees recruited on indefinite-term employment contracts in 2018 (excluding fixed-term contracts transformed into permanent contracts)

75

employees integrated following the merger with Eurosic

6.3.1.3 Action plans

	Key actions	Progress and results
Develop and capitalize on employees' skills	▪ Reorganization of teams ▪ Internal mobility/internal promotion	▪ More than 50% of employees implicated in the 2018 reorganization (Office and Student Residential, Investment and Development, Information Systems and Digital, Legal, Communications and Public Affairs Departments) ▪ 51 employees promoted ▪ 5% of supervisors on the promotional path to achieve executive status
	▪ Training plan ▪ Annual Progress Reviews ▪ Leadership Training - PEPS	▪ 100% of employees attended at least one training course during the year ▪ Average amount invested per employee in training: €4,391 ▪ 92% of annual reviews conducted in 2017-2018 ▪ 56% of employees invited to PEPS sessions in 2018. A total of 1,400 hours of training given
	▪ Strengthen the incorporation of CSR within business lines	▪ Diagnostic of the relevance of individual CSR objectives. Proposal of appropriate and specific objectives for business lines supervised for 100% of departments ▪ In 2019, 3-hour "Climate Fresco" acculturation workshop for all employees
Recruit, integrate and retain talent	▪ Induction process	▪ 165 employees recruited in 2018 (55 indefinite-term employment contracts, 52 fixed-term employment contracts, 21 work-study contracts and 37 trainees) ▪ 104 employees invited to twice-monthly induction mornings ▪ 65 employees invited to the annual induction seminar
	▪ *Grande École* Partnership	▪ Partnership with the Essec school's Real Estate and Sustainable Development Chair and four students mentored by Group Directors
	▪ Graduate Program	▪ Out of 215 applications received, eight employees from the top engineering and business schools were hired on indefinite-term employment contracts as part of Gecina's Graduate Program, known as *Parcours Talent*
	▪ Attractive compensation Remuneration	▪ 15.8% of employee expenses allocated to profit-sharing and incentive schemes ▪ 13% of total employee expenses go into individual bonuses ▪ Distribution of 54,810 performance shares to 92 employee beneficiaries
	▪ Talent Review	▪ Annual identification of talent and work on the succession charts of the main Directors, with results presented to the Governance, Appointment and Compensation Committee
Promote diversity within teams	▪ Increasing the number of woman managers	▪ Board of Directors: 50% ▪ Executive Committee: 33.3% ▪ Executive officers (Executive Committee and Management Committee): 30.4% ▪ 1st in the Ethics & Boards ranking
	▪ Wage equality	▪ Wage Compensation - Across seven comparable categories, only one category has a difference in average salary of over 3% in 2018 ▪ An envelope of €85,800 accounting for 0.14% of employee expenses dedicated to gender equality ▪ Five male members of staff who became fathers in 2018 benefited from 100% parental leave paid in full by Gecina ▪ Six cribs reserved for Gecina employees in the nursery
	▪ Employment of persons with disabilities	▪ Employment rate of 11% compared to an obligation of 6% ▪ 7% of employees with declared disabilities ▪ €112,628 of expenses made in the protected sector ▪ 16 job redesigns in 2018, including 9 for Persons with Recognition as Disabled Worker Status (RQTH)
	▪ Employment of young people	▪ 21.3% of recruits under the age of 26, of whom 15.4% were previously employed under work-study contracts or fixed-term employment contracts
	▪ Employment of seniors	▪ 4.9% of newly hired employees over the age of 55 ▪ 14.4% of employees over the age of 55 opted for a flexible working hours

The PEPS training program, a cornerstone in Gecina's transformation

In October, Gecina launched a management training program for all those supervising at least one employee, thus covering 171 people in 19 groups, including the Executive Committee. This program aims to respond to the areas for improvement identified in the company's corporate culture survey, to which 75% of employees replied in 2017. The Group's aim is to transform its managerial culture to make it more agile and cross-functional, and give it greater delegation powers and responsibility. Called "PEPS" (Share, Train, Progress, Realize), this training program spans 17 months and schedules five work days led by an expert third party, as well as remote modules.

6.3.2 Certifying and labeling our assets

The labeling and certification of Gecina's property portfolio provides objective certification of the performance of the assets, as their evaluation is performed by independent third-parties. Most real estate investors and clients expect to see this certification. Labeling and certification also allow partners (architects, general companies, engineering firms for building certifications, operating providers and clients for operating certifications) who are specialized in the emerging environmental and societal challenges to be called upon.

BIODIVERCITY®	WELL®	WIREDSCORE	HQE® Construction
37% of surface areas delivered in 2018	**55%** of surface areas delivered in 2018	**7** projects under development in the process of being labeled	**79%** of surface areas delivered certified in 2018 with a high level of certification

6.3.2.1 For assets under development

In 2018, Gecina reaffirmed its goal to obtain high levels of certification and labels for all of its restructured buildings and major renovations.

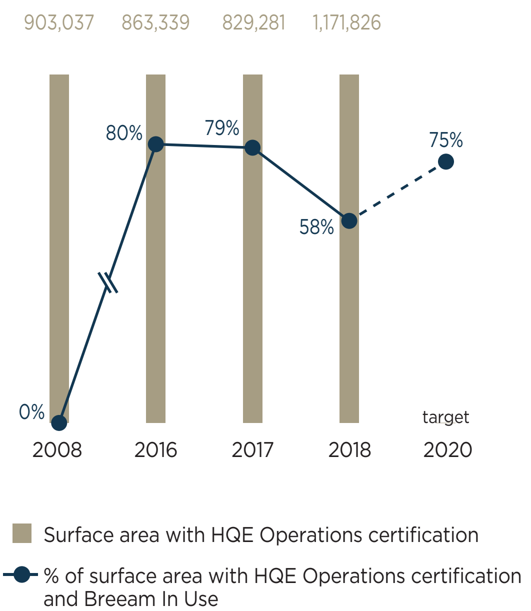
Four objectives were thus set with the aim of obtaining:

- The **WELL® Building Standard** label, aimed at designing buildings that promote the comfort and well-being of occupants ;
- The **BiodiverCity®** label to incorporate the biodiversity aspect as from the design phase of an asset ;
- The **WiredScore** label to improve the connectivity of buildings ;
- The **High Environmental Quality** (HQE) Construction certification.

6.3.2.2 For operating assets in the property portfolio

In order to commit to an action plan to reach the objective of 75% of Office properties with HQE Operation certification in 2020, the buildings consolidated at the end of the merger with Eurosic were analyzed in 2018 to identify the certifications obtained up to that point in time. At operating level, eight assets obtained the BREEAM In Use certification, representing 9% (32,466 sq.m) of the consolidated surface area of the property portfolio in operation, including these certified assets. For the remaining uncertified buildings, a feasibility study was carried out in December 2018 to identify the buildings admissible for certification among the 12 largest in terms of surface area.

Surface areas with HQE Operation/BREEAM in Use - Offices certification[1]



(1) The consolidation of Eurosic brought 60 new assets into the reporting scope compared with last year, lifting the number of certifiable buildings to 130.

In addition to certification, certain commercial buildings benefit from the WiredScore label whilst under development. In 2018, four assets received this label, for a total of 100,000 sq.m.

Gecina proposed two pilot buildings in 2018 to test the evaluation grid that will launch the process towards obtaining the BiodiverCity® Life label, so that its portfolio of real estate operating assets can benefit from it.

6.3.3 CSR at the heart of the business lines

6.3.3.1 Responsible purchasing

Gecina relies on a large network of suppliers to develop, renovate, and operate its assets. Gecina is therefore affected, indirectly, by the main environmental, social and societal impacts of its supply chain. The Group, working closely with suppliers, launched a responsible purchasing policy in 2012, which resulted in:

- the implementation of a responsible purchasing charter to be imperatively signed by each supplier;
- supplier assessment campaigns, aimed at ensuring that half of active suppliers on the panel are assessed.

In 2018, Gecina took advantage of the implementation of a Purchasing Department to review its Responsible Purchasing policy.

In 2019, Gecina will focus on creating the methods and operating tools necessary for the proper deployment of its Responsible Purchasing initiative. The first stage consists in proposing relevant, pragmatic, and controllable CSR criteria for each category of supplier and products/services purchased in order to add them:

- to the technical specifications of the specifications booklets;
- to the consultation rules: precise information is requested of respondents, their CSR performance is evaluated and compared, and it is weighed between 5% and 20% of the technical grade, depending on the importance of that CSR challenges, in order to promote the most advanced in CSR;
- to the agreement entered into with the suppliers, specifying an annual reporting of CSR key figures (CO_2 emissions, occupational accident frequency rate) and, as necessary, an audit of the application of CSR criteria in the specifications.

A selection of CSR criteria will be deployed depending on the type of purchase concerned (operating-maintenance, construction-developments, intellectual services), in connection with the progressive application of purchasing procedures, which will focus on operating-maintenance purchases.

Fields of action	2012-2017 Feedback Accomplishments	Limits	2018 changes and 2019 actions
CSR evaluation of suppliers	▪ 41% of active suppliers evaluated (308 companies) ▪ Increase in the average rating of suppliers evaluated since 2013	▪ Standard evaluation criteria, not specific to the business line of the supplier and to the products and services purchased ▪ Limited account taken of the CSR grade in the selection of suppliers in calls for tenders ▪ Evaluation based on the suppliers' statements, no audit of practices	▪ Progressive integration of specific and pragmatic CSR criteria — in 2018, the CSR performance score of suppliers was included in the technical grade for nine operating-maintenance calls for tenders. The weighting of the CSR score in the technical grade depended on the importance of the CSR challenges for each category of suppliers. ▪ Initiation and co-management of the Responsible Purchasing working group of the Real Estate Regional Observatory (*Observatoire de l'Immobilier Durable*) establishing CSR criteria for 58 real estate purchasing categories. Use of the reporting standards upon its appearance in mid-2019 to homogenize market practices
Employee involvement	▪ Training of 95 employees who purchase services (2015) ▪ Internal Audit of the application of responsible purchasing procedures	▪ Difficulties in identifying the CSR challenges and solutions specific to the services managed ▪ Descending approach and not participative enough	▪ Collaboration with purchasers to jointly define the relevant CSR criteria ▪ Integration of responsible purchasing objectives in the individual objectives of employees in relation to the suppliers
Supplier involvement	▪ 97% of active suppliers have signed the responsible purchasing charter ▪ Listing procedure certifying supplier compliance with the basic regulations	▪ Unequal understanding and application depending on supplier ▪ Approach less adapted to suppliers having weak CSR challenges ▪ Clarity of the technical specifications to be enhanced	▪ A new, simplified charter that is more engaging and realigned with Gecina's four CSR priorities which are currently being defined ▪ Progressive deployment of the approach, aligned with changes in the scope managed by the Purchasing Department (targeting operating-maintenance suppliers, then construction-developments, then intellectual services)

Example Call for tenders launched for escalator operating-maintenance in all Gecina property assets

Employee and subcontractor accidents, as well as greenhouse gas emissions caused by technician traveling, were defined as the most relevant and manageable CSR criteria. The CSR grade represents 15% of the overall grade of those responding to the calls for tenders. Respondents were requested to provide supporting documents (extracts from the human-resources report or the CSR report) and calculate the quantitative indicators using a precise formula for more comparability. A set of five criteria was established: their respective weighting in the overall grade is specified here below:

- rate of frequency of workplace accidents (3%);
- rate of severity of workplace accidents (2.5%);
- investment in sustainable mobility equipment (5%) such as hybrid or electric vehicles;
- greenhouse gas emissions (3%);
- actions to increase territorial impact (1.5%) such as the percentage of employees employed under internship contracts relative to the total number of staff members; actions for hiring vulnerable individuals or people changing careers.

6.3.3.2 Contribution of business lines to the CSR strategy

CSR is at the heart of all of our business lines. It is for this reason that we encourage every employee to get involved with an individual or group CSR action plan.

6.3.3.2.1 Individual CSR objectives

The inclusion of at least one CSR managers was reaffirmed. Although this practice has been mandatory since 2015, analysis of the relevance of objectives defined up to now revealed their need to be clarified and improved. As a result, in early 2019, individual CSR objectives, per business line and per department, were passed on to the members of each management committee so they could distribute them to their teams when the year's objectives were set.

6.3.3.2.2 Acculturation of employees

Cultural integration initiatives and training on CSR performance improvement tools will be rolled out in 2019. An awareness program on sustainable development issues was designed for all employees. This program will be implemented during 2019.

6.3.3.2.3 Contribution of various business lines to deployment of the CSR policy

Several business lines play a key role in the implementation of Gecina's CSR policy:

- **portfolio managers** and **asset managers** must ensure they attain their portfolio's CSR objectives and integrate measures to improve the CSR performance of the operating fleet in investment plans;
- **technical operating managers** must identify the relevant actions to improve the CSR performance of the buildings they monitor;
- **investment teams** must ensure that Gecina's potential acquisitions can be restructured to meet the highest levels of CSR performance required by the Group, or already have a satisfactory level that will help them attain this level;
- **development teams** must design buildings that meet Gecina's four CSR priorities.

6.3.3.2.4 Management of CSR progress made on buildings in operation

Developments in the five-year non-financial performance of Gecina's office buildings are modeled using a monitoring tool, the Performance Improvement Action Plan. The environmental and societal gains made by multi-year work plans are estimated by a consulting firm or by way of feedback. Managed up to now by the Group's Technical Department, the idea is ultimately to deploy this tool to all technical managers, thus allowing them to visualize the impact of their work plan on the non-financial performance of their buildings and to draft remedial action plans.

6.3.3.2.5 CSR performance contributes to financial performance

In 2018, Gecina signed two responsible credit agreements with ING and Crédit Agricole CIB, demonstrating that non-financial and financial performances are converging. The cost of the loans may be significantly reduced if the global CSR objectives are reached. Regarding ING, only one CSR criterion has been defined: the change in Gecina's grade in the Global Real Estate Sustainability Benchmark (GRESB), a benchmark classification in the real estate industry. For Crédit Agricole CIB, three CSR criteria have been activated:

- achievement of the annual greenhouse gas emission reduction objectives ;
- the achievement of scoring objectives for the Group's assets as defined in the latest "2020" plan for well-being at work and occupant productivity ;
- maintaining Gecina's position among sector leaders in the GRESB.

In 2018, Gecina strengthened its position as the leading listed office real estate company in Europe in the international GRESB ranking with an overall score of 92/100.

Furthermore, Gecina met with a representative panel of 30 investors in three countries and questioned them on their expectations, their method of integrating CSR analysis into their investment decisions, the sources of information used, and the most significant challenges in the sector. Following this analysis, Gecina will:

- strengthen its relationship with investors, actively incorporating CSR performance into their decisions;
- focus on the non-financial questionnaires most used by investors;
- guide non-financial reporting toward the key challenges that are put forth by analysts and are related to value creation for the company.

6.3.3.3 CSR Governance

To guarantee transversality and the operational adaption of CSR challenges, Gecina's Executive Management has appointed, within the Executive Committee, a sponsor for each of its four priority areas of focus:

- Low Carbon: Executive Director Finance;
- Circular Economy: Executive Director Offices;
- Well-being: Executive Director Investments and Development;
- Biodiversity: Executive Director Residential.

These officers participate in defining Gecina's CSR roadmap, building action plans, and tracking the progress of the Group. This work is carried out together with the Executive Director of R&D, Innovation and CSR, who also sits on the Executive Committee and involves it in topics related to CSR.

A monthly committee was established to coordinate the deployment of CSR actions within the Group. It brings together teams from the Technical and CSR Departments, and on a case-by-case basis, invites the business lines concerned by the deployment of actions.

With regard to committees at the level of the Board of Directors, the Audit and Risk Committee was involved in choosing the Independent Third-Party Organization and analyzing CSR risks and opportunities.

6.3.4 Innovating

Our society is undergoing an unprecedented technological and societal revolution. The population is growing fast and cities are becoming more and more densely populated. Challenges related to the environment, well-being and resource sharing are all the more pressing.

Our models must evolve and offer a positive change to meet the needs of territorial autonomy, the recovery of space and the customization of services.

It is in this context of accelerated change that, in 2018, Gecina put in place a dedicated R&D and Innovation team. In fact, residential and commercial buildings are not just living spaces, but also places for sharing that catalyze the new expectations of users. To iteratively adapt and change its offering, Gecina is implementing demonstrators within its park, testing a range of new services, and focusing on the satisfaction of its clients.

As such, the R&D and Innovation Department established the framework for an open innovation policy centered on an ecosystem of local, European and global partners. This approach has three objectives:

- to offer brand new user experiences, via its new YouFirst relational and service brand;
- to step up local ecological transition;
- to strengthen its societal contribution.

6.3.4.1 Innovating thanks to an ecosystem of local, European and worldwide players

6.3.4.1.1 Working with partners specialized in innovation

- Demeter

  To be as close as possible to new trends and emerging technologies, in 2018, Gecina invested €5 million in the Paris Fonds Vert Foundation specialized in investing in the energy and environmental transition. This investment fund, chosen by the City of Paris to help meet its carbon neutrality objective, supports the development of fast-growing, innovative, small- and medium-size companies.
- Fifth Wall

  Additionally, Gecina has partnered with Fifth Wall, a venture capital firm focused on innovation in the Built World, through a strategic investment in a Fifth Wall venture fund.
- Paris&Co and Wilco

  In addition, Gecina is a partner with the start-up incubator Paris&Co and the accelerator Wilco.

  With its Urban Lab, Paris&Co specializes in start-ups and technologies that are likely to play a role in building the city of future. Our partnership on the platform Immobilier de Demain (real estate of tomorrow) enables us to discuss issues with the major players in the creation of the city, smart buildings, and innovative offices. Founded in 2002, Wilco assists nearly 150 new start-ups each year in five different areas of activity: Construction and Industry, BtoC, Retail, Digital and Healthcare.

6.3.4.1.2 Federating players committed to innovation

- Think Tank

  Gecina initiated an innovation and CSR Think Tank involving six European property companies: Alstria, COIMA RES, Colonial, Gecina, Great Portland Estates, and NSI. Together, they share their ideas on such subjects as sustainable development, innovation, and changes in uses. The first results will be released during the year 2019.
- Club des Directeurs de l'Innovation de Paris

  In the pursuit of this approach, this year Gecina joined the Club des Directeurs de l'Innovation de Paris (the Paris innovation Directors club). This is a place where members can meet and discuss the benefits of their experience, as well as share best practices and pool studies and international analyses on innovation.

6.3.4.1.3 Federating employees around a culture of innovation

The new R&D and Innovation Department is very attached to developing a true culture of innovation among Gecina's employees. This is why, in recent months, several workshops for encouraging discussion of ideas among employees and stimulating their creativity were organized. The objective is to stimulate collective intelligence to encourage people to work together to build a common goal on reconstruction projects. In three months, about forty people took part in rethinking the Group's buildings by calling on differentiating themes, taking into account changes in usages and urban densification.

In addition, Gecina's new work-space planning promotes the use of TedX sessions hosted by our employees. At least two of these per month take place directly in the offices where certain speakers, for example, talked about their experiences during a study trip to Singapore.

Finally, the R&D and Innovation Department is positioned to support the operating teams with the implementation of co-monitoring of certain conversion projects connected with the development of the brands YouFirst bureau, YouFirst collaborative, YouFirst residence and YouFirst campus.

6.3.4.2 Innovating to improve the user experience

Gecina is working on developing a premium platform for the services expected by our clients:

- by clients and employees in their offices, and their flexible work areas;
- by the residents in their residences and campuses.

At the same time, Gecina has been conducting in-depth studies which have unveiled additional and differentiating needs expected by our clients in all our activity segments.

6.3.4.2.1 Making office areas flexible to better serve our customers

Concerning office customers, Gecina is launching offerings for YouFirst bureau and YouFirst collaborative. These will reinforce the assistance provided to large client accounts in their real estate path by providing more advice during the planning process on the one hand, and greater flexibility and modularity in space management and occupation times, on the other. This will address the increasingly demanding expectations for new use of spaces, promote more collaborative approaches and provide a wider range of services to occupants.

In addition, YouFirst will enable all clients to benefit from the unique specific features of the property network of Gecina, which is reputed for the central locations of its buildings and its premium quality. Some spaces (auditoriums, terraces, parking lots, etc.) of the asset park will be open more broadly to Gecina's customers.

Concerning residential and student clients, the YouFirst residence and YouFirst campus offerings go beyond housing, and offer a true customer path that simplifies and significantly improves the life of the tenants, by responding to new expectations in terms of lifestyles.

This is why Gecina launched more than twenty co-leasing offers such as those in Rue du Château des Rentiers, in the 13th district of Paris, and in Rue Lecourbe, in the 15th. Gecina continues to innovate by working actively on a co-living offering. The solutions will respond to the needs of people who wish to control their budget in an environment that favors a strong social connection in sharing quality services.

6.3.4.2.2 Customizing paths via an adapted digital transformation

In the same way digital technology is disrupting the daily lives of everyone, digital technology is transforming the world of real estate. Objects are now connected, buildings are becoming intelligent, data is more and more open and geo-located, and reality is becoming virtual or augmented. We will no longer be able to count without blockchain, big data, artificial intelligence and even drones. This is having an impact on ways of life, our ways of working, on relationships with the workspace, the habitat and more generally, the urban space, mobility and even health.

Gecina is working on the impacts of this digital transformation at the client path level, and by advancing in terms of the connectivity of the buildings in its portfolio.

Each stage of the real-estate client path may be facilitated through the use of digital tools, be it for asset search, visits, contractualization and management, or for monitoring the state of works.

Gecina is transforming its practices by carrying out large dematerialization projects, notably including the implementation of digitizing leases and site condition reports. In addition, the first digital prototypes of buildings have been completed in order to offer better operating and maintenance services to tenants. This Building Information Modeling (BIM) operating process for maintenance, renovation and data analysis of the assets will be an extension of the use of BIM design.

The digital journey goes hand in hand with buildings that are becoming increasingly more connected. In fact, the intelligent building pools the expertise of players in areas as varied as telecoms, communicating objects, energy, and mobility. This will therefore improve overall building management by the dynamic processing of collected data (energy, occupation of spaces, obsolescence of equipment, etc.), and provide greater assistance to user-clients through a more in-depth knowledge of their practices and the implementation of a services platform adapted to their needs. Ensuring the success of a smart building depends on the ability to federate an ecosystem of players and long-lasting models that create value. The search for partners is in progress. Currently 100% of office projects in development are aiming for the WiredScore certification. Gecina is also studying the framework of the new label, R2S Ready2Services.

6.3.4.2.3 Making company headquarters a demonstrator

In 2018, Gecina undertook the complete renovation of its head office, in order to offer its employees open, interactive work-spaces equipped with digital tools that facilitate user paths in the building. Office partitions were removed giving way to comfortable, convivial open-plan areas where employees can "feel at home". All meeting rooms and common spaces are equipped with touch screens for use during Meetings, as well as to serve as a support for creativity workshops or for building orientation purposes. A hybrid area, called the YouFirst Café was opened on the 6th floor. This is a lounge with a terrace, where people can take a break, work, meet other employees or clients, and even organize training sessions. It was designed to be modular and accommodate multiple uses. A veritable showcase for Gecina's know-how, company headquarters will undergo further changes in 2019.

6.3.4.3 Innovating to strengthen Gecina's societal contribution

Cities face considerable challenges in terms of urban densification, environment, mobility, social mix, leisure, revegetation, health and quality of life; issues that are calling into question how our cities should be developed. By the year 2050, 75% of the world's population will live in cities. Companies and territories are well aware that these changes necessitate making a transition toward an economy based on the sharing of spaces, energy and services. With its residential and commercial building network in the Paris Region, Gecina plans to participate positively in the development of the *Métropole du Grand Paris*.

6.3.4.3.1 Moving toward a better quality of life

In 2018, Gecina confirmed its strong commitment to sustainable development. Its low carbon road-map points towards a society that uses less energy and pollutes less and which is economically more sustainable. Low-carbon innovation will be stepped up by the implementation of the Group's internal carbon fund. The circular economy policy will strengthen this objective in a very operational manner with the players in the territory. Moreover, quality of life is also expressed through increasingly more innovative techniques and models designed to introduce biodiversity in the city, the vector of biophilia. Obviously, issues such as air quality, sound insulation, and comfortable lighting are also assessed very closely, particularly using the indicator VIBEO (intangible value of occupants' well-being), based on the outcome of a research group in which Gecina took part.

6.3.4.3.2 Moving towards more short-cycle innovation

Short-cycle innovation is local innovation that draws on local potential in a virtuous-circle dynamic. This results in various kinds of value creation, such as:

- the improvement in local economic efficiency: energy-producing buildings, rationalization of parking with car-sharing, better water management;
- the development of new user services: concierge services with "Points Relais", bicycle repair stations, fitness and well-being centers, local organic restaurants, urban agriculture;
- the implementation of circular economy solutions: recycling of raw materials from waste, sustainable procurement with local suppliers, the selection of materials with low environmental and social impacts.

For example, this approach was a great source of inspiration in the reconstruction of our Live building, located at 75 avenue de la Grande Armée in Paris's 16th arrondissement.

6.4 Our support actions

6.4.1 Supporting the environment and the disabled with the Gecina Foundation

Chaired by the Chairman of the Board of Directors, the Gecina Foundation has been organizing the company's philanthropic projects since 2008. The Foundation implicates Group employees, nourishes and enriches the company's reflection on societal issues and contributes toward building a culture of solidarity. The Foundation's work has two main areas of focus that extend Gecina's CSR approach and open it to the civil society, beyond its business line commitments:

- to improve living conditions for the disabled (accessibility, sports, etc.);
- to protect nature through actions to preserve or restore natural sites and promote biodiversity. Group employees may participate through volunteering and charity work by means of participation mechanism;
  - skills sponsorship;
  - sponsoring projects;
  - group mobilization for concrete and periodic support.

In 2018, the Foundation:

- backed 14 projects and 3 group actions;
- organized the annual solidarity day, during which all volunteer employees could take time off to make themselves available to help the Foundation's partner associations;
- involved 422 employees – *i.e.* 84% of Gecina's full-time equivalents – in its activities (including solidarity day) and put 22 sponsors in contact with associations.

6.4.2 Supporting the city and cultural heritage

The City and Heritage Foundation, created by Foncière de Paris and integrated into the Gecina group in 2017, supports cultural and/or heritage operations in Paris. As such, it participates in protecting and valuing real-estate assets and furnishings of architectural, historical and cultural interest, classified or not.

Three actions were supported in 2018, for a total of €77,500:

- the renovation of the Carnavalet Museum – History of Paris, more precisely, the restoration of the "Military Café" of Claude-Nicolas Ledoux;
- the Paris Plages operation at the Bassin de La Villette;
- the publication of a reference work on the marble used in the Versailles palace "Versailles en ses marbres", which was awarded the SNA (National Antique-Dealers Syndicate) prize for art books.

As a founding member of the Palladio Foundation, Gecina contributes support, from coaching to the training of all persons involved (students, researchers or young professionals) committed to building the city of the future. In addition to its financial support and active participation in the annual seminars, Gecina hosts the teams of the Palladio Foundation in its premises. All publications and contributions are available on the website http://fondationpalladio.fr/.

6.4.3 Supporting art and culture

Gecina has long held an interest in the arts and the acquisition of art works. Thirty works are present in Gecina buildings.

In 2018, the Group undertook a process to reflect upon the question of redefining our artistic policy and developing the cultural life in the company.

As such, henceforth, the collection will consist of works of contemporary art and will reflect Gecina's commitment to take care of the planet, humanity and heritage.

This support for art is also reflected in the signing of the Ministry of Culture's "One building, one work of art" charter in 2015.

6.4.4 Supporting the understanding of climatic challenges

Convinced that public understanding is a necessary component of collective action, Gecina has become a partner in the International Weather and Climate Forum (FIM). Created in 2004, the FIM has a general-public dimension (exhibits, workshops, participatory debates, etc.) and a professional dimension that includes an international symposium and a media workshop of international weather presenters. Since its creation, it has welcomed 107,000 visitors and 1,000 innovative start-ups.

6.5 Other information non-financial

ADDITIONAL INDICATORS	2015	2016	2017	2018	Elements of analysis (compared to N-1, cross-comparative, etc.)
SOCIAL, ENVIRONMENTAL AND SOCIETAL DATA					
Managers	**198**	**198**	**197**	**257**	
Women	100	99	98	138	
Men	98	99	99	119	
Supervisors	**144**	**139**	**135**	**157**	
Women	114	108	105	119	
Men	30	31	30	38	
Administrative staff	**30**	**35**	**31**	**34**	
Women	15	20	15	11	
Men	15	15	16	23	
Caretakers	**75**	**76**	**68**	**62**	
Women	45	46	41	39	
Men	30	30	27	23	
TOTAL WORKFORCE (INDEFINITE-TERM, FIXED-TERM, WORK-STUDY)	**447**	**448**	**431**	**510**	
Age pyramid (indefinite-term)	46.3	46.2	46.4	45.4	
Average seniority (indefinite term)	14.3	14.6	14.5	13	
Turnover rate (Indefinite term)	8.2%	7.6%	7.6%	25.8%	Excluding Eurosic impact: 13%
Number of people on sick leave for 3 days or less	137	124	126	154	
% of people with sick leave for a period of 3 days or less	31.3%	28.5%	29.5%	30.7%	
Absenteeism rate due to illness	3.12%	3.47%	2.73%	3.80%	
Number of accidents with time off work	5	5	4	9	
Accident frequency rate at Gecina	6.82	6.88	5.67	8.43	
Accident severity rate at Gecina	0.51	0.03	0.22	0.39	
ENVIRONMENTAL DATA					
Environmental Management System certification rate	n/a	60%	62%	45%	Excl. impact of Eurosic: 60%
Water consumption/sq.m		0.91	0.89	0.92	
SOCIETAL DATA					
Number of lost-time accidents on construction sites	n/a	2	5	5	
Number of days' stoppages related to lost-time accidents on construction sites	n/a	n/a	176	45	
Frequency rate of accidents on construction sites	n/a	n/a	4.09	0.02	
Severity rate of accidents on construction sites	n/a	n/a	0.2	0.00002	

6.6 Reporting rules

6.6.1 CSR reporting

6.6.1.1 Reporting centered on Gecina's CSR priorities and on the risks and opportunities deemed significant

In application of the European directive on non-financial reporting, and consistent with the integrated reporting approach, Gecina summarized the key financial and non-financial performance information in the strategic brief, in the introduction to this document. This includes the key figures, the description of the business model, as well as the contribution of Group stakeholders to the company's strategy.

In addition, the content of chapter 6 provides details on the policies, actions and results relating to the four CSR priorities and the risks and opportunities identified as priorities (6.1.2 "Priority CSR risks and opportunities for Gecina").

6.6.1.2 Summary of the non-financial scope and reporting period

Aware of the importance of reporting and so that its publications reflect the environmental, social, and societal consequences of its business activities, Gecina has put in place a number of processes to ensure that this reporting is exhaustive and manageable:

- 96% of its operating properties are included in the reporting scope, and the remainder are linked to exclusions for operating reasons;
- Gecina's indicators and objectives are calculated on a current basis in order to be representative of its impacts;
- the data on energy consumption and greenhouse gas emissions include client uses, even though Gecina does not have direct control on these accounting lines;
- no reserves or observations by any external auditor have been issued since the 2013 financial year, even though a large proportion of indicators have been audited with a high level of exigency.

Activities concerned

- The scope covers all operational and development activities of offices and residential (including student residences) properties from January 1 to December 31 of the reporting year (year Y). All related activities (restaurants, hotels, etc.) were excluded from the 2018 reporting, due to an ongoing disposal or programmed disposal of these assets. Gecina operates exclusively in France. The buildings formerly held by Eurosic have been consolidated in this year's reporting scope when the data were available (specified in the contrary case) and when they met the conditions of inclusion. The consolidation of these buildings can significantly impact the consolidated data on the offices activity, as these buildings represent 30% of the scope.
- The scope integrates all of the assets regardless of the level of operating control exercised by Gecina (full control by Gecina, control shared with the tenant or full control by tenant). The Group's levers of action to influence the performance of the assets depend on it.

Assets included in the reporting scope

The reporting scope for the indicators linked to operations takes into account all assets present at December 31 of year N. An asset sold during year N is therefore excluded from the scope (even on disposal of one or more units in a residential building) and an asset acquired or delivered during year N is added to the scope.

However, for indicators concerning occupants' consumption of utilities (energy and water use, waste collection and sorting and GHG emissions), in order to guarantee the highest reliability and comparability of data, the following assets are excluded:

- in operation for less than one year;
- with a physical occupancy rate below 50%;
- acquired to be restructured in the short term (within less than five years).

For indicators concerning construction certification, life cycle analysis, and immaterial value, all assets delivered in the year following a reconstruction or construction project are taken into account.

For indicators related to operating certification, assets acquired for very short-term restructuring (three years) whose date of departure of the tenant is known, are excluded.

The indicator associated with the EMS (Environmental Management System) includes assets in operation, assets under construction and reconstruction and assets in design during the year.

The surface areas used are:

- gross leasable area (GLA) for offices;
- net floor area (NFA) for residential assets.

Commercial and residential surface areas used in 2018 reporting

		2018 No. Assets	Of which ex-Eurosic Assets	Surface area 2018 Assets	Of which surface areas Ex-Eurosic assets
Offices	Scope in operation	129	60	1,188,920	365,522
	Scope in operation considered for consumption indicators	120	54	1,133,791	342,095
	Scope under construction or restructuring	14	7	181,229	100,853
	Scope delivered and acquired during the year	9	2	170,092	30,990
Residential including student residences	Scope in operation	57	3	411,625	3,032
	Scope in operation considered for consumption indicators	55	3	407,136	3,032
	Scope under construction or restructuring	2	0	4,383	0
	Scope delivered during the year	1	0	6,926	0
TOTAL	**SCOPE IN OPERATION**	**186**	**63**	**1,600,545**	**368,554**
	SCOPE IN OPERATION CONSIDERED FOR CONSUMPTION INDICATORS	**175**	**57**	**1,540,927**	**345,127**
	SCOPE UNDER CONSTRUCTION OR RESTRUCTURING	**16**	**7**	**185,612**	**100,853**
	SCOPE DELIVERED DURING THE YEAR	**10**	**2**	**177,018**	**30,990**

Lastly, to monitor the performance specifically linked to actions implemented on the portfolio, energy consumption and greenhouse gas emission indicators are corrected for climate hazards. Methodological precisions are accessible in Appendix II of the online reporting protocol on the website *(http://gecina.fr/en/csr/reporting-ecosystem.html).*

Reporting period and frequency

Gecina's reporting cycle is annual and aligned on the calendar year, from January 1 to December 31 of reporting year N, except for data on energy, greenhouse gas emissions, and water consumption, that are measured from October 1 to September 31. Data is collected once per year.

Reporting tool

In order to facilitate and make the collection, consolidation and calculation of non-financial information reliable, Gecina has implemented a dedicated reporting tool. The indicators associated with energy, carbon, and biodiversity, the contribution to the productivity of the occupants, accessibility and transportation, waste and water are all tracked with this software. In December and January, the raw data are imported. The automated calculations only require updating of the emission factors and the energy mix for each year.

This set-up is based on the rules established in Gecina's reporting protocol available on the website (*http://gecina.fr/en/csr/reporting-ecosystem.html*). For each indicator, the protocol defines:

- the scope;
- the terms of the indicator and each data point used;
- the data collection processes, calculation rules and methodologies;
- the interpretation, consolidation, validation and control procedures.

6.6.1.3. External verification of non-financial information

Since 2011, Gecina has commissioned a third party to audit the social, environmental, and societal information published in its management report, in compliance with the methods described in its reporting protocol.

In agreement with the Audit and Risk Committee of the Board of Directors, Ernst & Young, an organization accredited by COFRAC, was appointed by Gecina's Chief Executive Officer as the Independent Third Party to audit the social, environmental, and societal information disclosed in the management report for the financial year ended December 31, 2018.

The audit carried out in 2018 received an unqualified opinion in all aspects (see 6.7 "Report of the independent auditor on the consolidated non-financial performance statement included in the management report").

In 2018, a total of **27 quantitative and qualitative indicators** were audited, with different levels of assurance:

- **9 indicators were audited at a reasonable level of assurance** (audit by sampling of approximately 50% of the consolidated data);
- **13 indicators were audited at a moderate level of assurance** (audit by sampling of approximately 20% of the consolidated data);
- consistency with the practices in place was verified, in particular during **three site visits** three site visits (one construction site, one office assets and one residence) and **five interviews** with Gecina employees involved in the CSR policy and reporting.

6.7 Report of the independent auditor on the consolidated non-financial performance statement included in the management report

For the year ended December 31, 2018

Following the request made to us, and in our capacity as an independent auditor of the Gecina entity (hereinafter the "entity"), we hereby present our report on the consolidated non-financial performance statement for the year ended December 31, 2018 (hereinafter the "Statement"), which the entity has chosen to prepare and include in its management report, with reference to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Entity's responsibility

As part of this voluntary process, it is the entity's responsibility to draft a Statement in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied relating to these risks, as well as the results of these policies, including the key performance indicators.

The Statement was drafted applying the entity's procedures (hereinafter the "Reporting Standards"), whose significant elements are given in the Statement, and is available on request from the entity's head office.

Independence and quality control

Our independence is defined by the profession's Code of Ethics. Furthermore, we have implemented a quality control system that features documented procedures and policies to ensure compliance with ethical rules, the professional doctrine and applicable laws and regulations.

Responsibility of the independent auditor

In accordance with the entity's request, it is our responsibility to draft a reasoned opinion expressing a conclusion of moderate assurance regarding:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the sincerity of the information provided pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including the actions and key performance indicators relating to the main risks, hereinafter the "Information".

At the entity's request, and outside the scope of accreditation, it is also our duty to express a conclusion of reasonable assurance that the information selected by the entity and identified by an * in Appendix 1 (hereinafter the "Information considered most important") was established in all significant aspects, in line with the reporting standards.

However, it is not within our remit to issue an opinion regarding:

- compliance by the entity with the other applicable legal and regulatory provisions, specifically in terms of the vigilance plan and the fight against corruption and tax evasion;
- compliance of products and services with applicable regulations.

1. Justified opinion on compliance and accuracy

Nature and scope of procedures

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code determining the manner in which the independent third-party body conducts its mission and according to professional standards, as well as with the international standard ISAE 3000 - *Assurance engagements other than audits or reviews of historical financial information*.

We conducted work that allowed us to assess the compliance of the Statement with the regulatory provisions and the sincerity of the Information:

- we became familiar with the activity of the entity, the statement of the main social and environmental risks relating to this activity, and where applicable its effects in terms of respecting human rights and the fight against corruption and tax evasion, along with the subsequent policies and their results;
- we assessed the appropriateness of the Reporting Standards in terms of their relevance, completeness, reliability, neutrality and comprehensibility, taking into account the best practices of the sector where appropriate;
- we verified that the Statement covers each category of information scheduled in Article L. 225-102-1 III in relation to social and environmental aspects, as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement includes an explanation of the grounds for the absence of any information required by the 2nd paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and the main risks relating to the entity's activity, including, where relevant and proportionate, the risks created by its business relationships, its products or services, as well as policies, actions and results, including key performance indicators;

- we verified, where relevant to the main risks or policies presented, that the Statement presents the information scheduled in Article R. 225-105 II;
- we appraised the process used to select and validate the main risks;
- we looked into the existence of internal control and risk management procedures implemented by the entity;
- we assessed the consistency of the results and the key performance indicators selected in terms of the main risks and policies presented;
- we verified that the Statement covers the consolidated scope, namely all the companies included within the scope of consolidation in line with Article L. 233-16, with the limits set out in the Statement;
- we appraised the collection process implemented by the entity to ensure the completeness and sincerity of the Information;
- with regard to the key performance indicators and other quantitative results we considered most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of its evolution;
  - detailed tests based on surveys, to verify the proper application of the definitions and procedures and to reconcile the data against the supporting documents. This work covers between 21% and more than 50% of the consolidated data selected for these tests (21% of water consumption, more than 50% of energy consumption);
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered most important and presented in Appendix 1;
- we appraised the overall consistency of the Statement in relation to our knowledge of the entity.

We consider that the work performed in exercising our professional judgment allows us to arrive at a conclusion of moderate assurance, while a higher level of assurance would have required more extensive audit work.

Means and resources

Our work employed the skills of 4 people and took place between September 2018 and March 2019, lasting approximately 12 weeks in total.

We conducted around ten interviews with those responsible for the preparation of the Statement, including the following departments: General Management, Administration and Finance, Risk Management, Compliance, Human Resources, Health and Safety, Environment and Procurement.

Conclusion

Based on our work, we did not identify any significant misstatements that would call into question the fact that the statement of non-financial performance complies with the applicable regulatory provisions, and that the information taken as a whole is presented sincerely, in accordance with the Reporting Standards.

2. Report of reasonable assurance on the information selected

Nature and scope of procedures

With regard to the Information Selected by the entity identified by an * in Appendix 1, we performed work of the same nature as that described in paragraph 1 above concerning the key performance indicators and other quantitative results we considered most important, but in more depth, particularly in respect of the extent of tests.

The sample selected represents 23 assets.

We consider that this work allows us to express reasonable assurance regarding the information considered most important.

Conclusion

In our opinion, the information selected by the entity was established, in all material aspects, in accordance with the reporting standards.

Paris-La Défense, February 19, 2019

Independent auditor

ERNST & YOUNG et Associés

Eric Duvaud	Jean-François Bélorgey
Sustainable Development Partner	Partner

Appendix 1: information considered most important

Quantitative information (including key performance indicators)	Qualitative information (actions or results)
SOCIAL INFORMATION	
▪ Workforce, turnover, recruitment rate, termination rate (%) * ▪ Succession plan in place for 100% of directors *	Talent recruitment, integration and retention
▪ Annual reviews conducted in 2017-2018 (%) ▪ Absenteeism rate (%)	Actions designed to promote diversity within teams
▪ Percentage of women in Senior Management (%)	Developing and capitalizing on employees' skills
▪ Number of training hours per employee and per status ▪ % of employee expenses allocated to training	
ENVIRONMENTAL INFORMATION	
Energy ▪ Energy consumption in kWh in final energy and primary energy per sq.m * ▪ Reduction in consumption since 2008 (%) * ▪ 70 kWhFE / sq.m for all new operations ▪ New surface areas covered by a Life Cycle Analysis (LCA) (%)	The improvement of energy efficiency, in particular via the ISO 50 001-certified energy management system
Carbon ▪ Carbon emissions in kgCO_2 / sq.m * ▪ Renewable energy in the energy mix (%) *	The use of energies that emit fewer greenhouse gases The design of less carbon-intensive property developments
Biodiversity ▪ Biotope ratio per surface area *	The increase in revegetation in densely-populated urban areas
Circular economy ▪ Site waste recovered / recycled ▪ Operating waste recovered / recycled	The completion of resource diagnostics The reduction in raw material consumption and the recovery of site and operating waste
Water ▪ m^3/sq.m average ▪ Reduction of consumption since 2008 (%)	
SOCIETAL INFORMATION	
Well-being and comfort of occupants ▪ % of operations awarded the label WELL® * ▪ Distribution of surface areas by productive efficiency class	Enhancing the comfort and well-being of occupants Development of shared services in offices Development of alternative means of transport Actions to promote disabled access to common areas of buildings
Certifications ▪ HQE Construction Certification * ▪ HQE Exploitation Certification (Offices) * ▪ NF HQE Habitat Certification (Residential) *	
	Responsible purchasing CSR assessment of suppliers Involvement of employees and suppliers

6

7

List of property holdings

7.1 Offices

Dept	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	Assets in operation									
75	**Paris 1st arrondissement**									
	10/12, place Vendôme	1750	1750		80	7,821	1,002		689	9,592
	1, boulevard de la Madeleine	1890	1996	6	542	1,488	716		196	2,942
	2, place Maurice Quentin	1981				9,188	819			10,007
	Paris 2nd arrondissement									
	35, avenue de l'Opéra - 6, rue Danielle Casanova	1878	1878	5	593	1,003	591		342	2,529
	26/28, rue Danielle Casanova	1800/ 1830	1800/ 1830	2	145	1,117	283		117	1,662
	Central Office - 120/122, rue Réaumur - 7/9, rue Saint-Joseph	1880	2008			4,642			216	4,858
	16, rue des Capucines	1970	2005			7,241			2,531	9,772
	Le Building - 37, rue du Louvre - 25, rue d'Aboukir	1935	2009			6,586	654		787	8,027
	64, rue Tiquetonne - 48, rue Montmartre	1850	1987	52	4,717	2,963	1,923		1,546	11,150
	31/35, boulevard des Capucines	1700	1989			4,542	1,465		280	6,287
	5, boulevard Montmartre	1850/ 1900	1996	18	1,401	4,134	2,592		431	8,558
	29/31, rue Saint-Augustin	1900	1996	6	447	4,744	259		421	5,870
	3, place de l'Opéra	1908	1908			4,587	837		81	5,504
	Parking Bourse									
	8/10, rue Saint Fiacre	1800	2012			2,842				2,842
	Paris 6th arrondissement									
	83, boulevard du Montparnasse	1973	1996			1,883				1,883
	Paris 7th arrondissement									
	3, avenue Octave Gréard - 15 à 19 avenue de Suffren	1910	2009			8,820				8,820
	Penthemont - 104, rue de Grenelle		2018			8,958				8,958
	136, *bis* rue de Grenelle	1822	2009			2,110				2,110
	138, *bis* rue de Grenelle	1822	2009			912				912
	Ensemble Saint Dominique - 24/26, 41/51, rue Saint Dominique - 18, rue de Bourgogne	1950/ 1970	2008/ 2012	21	1,960	24,173				26,133
	26/28, rue des Saints Pères	1926	2003			10,188				10,188
	24, rue de l'Université	1800	2013			2,275				2,275
	127/129, rue de l'Université	1958				2,963				2,963
	209, rue de l'Université	1990	2017			1,298				1,298
	Parking - 127, rue de l'Université	1958	2017							

Dept	Address	Construc-tion year	Year of last restruc-turation	Nb of housing units	Residen-tial surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	Paris 8th arrondissement									
	26, rue de Berri	1971	1971			2,046	921		57	3,023
	151, boulevard Haussmann	1880	1880	13	645	3,012			87	3,744
	153, boulevard Haussmann	1880	1880	15	802	4,194			401	5,397
	155, boulevard Haussmann	1880	1880	9	745	3,655			86	4,485
	22, rue du Général Foy	1894	1894	4	500	2,455			211	3,165
	38, avenue George V - 53, rue François-1er	1961	1961			583	704		15	1,301
	41, avenue Montaigne - 2, rue de Marignan	1924	1924	2	133	1,557	568		145	2,404
	162, rue du Faubourg Saint-Honoré	1953	1953			1,812	125		134	2,070
	169, boulevard Haussmann	1880	1880	8	735	746	268		233	1,981
	Magistère - 64, rue de Lisbonne - rue Murillo	1884/ 1960	2012			7,405			449	7,854
	32/34, rue Marbeuf	1930/ 1950/ 1970	2005/ 2007			9,633	2,331		72	12,036
	44, avenue des Champs-Élysées	1925	1925			2,498	2,324		1	4,823
	66, avenue Marceau	1997	2007			4,858			185	5,043
	Parkings - 45, rue Galilée	-	-							
	30, place de la Madeleine	1900	1900	2	338	816	983		181	2,317
	9/15, avenue Matignon	1890	1997	35	2,684	5,269	3,810		700	12,463
	24, rue Royale	1880	1996			1,747	1,150			2,897
	18/20, place de la Madeleine	1930	1930			2,902	648		231	3,780
	101, avenue des Champs-Élysées	1931	2006			4,300	3,885		1,206	9,391
	8, avenue Delcassé	1988	2007			9,316	510		76	9,902
	55, rue d'Amsterdam	1929/ 1996	2017			11,322			1,336	12,658
	17, rue du Docteur Lancereaux	1972	2002			5,428			1,733	7,161
	20, rue de la Ville-l'Evêque	1967	2018			5,575			954	6,530
	27, rue de la Ville-l'Évêque	1962	1962			3,156			70	3,226
	5, rue Royale	1850	1850	1	130	2,234	158		97	2,619
	141, boulevard Haussmann	1864	2017			1,780				1,780
	142, boulevard Haussmann	1864	2002			2,095				2,095
	36, rue de Liège	1920	2013			1,588				1,588
	47, rue de Monceau	1957				3,676				3,676
	36, rue de Naples	1890	2016			2,303				2,303
	124/126, rue de Provence	1913	1994			2,403				2,403
	39, avenue Pierre 1er de Serbie	1970				2,401	87			2,488
	Parking 18 Hoche - 18, avenue Hoche									
	Parking 40 Hoche - 40, avenue Hoche									
	1 à 5, rue Euler (1)	1958	2015			11,371			1,135	12,506

(1) assets held at 19.90%.

Dept	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	18/20, rue Treilhard	1970				4,095			1,376	5,471
	Parking Etoile-Friedland - 31, avenue de Friedland									
	Paris 9th arrondissement									
	21, rue Auber - 24, rue des Mathurins	1866	1866		10	1,588	422		79	2,098
	Mercy-Argenteau - 16, boulevard Montmartre	1778	2012	22	1,422	2,459	412		202	4,494
	1/3, rue de Caumartin	1780	1780	4	284	1,749	1,041		98	3,172
	32, boulevard Haussmann	1850	2002			2,385	287		351	3,022
	3, rue Moncey	1910	2012			1,921				1,921
	52, rue de Dunkerque	1898	2017			1,621				1,621
	Paris 10th arrondissement									
	210, quai de Jemmapes	1993				10,012				10,012
	8, cité Paradis	1850	1982			2,200				2,200
	27, rue des Petites Écuries	1930	1992			3,330	311		169	3,810
	Paris 11th arrondissement									
	21/23, rue Jules Ferry	1900	2000			1,883				1,883
	Paris 12th arrondissement									
	Parking - 58/62, quai de la Rapée	1990	1990							
	Tour Gamma - 193, rue de Bercy	1972	1972			15,961	1,888		1,816	19,665
	Paris 13th arrondissement									
	Le France - 190-198, avenue de France	2001	2018			17,860	248		2,112	20,220
	8, rue de la Croix Jarry - 5/7 et 11/13, rue Watt	1988	2006			30,461				30,461
	Paris 14th arrondissement									
	37/39, rue Dareau	1988	1988			4,724			557	5,280
	Paris 15th arrondissement									
	Tour Mirabeau - 39, quai André Citroën	1972	1972			32,680			2,769	35,449
	Le Jade - 85, quai André Citroën	1991	2018			22,032				22,032
	23, rue Linois	1978	2015			5,525				5,525
	82/84, rue de la Procession	1999				940				940
	Paris 16th arrondissement									
	58/60, avenue Kléber	1875/1913	1992			4,431	543		199	5,172
	91, boulevard Exelmans	1970				1,149				1,149
	Paris 17th arrondissement									
	63, avenue de Villiers	1880	1880	8	415	2,964	98		385	3,861
	Le Bancelle - 145, rue de Courcelles	1994	2004			4,524			304	4,828
	Le Banville - 153, rue de Courcelles	1991	1991			19,442	1,138		1,243	21,822
	32, rue Guersant	1970/1992	2018			13,230			1,447	14,677

Dept	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	129, boulevard Malesherbes	1877	2010			1,175				1,175
	163, boulevard Malesherbes	1979	2015			1,270			42	1,312
	Parking Carnot - 16, *bis* avenue Carnot									
	111, rue Cardinet	1930				1,997				1,997
	247 à 255, boulevard Pereire	1974	2014			1,054			94	1,148
	31, rue Pouchet	1970				890				890
	Paris 19th arrondissement									
	28, avenue des Flandres-4, rue des Saisons	1990	1993			15,686				15,686
	216/218, avenue Jean Jaurès					5,751			625	6,376
	Paris 20th arrondissement									
	Le Valmy - 4/16, avenue Léon Gaumont	2006	2006			27,325			2,123	29,448
	TOTAL ASSETS IN OPERATION - IN PARIS			**233**	**18,726**	**514,925**	**35,999**	**0**	**33,419**	**603,070**
78	**78140 Vélizy-Villacoublay**									
	14, rue des Frères Caudron					3,647				3,647
	78350 Jouy-en-Josas									
	96/100, rue Albert Calmette	1988				3,333				3,333
91	**91100 Corbeil-Essonnes**									
	281/283, boulevard John Kennedy					3,898				3,898
92	**92100 Boulogne-Billancourt**									
	Khapa - 65, quai Georges Gorse	2008	2008			17,889	427		1,324	19,639
	Anthos - 63/67, rue Marcel Bontemps - 26/30, Cours Emile Zola	2010	2010			8,919	230		577	9,725
	Tour Horizons - Rue du Vieux Pont de Sèvres	2011	2011			32,381	1,005		3,079	36,465
	City 2 - 204, Rond-Point du Pont de Sèvres	2016	2016			24,134			4,222	28,355
	Le Cristallin - 122, avenue du Général-Leclerc	1968	2016			18,235	2,986		4,521	25,742
	3, rue des 4 cheminées	1989				1,805	192			1,997
	96, avenue du Général Leclerc	1989				2,019	450			2,469
	54/56, avenue du Général Leclerc	1991				3,726	78			3,804
	44/46, rue de Sèvres					2,058				2,058
	738, rue Yves Kermen	1991				3,942			100	4,042
	90/92, route de la Reine	1995				2,411			285	2,696
	92120 Montrouge									
	Park Azur - 97, avenue Pierre Brossolette	2012	2012			21,648			2,427	24,075
	19, rue Barbès	2010				6,352			124	6,476
	21 à 27, rue Barbès - Porte Sud	1975	1998			9,651			1,539	11,190

Dept	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	92130 Issy-les-Moulineaux									
	Be Issy - 16, boulevard Garibaldi	2018				23,029	297			23,326
	11, rue des Peupliers	1991	2008			1,735				1,735
	92160 Antony									
	5 à 10, rue de la Renaissance	1990				9,835				9,835
	3, rue de la Renaissance	1989				2,552				2,552
	92200 Neuilly-sur-Seine									
	159, avenue Charles-de-Gaulle	1970	2005			3,573	243		32	3,848
	96/104, avenue Charles-de-Gaulle	1964	2012			9,154			1,406	10,560
	12/16, boulevard du Général-Leclerc	1976	2004	8	539	14,543			2,356	17,438
	31, rue du Pont	1973				793				793
	8, rue des Graviers	1963	2005			4,899				4,899
	92230 Gennevilliers									
	Pointe Metro 2 - 1-17, rue Henri Barbusse	2012	2012			13,333	351		1,081	14,765
	92240 Malakoff									
	76, avenue Brossolette	1992				3,783			50	3,833
	166/180, boulevard Gabriel Péri	1930	2009			19,922				19,922
	92300 Levallois-Perret									
	Octant-Sextant - 2/4, quai Charles Pasqua	1996	2018			34,900			4,103	39,003
	55, rue Deguingand	1974	2007			4,682			432	5,114
	41/43, rue Louise Michel	2012				2,514	582			3,096
	92400 Courbevoie (La Défense)									
	Pyramidion - ZAC Danton 16, 16 *bis* 18 à 28, avenue de l'Arche - 34, avenue Léonard de Vinci	2007	2007			8,728			683	9,411
	Tour T1 & Bât. B - Tour Engie - Place Samuel Champlain	2008	2008			80,470			7,558	88,028
	Parking Cartier - Tour Engie - Place Samuel Champlain	2008	2008							
	Adamas - 2-14, rue Berthelot - 47/49, bd de la Mission Marchand - 38, avenue Léonard de Vinci - 1, rue Alexis Séon	2010	2010			9,292	786		444	10,522
	92700 Colombes									
	Portes de La Défense - 15/55, boulevard Charles-de-Gaulle/ 307, rue d'Estienne d'Orves	2001	2001			42,872			484	43,356
	Défense Ouest - 420/426, rue d'Estienne d'Orves	2006	2006			51,768			6,249	58,018
	92800 Puteaux									
	33, quai de Dion Bouton	2009				22,071			482	22,553
93	**93100 Montreuil**									
	Tour Orion - 10/14, rue de Vincennes	1976				11,482				11,482

Dept	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	93500 Pantin									
	140, avenue Jean Lolive					6,346				6,346
94	**94110 Arcueil**									
	13, rue Nelson Mandela - Bât. A - B - C	2006	2006			42,175	714		1,833	44,722
	94300 Vincennes									
	5/7, avenue de Paris	1988	1988			3,507			125	3,633
	9, avenue de Paris	1971	2003			1,969			166	2,135
	94340 Joinville-le-Pont									
	3, allée Edmée Lheureux	1989				2,246			58	2,304
	94400 Vitry-sur-Seine									
	140 à 146, rue Léon Geoffroy	1990	2014			1,507				1,507
95	**95863 Cergy-Pontoise**									
	10, avenue de l'Entreprise	1988/ 2015				69,445		910	5,347	75,702
	TOTAL ASSETS IN OPERATION - IN THE PARIS REGION			**8**	**539**	**669,170**	**8,341**	**910**	**51,088**	**730,048**
	TOTAL ASSETS IN OPERATION - IN PARIS AND ITS REGION			**241**	**19,266**	**1,184,096**	**44,340**	**910**	**84,507**	**1,333,118**
26	**26300 Valence**									
	Quartier de la Gare	2010				5,729				5,729
69	**Lyon 3rd arrondissement**									
	Sky 56 - Avenue Félix Faure	2018	2018			27,889	1,473		1,026	30,388
	Le Velum - 106, boulevard Vivier Merle	2013	2013			13,032			946	13,978
	Lyon 7th arrondissement									
	Septen - Grande Halle - ZAC Gerland(1)	2017	2017			19,132			987	20,118
	TOTAL ASSETS IN OPERATION - IN OTHER REGIONS			**0**	**0**	**65,782**	**1,473**	**0**	**2,959**	**70,213**
Other countries	**Milan - Italy**									
	Via Antonini 26					1,570	3,610			5,180
	San Donato Milanese - Italy									
	Via Agadir 38					6,035				6,035
	Turin - Italy									
	Via Magenta					4,373				4,373
	TOTAL ASSETS IN OPERATION - IN OTHER COUNTRIES					**11,978**	**3,610**			**15,588**
	TOTAL ASSETS IN OPERATION			**241**	**19,266**	**1,261,856**	**49,422**	**910**	**87,466**	**1,418,919**

(1) *assets held at 60%.*

Dept	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	Assets under development									
75	**Paris 1st arrondissement**									
	25/27, rue des Pyramides	1850	in progress			2,119				2,119
	Paris 7th arrondissement									
	37/39, rue de Bellechasse		in progress			2,409				2,409
	Paris 8th arrondissement									
	43, avenue de Friedland - rue Arsène-Houssaye	1867	in progress			1,459	227		100	1,785
	7, rue de Madrid	in progress	in progress			9,972				9,972
	Paris 12th arrondissement									
	Tour Ibox - 5/9, rue Van Gogh	1974	in progress			19,949				19,949
	Paris 16th arrondissement									
	37, boulevard de Montmorency		in progress			13,800				13,800
	LIVE (75 GA) 69-81, avenue de la Grande Armée	1973	in progress			27,536	734		5,240	33,510
92	**92200 Neuilly-sur-Seine**									
	157, avenue Charles-de-Gaulle	1959	in progress			5,487	232		407	6,126
	6 *bis*/8, rue des Graviers	1959	in progress			4,559			213	4,772
	92400 Courbevoie (La Défense)									
	16, rue du Capitaine Guynemer	2003	in progress			12,008				12,008
	92800 Puteaux (La Défense)									
	12, cours Michelet		in progress			37,360				37,360
	TOTAL ASSETS UNDER DEVELOPMENT			**0**	**0**	**136,658**	**1,193**	**0**	**5,960**	**143,811**
	Land reserves									
78	**78140 Vélizy-Villacoublay**									
	Square - Colvel Windsor - 8/10, avenue Morane Saulnier	1979	in progress							
	78180 Montigny-le-Bretonneux									
	1, avenue Niepce	1984	in progress							
	5/9, avenue Ampère	1986	in progress							
	4, avenue Newton	1978	in progress							
	6, avenue Ampère	1981	in progress							
69	**Lyon 7th arrondissement**									
	ZAC Gerland	in progress	in progress							
	ZAC des Girondins	in progress	in progress							
	TOTAL LAND RESERVES									
	GRAND TOTAL OFFICES			**241**	**19,266**	**1,398,514**	**50,615**	**910**	**93,425**	**1,562,730**

7.2 Residential

DEPT	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	Assets in operation								
75	**Paris 3rd arrondissement**								
	7/7 *bis*, rue Saint-Gilles	1987	1987	42	2,732		133		2,865
	Paris 11th arrondissement								
	8, rue du Chemin-Vert	1969	1969	42	2,238		685		2,923
	Paris 12th arrondissement								
	18/20 *bis*, rue Sibuet	1992	1992	63	4,497	69			4,566
	9/11, avenue Ledru-Rollin	1997	1997	62	3,121		177	30	3,328
	25, avenue de Saint-Mandé	1964	1964	82	3,670		130	0	3,800
	220, rue du Faubourg Saint-Antoine	1969	1969	125	6,535		1,019	2	7,556
	24/26, rue Sibuet	1970	1970	158	9,760	85		1	9,846
	Paris 13th arrondissement								
	20, rue du Champ-de-l'Alouette	1965	1965	53	3,997	564	453	250	5,263
	53, rue de la Glacière	1970	1970	53	646		82	81	809
	49/53, rue Auguste-Lançon - 26, rue de Rungis - 55/57, rue Brillat Savarin	1971	1971	40	3,443			110	3,553
	2/12, rue Charbonnel - 53, rue de l'Amiral-Mouchez - 65/67, rue Brillat Savarin	1966	1966	181	12,063		517	201	12,781
	Paris 14th arrondissement								
	3, villa Brune	1970	1970	108	4,745				4,745
	Paris 15th arrondissement								
	18/20, rue Tiphaine	1972	1972	80	4,932	1,897	173	103	7,105
	37/39, rue des Morillons	1966	1966	37	2,295	220	287	33	2,835
	6, rue de Vouillé	1969	1969	588	28,391	768	1,147	670	30,976
	199, rue Saint-Charles	1967	1967	58	3,284			10	3,294
	159/169, rue Blomet - 334/342, rue de Vaugirard	1971	1971	320	21,631		7,651	38	29,320
	76/82, rue Lecourbe - rue François Bonvin (Bonvin-Lecourbe)	1971	1971	247	13,926	216	425	358	14,925
	10, rue du Docteur Roux - 189/191, rue de Vaugirard	1967	1967	222	13,085	3,052		11	16,148
	74, rue Lecourbe	1971	1971	93	8,102	186	3,910	9	12,207
	89, rue de Lourmel	1988	1988	23	1,555		239		1,794
	168/170, rue de Javel	1962	1962	85	5,894	135		76	6,105
	148, rue de Lourmel - 74/86, rue des Cévennes - 49, rue Lacordaire	1965	1965	316	22,172	190	620	2	22,984
	85/89, boulevard Pasteur	1965	1965	260	16,510			11	16,521
	Paris 16th arrondissement								
	6/14, rue de Rémusat - square Henri-Paté	1962	1962	185	16,146		1,838	14	17,999
	46 *bis*, rue Saint-Didier	1969	1969	42	2,117		649	150	2,916

DEPT	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	Paris 18th arrondissement								
	56, boulevard Rochechouart		2002	15	1,072		2,158		3,230
	Paris 20th arrondissement								
	59/61, rue de Bagnolet	1979	1979	57	3,305		99	1	3,405
	44/57, rue de Bagnolet	1992	1992	30	1,926		292	54	2,272
	42/52 et 58/60, rue de la Py - 15/21, rue des Montibœufs	1967	1967	142	8,084	486		85	8,655
	TOTAL ASSETS IN OPERATION - IN PARIS			**3,809**	**231,873**	**7,867**	**22,686**	**2,301**	**264,727**
92	**92100 Boulogne-Billancourt**								
	94/98, rue de Bellevue	1974	1974	63	4,534				4,534
	108, rue de Bellevue - 99, rue de Sèvres	1968	1968	322	24,969			350	25,319
	92350 Le Plessis-Robinson								
	25, rue Paul Rivet	1997	1997	132	11,265	284			11,549
	92400 Courbevoie								
	4/6/8, rue Victor-Hugo - 8/12, rue de l'Abreuvoir - 11, rue de L'Industrie	1966	1966	202	14,040	104	2,213	259	16,616
	43, rue Jules-Ferry - 25, rue Cayla	1996	1996	58	3,639			16	3,655
	92410 Ville-d'Avray								
	14/18, rue de la Ronce	1963	1963	159	15,977			19	15,996
	1 à 33, avenue des Cèdres - 3/5, allée Forestière - 1, rue du Belvedère de la Ronce	1966	1966	550	40,352		1,113	38	41,503
94	**94410 Saint-Maurice**								
	1/5, allée des Bateaux-Lavoirs - 4, promenade du Canal	1994	1994	87	6,382			89	6,471
	TOTAL ASSETS IN OPERATION - IN THE PARIS REGION			**1,573**	**121,157**	**388**	**3,326**	**771**	**125,643**
	TOTAL ASSETS IN OPERATION			**5,382**	**353,031**	**8,255**	**26,012**	**3,072**	**390,370**
	Assets on unit-by-unit sale								
75	**Paris 2nd arrondissement**								
	6 *bis*, rue Bachaumont	1905	1905	4	336			51	387
	Paris 6th arrondissement								
	1, place Michel Debré	1876	1876	8	522			47	569
	Paris 7th arrondissement								
	262, boulevard Saint-Germain	1880	1880	2	215			12	227
	266, boulevard Saint-Germain	1880	1880	1	194			0	194
	Vaneau 9							3	3
	76 *bis,* rue des Saints Pères		2016	1	154				154
	Paris 8th arrondissement								
	165, boulevard Haussmann	1866	1866	1	183			0	183
	Paris 9th arrondissement								
	13/17, cité de Trévise	1998	1998	15	938			34	972

DEPT	Address	Construc-tion year	Year of last restruc-turation	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	Paris 12th arrondissement								
	25/27, rue de Fécamp - 45, rue de Fécamp	1988	1988	16	1,418			34	1,452
	Paris 13th arrondissement								
	22/24, rue Wurtz	1988	1988	44	2,948			90	3,038
	82, boulevard Massena (Tour ANCONE)	1972	1972				14		14
	84, boulevard Massena (Tour BOLOGNE)	1972	1972				30		30
	Paris 14th arrondissement								
	83/85, rue de l'Ouest	1978	1978	3	182			4	186
	8/20, rue du Commandant René Mouchotte	1967	1967	1	42				42
	Paris 15th arrondissement								
	12, rue de Chambéry	1968	1968	8	230			0	230
	191, rue Saint-Charles - 17, rue Varet	1960	1960	34	2,560			203	2,763
	22/24, rue Edgar Faure	1996	1996	46	4,087			100	4,187
	39, rue de Vouillé	1999	1999	38	2,730			38	2,768
	3, rue Jobbé-Duval	1900	1900	2	80			4	84
	27, rue Balard	1995	1995	41	3,640			82	3,722
	Paris 16th arrondissement								
	8/9, avenue Saint-Honoré d'Eylau	1880	1880	1	213			4	217
	Paris 17th arrondissement								
	169/183, boulevard Pereire - 7/21, rue Faraday - 49, rue Laugier	1882	1882	3	246				246
	10, rue Nicolas Chuquet	1995	1995	24	1,270			24	1,294
	28, avenue Carnot	1882	1882	5	472			7	479
	30, avenue Carnot	1882	1882	1	24				24
	32, avenue Carnot	1882	1882	1	97			6	103
	169/183, boulevard Pereire - 7/21, rue Faraday - 49, rue Laugier	1882	1882	7	609			78	687
	Paris 18th arrondissement								
	40, rue des Abbesses	1907	1907	14	973			73	1,046
	Paris 19th arrondissement								
	25/29, rue des Lilas	1970	1970					1	1
	104/106, rue Petit - 16, allée de Fontainebleau	1977	1977	1	66			7	73
	Paris 20th arrondissement								
	162, rue de Bagnolet	1992	1992	14	1,030			28	1,058
	19/21, rue d'Annam	1981	1981	37	1,900			72	1,972
	TOTAL ASSETS ON UNIT-BY-UNIT SALE - IN PARIS			**373**	**27,360**	**0**	**44**	**1,003**	**28,406**

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DEPT	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
77	**77350 Le Mée**								
	349, rue Libération	-	-					3	3
78	**78000 Versailles**								
	Petite place - 7/9, rue Sainte-Anne - 6, rue Madame - 20, rue du Peintre Le Brun	1968	1968	89	6,519			194	6,713
	78390 Bois-d'Arcy								
	2, rue Toulouse-Lautrec	1966	1966					6	6
91	**91300 Massy**								
	Bon Puits							2	2
	91380 Chilly-Mazarin								
	5, rue des Dalhias	1972	1972	1	94			1	95
92	**92100 Boulogne-Billancourt**								
	Rue Marcel Bontemps, Ilot B3 lot B3abc ZAC Séguin Rives de Seine	2011	2011	19	1,274				1,274
	59 *bis*/59 *ter*, rue des Peupliers - 35 *bis*, rue Marcel Dassault	1993	1993	14	1,188			0	1,188
	92200 Neuilly-sur-Seine								
	47/49, rue Perronet	1976	1976	3	213			28	241
	92300 Levallois-Perret								
	136/140, rue Aristide Briand	1992	1992	9	628			9	637
	92400 Courbevoie								
	8/12, rue Pierre Lhomme	1996	1996	38	2,108			32	2,140
	3, place Charras	1985	1985	36	2,434			72	2,506
	92600 Asnières								
	46, rue de la Sablière	1994	1994	7	415			26	441
95	**95100 Argenteuil**								
	Tour Sannois							25	25
	Wallon			1	25				25
	Alessandria							15	15
	TOTAL ASSETS ON UNIT-BY-UNIT SALE - IN THE PARIS REGION			**217**	**14,897**	**0**	**0**	**413**	**15,311**
01	**01280 Prevessin - Moens**								
	La Bretonnière - Route de Mategnin Le Cottage Mail du Neutrino	2010	2010	66	5,307				5,307
13	**Marseille 8th arrondissement**								
	116, avenue Cantini - Quartier le Rouet	2010	2010	4	307				307
	Marseille 13th arrondissement								
	Avenue Merlaud-Ponty	1961	1961					62	62
59	**59000 Lille**								
	Parc St-Maur							13	13
	59170 Croix								
	Flandres Appts							4	4

DEPT	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	TOTAL ASSETS ON UNIT-BY-UNIT SALE - IN OTHER REGIONS			**70**	**5,614**	**0**	**0**	**79**	**5,693**
	TOTAL ASSETS ON UNIT-BY-UNIT SALE			**660**	**47,870**	**0**	**44**	**1,495**	**49,409**
	Assets under development								
75	**Paris 12th arrondissement**								
	25, avenue de Saint-Mandé	in progress	in progress	13	667				667
92	**92410 Ville-d'Avray**								
	Éco-quartier - 20, rue de la Ronce	in progress	in progress	125	7,906		2,228		10,134
	TOTAL ASSETS UNDER DEVELOPMENT			**138**	**8,573**	**0**	**2,228**	**0**	**10,801**
	GRAND TOTAL TRADITIONAL RESIDENTIAL			**6,180**	**409,474**	**8,255**	**28,284**	**4,567**	**450,580**

7.3 Student residences

DEPT	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
	Assets in operation								
75	**Paris 13th arrondissement**								
	75, rue du Château des Rentiers	2011	2011	183	4,149				4,149
	Rue Auguste Lançon	2015	2015	60	1,368			147	1,515
	Paris 15th arrondissement								
	76/82, rue Lecourbe - rue François Bonvin	1971	2014	103	2,674				2,674
	TOTAL ASSETS IN OPERATION - IN PARIS			**346**	**8,191**	**0**	**0**	**147**	**8,338**
77	**77420 Champs-sur-Marne**								
	6, boulevard Copernic	2010	2010	135	2,671				2,671
91	**91120 Palaiseau**								
	Plateau de Saclay	2015	2015	145	3,052			158	3,210
92	**92800 Puteaux**								
	Rose de Cherbourg 34, avenue Charles de Gaulle	2018	2018	355	6,926				6,926
	La Grande Arche - Castle Light - Terrasse Valmy	2017	2017	168	4,074				4,074
93	**93170 Bagnolet**								
	16-18, rue Sadi Carnot - 2-4, avenue Henriette	2015	2015	163	3,735		478	46	4,259
	93200 Saint-Denis								
	Cité Cinéma - Saint-Denis Pleyel - Rue Anatole France	2014	2014	183	4,357		259		4,616
	93350 Le Bourget								
	5, rue Rigaud	2008	2008	238	4,710				4,710
	TOTAL ASSETS IN OPERATION - IN THE PARIS REGION			**1,387**	**29,524**	**0**	**737**	**204**	**30,465**
	TOTAL ASSETS IN OPERATION - IN PARIS AND ITS REGION			**1,733**	**37,715**	**0**	**737**	**351**	**38,803**
13	**Marseille 2nd arrondissement**								
	1, rue Mazenod	2017	2017	179	3,844				3,844
33	**33000 Bordeaux**								
	26/32, rue des Belles Îles	1994	1994	99	2,092				2,092
	Rue Blanqui - Rue de New York	2015	2015	159	3,800				3,800
	33400 Talence								
	11, avenue du Maréchal de Tassigny	2000	2000	150	3,527		887		4,414
	36, rue Marc Sangnier	1994	1994	132	2,766				2,766
	33600 Pessac								
	80, avenue du Docteur Schweitzer	1995	1995	92	1,728				1,728

DEPT	Address	Construction year	Year of last restructuration	Nb of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Other surface area (sq.m)	Total (sq.m)
59	**59000 Lille**								
	Tour V Euralille - Avenue Willy Brandt	2009	2009	190	4,754				4,754
69	**Lyon 7th arrondissement**								
	7, rue Simon Fryd	2010	2010	152	3,334				3,334
	TOTAL ASSETS IN OPERATION - IN OTHER REGIONS			**1,153**	**25,845**	**0**	**887**	**0**	**26,732**
	TOTAL ASSETS IN OPERATION			**2,886**	**63,560**	**0**	**1,624**	**351**	**65,535**
	Assets under development								
75	**Paris 15th arrondissement**								
	Résidence Brancion	in progress	in progress						
	Résidence Lourmel	in progress	in progress						
94	**94200 Ivry-sur-Seine**								
	8 rue René Villars	in progress	in progress						
	TOTAL ASSETS UNDER DEVELOPMENT								
	Land reserves								
75	**Paris 13th arrondissement**								
	2/12, rue Charbonnel	in progress	in progress						
92	**92100 Boulogne-Billancourt**								
	Résidence La Traverse	In progress	in progress						
	TOTAL LAND RESERVES								
	GRAND TOTAL STUDENT RESIDENCES			**2,886**	**63,560**	**0**	**1,624**	**351**	**65,535**

7.4 Hotels

DEPT	Address	Construction year	Year of last restructuration	Hotel surface area	Total (sq.m)
	Assets in operation				
75	**Paris 6th arrondissement**				
	4, rue Danton		2010	3,800	3,800
	92, rue de Vaugirard	1988	2009	4,300	4,300
	Paris 19th arrondissement				
	68, quai de la Seine	2009		5,875	5,875
	TOTAL ASSETS IN OPERATION - IN PARIS			**13,975**	**13,975**
77	**77990 Le Mesnil - Amelot**				
	Rue de la Chapelle	1993	2018	13,091	13,091
78	**78830 Bougival**				
	10/12, rue Yvan Tourgueneff	1999	2012	10,319	10,319
92	**92100 Boulogne-Billancourt**				
	114/116, route de la Reine		2012	5,465	5,465
95	**95540 Mery-sur-Oise**				
	3, avenue Marcel Perrin	2010	2010	6,564	6,564
	TOTAL ASSETS IN OPERATION IN THE PARIS REGION			**35,439**	**35,439**
	TOTAL ASSETS IN OPERATION			**49,414**	**49,414**
	GRAND TOTAL HOTELS			**49,414**	**49,414**

7.5 Other commercial assets

DEPT	Address	Construction year	Year of last restructuration	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Hotel surface area (sq. m)	Other surface area (sq.m)	Total (sq.m)
	Assets in operation								
75	**Paris 10th arrondissement**								
	5, rue de Dunkerque	1926	2013				6,440		6,440
	Paris 18th arrondissement								
	16, rue des Fillettes					1,809			1,809
	139, boulevard Ney	2004				3,745			3,745
	Paris 19th arrondissement								
	La Rotonde de Ledoux - 6/8, place de la Bataille de Stalingrad		2008					1,699	1,699
	68, quai de la Seine	2008						597	597
	TOTAL ASSETS IN OPERATION - IN PARIS			**0**	**0**	**5,554**	**6,440**	**2,296**	**14,290**
77	**77185 Lognes**								
	Parc d'activités de Paris Est - Boulevard du Courcerin	1981	1985			11,551			11,551
78	**78190 Trappes**								
	ZA Trappes Élancourt - 71/73, avenue Georges Politzer	1971	1990			21,501			21,501
	78240 Chambourcy								
	5, rue Camille Blanc							287	287
91	**91100 Corbeil Essone**								
	52, rue Maréchal de Lattre de Tassigny					938			938
	91380 Chilly-Mazarin								
	55, route de Longjumeau					10,057			10,057
92	**92000 Nanterre**								
	21, rue du Port	1991	2000			3,800			3,800
	92500 Rueil Malmaison								
	250, route de l'Empereur							2,607	2,607
93	**93100 Montreuil**								
	34, rue Gaston Lauriau					5,175			5,175
	278/290, rue de Rosny					3,199			3,199
	93200 Saint-Denis								
	12 à 16, rue André Campra	2008		3,436		12,932			16,368
	93400 Saint-Ouen								
	29, rue Émile Cordon		2003	270		2,486			2,756
	100 à 106, rue du Landy		2003			2,366			2,366
	TOTAL ASSETS IN OPERATION - IN THE PARIS REGION			**3,706**	**0**	**74,005**	**0**	**2,894**	**80,605**
	TOTAL ASSETS IN OPERATION - IN PARIS AND ITS REGION			**3,706**	**0**	**79,559**	**6,440**	**5,190**	**94,895**

DEPT	Address	Construc-tion year	Year of last restruc-turation	Office surface area (sq.m)	Retail surface area (sq.m)	Business surface area (sq.m)	Hotel surface area (sq. m)	Other surface area (sq.m)	Total (sq.m)
16	**16000 Angoulême**								
	18/20, rue Chabaneix	1968	1988			4,731			4,731
35	**35137 Bedée**								
	Zone Artisanale de la Touche	1988				7,930			7,930
41	**41200 Romorantin-Lanthenay**								
	Avenue de Villefranche BAT B	1996			1,689				1,689
47	**47300 Villeneuve-sur-Lot**								
	Zone Industrielle du Rooy - rue Ampère	1965	1998			4,402			4,402
	Zac du Villeneuvois - Lieudit “Barbès Ouest”	2007				3,920			3,920
49	**49300 Cholet**								
	2, rue du Charolais	1987	1993			3,430			3,430
	Z.I. du Cormier - Rue Gustave Fouilleron	2000				11,000			11,000
85	**85000 La Roche-sur-Yon**								
	Z.I. des Ajoncs	1992	2008			7,881			7,881
	85120 La Chataigneraie								
	Chemin du Fief tardif	1973	1989			3,825			3,825
	85700 Pouzauges								
	Zone Industrielle de Montifaut	1975	1984			4,456			4,456
	85700 La Meilleraie-Tillay								
	Gare de Pouzauges	2008				4,788			4,788
	TOTAL ASSETS IN OPERATION - IN OTHER REGIONS				**1,689**	**56,363**			**58,052**
Other coun-tries	**Pregnana Milanese - Italy**								
	Via Brughiera 1							10,731	10,731
	TOTAL ASSETS IN OPERATION - IN OTHER COUNTRIES							**10,731**	**10,731**
	TOTAL ASSETS IN OPERATION			**3,706**	**1,689**	**135,922**	**6,440**	**15,921**	**163,678**
	GRAND TOTAL OTHER COMMERCIAL ASSETS			**3,706**	**1,689**	**135,922**	**6,440**	**15,921**	**163,678**

7.6 Summary of surface areas

Summary of the commercial property portfolio

	Office surface area (sq.m)	Retail surface area (sq.m)
Paris	**522,792**	**58,685**
Commercial portion of predominantly residential assets	7,867	22,686
Commercial portion of predominantly commercial assets	514,925	35,999
Paris Region	**673,264**	**12,404**
Commercial portion of predominantly residential assets	388	4,063
Commercial portion of predominantly commercial assets	672,876	8,341
Rest of France	**65,782**	**4,049**
Commercial portion of predominantly residential assets	0	887
Commercial portion of predominantly commercial assets	65,782	3,162
Other countries	**11,978**	**3,610**
Commercial portion of predominantly residential assets	0	0
Commercial portion of predominantly commercial assets	11,978	3,610
COMMERCIAL PORTFOLIO IN OPERATION AS AT DECEMBER 31, 2018	**1,273,817**	**78,748**
Unit-by-unit sale programs	**0**	**44**
Commercial portion of predominantly residential assets	0	44
Commercial portion of predominantly commercial assets	0	0
Programs under development	**136,658**	**1,193**
Commercial portion of predominantly residential assets	0	0
Commercial portion of predominantly commercial assets	136,658	1,193
TOTAL COMMERCIAL PROPERTY HOLDINGS AS AT DECEMBER 31, 2018	**1,410,475**	**79,984**
Commercial portion of predominantly residential assets	8,255	27,680
Commercial portion of predominantly commercial assets	1,402,220	52,304

Summary of the residential property portfolio

	Nb of housing units	Residential surface area (sq.m)
Paris	**4,388**	**258,791**
Residential portion of predominantly residential assets	4,155	240,064
Residential portion of predominantly commercial assets	233	18,726
Paris Region	**2,968**	**151,221**
Residential portion of predominantly residential assets	2,960	150,681
Residential portion of predominantly commercial assets	8	539
Rest of France	**1,153**	**25,845**
Residential portion of predominantly residential assets	1,153	25,845
Residential portion of predominantly commercial assets	0	0
RESIDENTIAL PORTFOLIO IN OPERATION AS AT DECEMBER 31, 2018	**8,509**	**435,857**
Unit-by-unit sale programs	**660**	**47,870**
Residential portion of predominantly residential assets	660	47,870
Residential portion of predominantly commercial assets	0	0
Programs under development	**0**	**0**
Residential portion of predominantly residential assets	0	0
Residential portion of predominantly commercial assets	0	0
TOTAL RESIDENTIAL PROPERTY HOLDINGS AS AT DECEMBER 31, 2018	**9,169**	**483,727**
Residential portion of predominantly residential assets	8,928	464,461
Residential portion of predominantly commercial assets	241	19,266

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Additional information

8.1 Registration Document including the annual financial report

8.1.1 Documents available to the public

This financial report is available free of charge upon request from Gecina's Financial Communication Department at the following address: 16, rue des Capucines - 75002 Paris - France, by telephone at 0 800 800 976, or by e-mail at *actionnaire@gecina.fr*. It is also available on Gecina's website (*www.gecina.fr*).

Other documents accessible at Gecina's head office or on its website include:

- the company's bylaws;
- the historic financial reports of the company and its subsidiaries for the two financial years preceding the publication of the annual financial report.

Person responsible for the Reference Document

Méka Brunel, CEO of Gecina (hereinafter the "company" or "Gecina").

Persons responsible for Financial Communications

Nicolas Dutreuil, CFO

Samuel Henry-Diesbach, Head of Financial Communications

Laurent Le Goff: +33 (0)1 40 40 62 69

Virginie Sterling: +33 (0)1 40 40 62 48

Financial Communications, institutional investor, financial analyst and press relations:

ir@gecina.fr

Private shareholder relations:

Toll-free number (only available in France): 0 800 800 976

actionnaire@gecina.fr

8.1.2 Historical financial information

In accordance with Article 28 of European regulation 809/2004 of April 29, 2004, this Reference Document incorporates by reference the following information, to which readers are invited to refer:

- for the financial year ended December 31, 2016: the consolidated financial statements and the related Statutory Auditors' report, included in the Registration Document filed with the French financial markets authority (AMF) on February 24, 2017 under reference D. 17-0110 to pages 79 to 122 and 327;
- for the financial year ended December 31, 2017: the consolidated financial statements and the related Statutory Auditors' report, included in the Registration Document filed with the French financial markets authority (AMF) on February 23, 2018 under reference D. 18-0069 to pages 55 to 106 and 305.

These documents are available on the AMF and Gecina websites:

www.gecina.fr

www.amf-france.org

8.1.3 Statement by the person responsible for the Reference Document containing an annual financial report

"I certify that, having taken all reasonable measures to this effect, the information contained in this Reference Document is, to the best of my knowledge, fair and accurate, and free from any omission that could alter its substance.

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with the applicable accounting standards and faithfully reflect the assets, liabilities, financial situation and earnings of the company and all the companies included in its consolidation group, and that the information from the management report listed in the correspondence table on page 269 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 financial year ended December 31, 2018 presented in this document is the object of reports by the Statutory Auditors, which appear on pages 271 to 279 of this document. The report on the consolidated financial statements for the year ended December 31, 2018 is presented on page 271 of this document.

The consolidated financial statements for the year ended December 31, 2017 presented in this Registration Document filed with the French financial markets authorities (AMF) under reference D. 18-0069 on February 23, 2018 are the subject of a report by the Statutory Auditors, which appears on page 305 of said document.

The consolidated financial statements for the year ended December 31, 2016 presented in this Registration Document filed with the French financial markets authorities (AMF) under reference D. 17-0110 on February 24, 2017 are the object of a report by the Statutory Auditors, which appears on page 327 of said document."

Méka Brunel

Executive Management

8.1.4 Correspondence table for the Reference Document

8.1.5 Correspondence table containing the information required in the annual financial report

Since the Registration Document also contains the annual financial report, thestatement by the person responsible makes reference to information from the managementreport. In the document's current form, this information can be found in various sections.

Annual financial report

ELEMENTS REQUIRED BY ARTICLES L. 451-1-2 OF THE FRENCH MONETARY AND FINANCIAL CODE AND 222-3 OF THE AMF'S GENERAL REGULATIONS	Pages
Consolidated financial statements	68-122
Annual financial statements	124-147
Statement of the responsible person	266-267
Management report	see below
Auditors' report on the Consolidated financial statements	271-274
Auditors' report on the Annual financial statements	275-278
Auditors' fees	122

Management report

	Pages
Analysis of changes in the company and the Group's business, earnings and financial situation, the company and the Group's situation during the past year (L. 225-100, L. 225-100-2, L. 232-1 and L. 233-26 of the French Commercial Code)	3-66
Predictable changes (L. 232-1 and L. 233-26 of the French Commercial Code)	62-63
Research and development activities (L. 232-1 and L. 233-26 of the French Commercial Code)	232-234
Information on environmental issues and the environmental consequences of business operations (L. 225-100 and L. 225-102-1 of the French Commercial Code)	12-15; 212-241
Information on employee issues and the social consequences of business operations (L. 225-100 and L. 225-102-1 of the French Commercial Code)	23-25; 226-228
Description of the major risks and uncertainties (L. 225-100 and L. 225-100-2 of the French Commercial Code)	18-19; 196-210
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 shares (L. 225-211 of the French Commercial Code), identity of shareholders with more than 5%; treasury stocks (L. 233-13 of the French Commercial Code), employee shareholding as the last day of the financial year (L. 225-102 of the French Commercial Code)	27; 118-120; 142-143; 166; 178-179; 195
Factors likely to have an impact in the event of a public offer (L. 225-100-3 of the French Commercial Code)	195
Amount of dividends distributed during three last financial years (243 *bis* of the French General Tax Code)	120
Total compensation and fringe benefits paid to each corporate officer, offices and positions held in any company by each of the corporate officers during the financial year (L. 225-102-1 of the French Commercial Code)	148-194

8.1.6 Cross-reference table with the information required in the non-financial performance statement

Cross-reference table between the information published in the 2018 Reference Document and the information required in the non-financial performance statement

THEME	Pages	Cross-reference with the 2018 Reference Document
Overview of the business model	12-15	**Strategic brief** Our mission: build the city of tomorrow dedicated to occupants Our approach: transform to create value
Description of the main non-financial risks related to the Company's activity	214-215	6.1.2 Priority CSR risks and opportunities for Gecina
Description of policies designed to prevent, identify and mitigate the occurrence of non-financial risks and the outcomes of these policies, including key indicators	214-222; 226-228; 229-230	With reference to the mapping of CSR risks, cross-referencing with the five priority risks: 6.2.1 Low carbon buildings (risks Nos. 1 and 2) 6.2.2 Circular economy (risk No. 1) 6.2.3 Well-being of occupants (risk No. 4) 6.3.1 Human assets (risk No. 3) 6.3.3.1 Responsible purchasing (risk No. 5)
Respect for human rights		*Operating exclusively in France, Gecina is not directly concerned by human rights issues.*
Anti-corruption	209-210	5.2.3 Further information regarding the Risk and Compliance Department
Climate change (contribution and adaptation)	216-218	6.2.1 Low carbon buildings
Circular economy	229-220	6.2.2 Circular economy
Food waste, fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food		*Gecina's business is not affected by this risk.*
Collective agreements and impacts	226-228	6.3.1. Human assets
Fight against discrimination and promotion of diversity	226-228	6.3.1. Human assets
Societal commitments	229-230	6.3.3.1 Responsible purchasing
Fight against fraud	209-210	5.2.3 Further information regarding the Risk and Compliance Department

8.2 Statutory Auditors

8.2.1 Parties responsible for auditing the financial statements

Incumbent Statutory Auditors

Mazars

Member of the Compagnie Régionale de Versailles

Represented by Baptiste Kalasz

61, rue Henri-Regnault

92075 Paris La Défense Cedex

Mazars was appointed at the Combined General Meeting on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting held on May 10, 2010 and by the Combined General Meeting held on April 21, 2016. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2021.

PricewaterhouseCoopers Audit

Member of the Compagnie Régionale de Versailles

Represented by Jean-Baptiste Deschryver

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed at the Combined General Meeting on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting held on May 10, 2010 and by the Combined General Meeting held on April 21, 2016. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2021.

Deputy Statutory Auditors

Gilles Rainaut

Member of the Compagnie Régionale de Versailles

61, rue Henri-Regnault

92075 Paris La Défense Cedex

Mr. Gilles Rainaut was appointed by the Combined General Meeting held on April 21, 2016 for a six-year term. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2021.

Jean-Christophe Georghiou

Member of the Compagnie Régionale de Versailles

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

Mr. Jean-Christophe Georghiou was appointed by the Combined General Meeting of April 21, 2016 for a six-year term. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2021.

8.2.2 Statutory Auditors' reports

8.2.2.1 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 readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(For the year ended December 31, 2018)

Gecina SA

14-16, rue des Capucines

75084 Paris Cedex 02, France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Gecina SA for the year ended December 31, 2018.

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 at December 31, 2017 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.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the “Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements” section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 2.5.2.1 to the consolidated financial statements, which describes the impact of the change in accounting policy resulting from the first-time adoption of IFRS 9 and IFRS 15.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of investment properties

(Notes 2.5.3.1.1, 2.5.3.1.2 and 2.5.6.8 to the consolidated financial statements)

Risk identified

At December 31, 2018, investment properties (including properties under reconstruction) amounted to €18,112 million in the consolidated balance sheet, representing 92% of the Group’s total assets. Changes in the properties’ value had a €568.5 million impact on income for the year.

Investment properties are recognized at fair value in Gecina’s consolidated financial statements, as provided for in IFRS 13. Any changes in fair value are recognized in income. The fair value is taken into account for determining key indicators of Gecina’s performance and financial position, such as Net Asset Value and the Loan-to-Value ratio. With this in mind, management has implemented a procedure for property appraisals, which are performed by independent appraisers to measure the fair value of the assets.

Measuring the fair value of a property asset is a complex process of estimation, as described in the notes to the consolidated financial statements. It requires judgment in order to determine the appropriate assumptions, yield and discount rates, market rental values, cost estimates for work to be carried out (assets under development), and any advantages (e.g., rent-free periods) to be granted to certain tenants.

Given the amounts in question, the degree of judgment involved in management’s determination of the main assumptions used, and the sensitivity of the properties’ fair value to these assumptions, we deemed the valuation of investment properties to be a key audit matter.

How our audit addressed this risk

Our work consisted in:

- obtaining the engagement letters of property appraisers and assessing their competency and their independence with respect to the Group;
- familiarizing ourselves with the procedure implemented by management for working with property appraisers;
- obtaining the property appraisal reports and critically assessing the appraisal methods used, the market parameters applied (yield rate, discount rate, market rental values) and the assetspecific assumptions, in particular the cost estimates for work to be carried out on assets under development;
- testing, on a sample basis, the data used (reconciliation of appraiser data with construction budgets and rental situations);
- conducting interviews with management and the property appraisers to discuss the reasons behind their appraisal of the overall property portfolio and the appraised values of the assets;
- reconciling the appraised values with the consolidated financial statements;
- assessing the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Final measurement of goodwill and impairment testing

(Note 2.5.2.4.3 to the consolidated financial statements)

Risk identified

Gecina took control of Eurosic on August 29, 2017 and had acquired 100% of its capital at December 31, 2018 for a total purchase price of €3,264 million. The acquisition of the Eurosic group resulted in the recognition of goodwill in an amount of €208 million at December 31, 2017. Gecina had 12 months (until August 29, 2018) within which to complete its accounting for goodwill in accordance with IFRS 3 and carry out an impairment test at the level of the cash generating unit (CGU) to which the goodwill was allocated at the year-end.

Given the amounts in question and the degree of judgment required by management to determine the assumptions to be used, we deemed the final measurement of goodwill and the impairment test carried out at the level of the CGU for the first time to be a key audit matter. The value of the CGU is determined based on discounted future cash flows as described in Note 2.5.2.4.3 to the consolidated financial statements.

How our audit addressed this risk

Our work consisted in:

- with regard to the final measurement of goodwill:
  - examining the transactions in 2018 and their potential impact on the opening balance sheet as regards the measurement of the assets acquired and the liabilities assumed from Eurosic and in particular retrospectively analyzing the values in the opening balance sheet with respect to the sale prices;
- with regard to the implementation of the impairment test:
  - assessing the consistency, pertinence and compliance of the methods used by the Group to test the CGU to which the goodwill was allocated for impairment with regard to the applicable accounting standards;
  - verifying the consistency of the data used to perform the test against that contained in the budgets prepared by the Group's management;
  - analyzing the consistency of projected future cash flows with historical data and our knowledge of the Group's business, supported by interviews with the Group's management controllers;
  - examining the sensitivity of certain key assumptions (growth rate and WACC) used by management for impairment testing, by referring both to external market data and comparable company analyses;
  - assessing the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Accounting treatment of certain transactions and/or commitments in Spain

(Notes 2.5.4.7, 2.5.5.13 and 2.5.9.3 to the consolidated financial statements)

Risk identified

A number of liability claims and lawsuits have been filed against Gecina, directly and indirectly, by third parties. Notes 2.5.4.7, 2.5.5.13 and 2.5.9.3 to the consolidated financial statements describe, in particular, (i) certain transactions and/or commitments in Spain, and (ii) the alleged issue of four promissory notes and letters of guarantee by Gecina SA in favor of a Spanish company named Arlette Dome SL. These notes provide details of the legal proceedings relating to these transactions and the accounting treatment applied.

We deemed the accounting treatment of these transactions and/or commitments to be a key audit matter given the amounts at stake and the inherent uncertainty involved due to the complexity of pending or potential legal proceedings.

How our audit addressed this risk

Our work consisted in:

- examining the accounting methods and controls implemented by management to report on these transactions;
- obtaining the analyses of Gecina's management and its advisors on the transactions in question;
- conducting interviews with management in order to gain an understanding of Gecina's defense strategy and arguments before the various courts involved;
- assessing the appropriateness of the accounting treatment applied by the Group in light of all these aspects;
- assessing the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Gecina by the General Meeting held in June 1997 for Mazars and on June 2, 2004 for PricewaterhouseCoopers Audit.

At December 31, 2018, Mazars and PricewaterhouseCoopers Audit were in the twenty-second and the fifteenth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the Group.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were the most significant in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Neuilly-sur-Seine and Paris La Défense, February 19, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Jean-Baptiste Deschryver	Baptiste Kalasz

8.2.2.2 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 readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(For the year ended December 31, 2018)

(General Meeting for the approval of the financial statements for the year ended December 31, 2018)

Gecina SA

14-16, rue des Capucines

75084 Paris Cedex 02, France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Gecina SA for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (Code de déontologie) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement and risk of impairment of tangible fixed assets

(Note 3.3.3.1.3 to the financial statements)

Risk identified

At December 31, 2018, tangible fixed assets amounted to €3,441 million, or 25% of the Company's assets. They mainly comprise real estate properties, held in order to collect rents and increase the value of the asset.

Property assets are recognized at cost less accumulated depreciation and any impairment losses, the latter of which are calculated based on fair value. With this in mind, management has implemented a procedure for property appraisals, which are performed by independent appraisers to measure the fair value of the assets.

Appraising a property asset requires estimation and judgment from management, in order to determine the appropriate assumptions, yield and discount rates, market rental values, cost estimates for work to be carried out (especially for assets under development) and any advantages (e.g., rent-free periods) to be granted to certain tenants.

Given the significant amount represented by these assets in the financial statements, the risk of impairment, the degree of judgment involved in management's determination of the main assumptions used, and the high sensitivity of the fair value of the assets to these assumptions, we deemed this issue to be a key audit matter.

How our audit addressed this risk

Our work consisted in:

- obtaining the engagement letters of the property appraisers and assessing their competency and their independence with respect to the Company;
- familiarizing ourselves with the procedure implemented by management for working with property appraisers;
- obtaining the property appraisal reports and critically assessing the appraisal methods used, the market parameters applied (yield rate, discount rate, market rental values) and the asset-specific assumptions, in particular the cost estimates for work to be carried out on assets under development;

- testing, on a sample basis, the data used (reconciliation of appraiser data with construction budgets and rental situations);
- conducting interviews with management and the property appraisers to discuss the reasons behind their appraisal of the overall property portfolio and the appraised values of the assets;
- reconciling the appraised values with the fair value of the assets;
- verifying the impairment losses recorded, in accordance with accounting policies;
- assessing the appropriateness of the disclosures provided in the notes to the financial statements.

Evaluation of financial fixed assets

(Note 3.3.3.2 to the financial statements)

Risk identified

At December 31, 2018, financial fixed assets amounted to €10,430 million, or 73% of the Company's assets. When there is an indication of long-term impairment of securities, loans, receivables and other capitalized assets, an impairment loss is recorded. Impairment is determined on the basis of various criteria, including net asset value, profitability and strategic value. For investments in real estate companies, the criterion used is generally the net asset value, which includes unrealized capital gains on real estate assets evaluated at fair value (determined with support from real estate experts).

Estimating impairment loss requires that the Company's management exercise judgment, in order to determine the appropriate assumptions to be used.

Given the significant amount of these assets and the degree of judgment involved in management's determination of the main assumptions used, as well as the high sensitivity of the value of use of the assets to these assumptions, we deemed this issue to be a key audit matter.

How our audit addressed this risk

Our work consisted in:

- verifying the appropriateness of management's evaluation methods;
- verifying, on a sample basis, the inputs used to estimate the net asset values, and in particular for the appraisal of real estate companies:
  - verifying that recorded equity can be reconciled with the accounts of the companies evaluated,
  - verifying that adjustments made to equity in order to calculate the net asset value, mainly by including unrealized capital gains on the real estate assets, are estimated at their fair value by management, with support from real estate experts;
- verifying the impairment recorded with respect to losses in equity interests and their related receivables, by reconciling the net asset value with the carrying amount;
- assessing the appropriateness of the disclosures provided in the notes to the financial statements.

Accounting treatment of transactions and/or commitments in Spain

(Note 3.3.6.1 to the financial statements)

Risk identified

A number of liability claims and lawsuits have been filed against Gecina, directly and indirectly, by third parties. Note 3.3.6.1. to the financial statements describes certain transactions and/or commitments in Spain and the alleged issue of four promissory notes and letters of guarantee by Gecina SA in favor of a Spanish company named Arlette Dome SL, and provides details of the legal proceedings relating to these transactions and the accounting treatment applied.

We deemed the accounting treatment of these transactions and/or commitments to be a key audit matter given the amounts at stake and the inherent uncertainty involved due to the complexity of pending or potential legal proceedings.

How our audit addressed this risk

Our work consisted in:

- examining the accounting methods and controls implemented by management to report on these transactions;
- obtaining the analyses of Gecina and its advisors on the transactions in question, which, where appropriate, we corroborated with response to our request for external confirmation from the Company's legal counsel;
- conducting interviews with management in order to gain an understanding of Gecina's defense strategy and arguments before the various courts involved;
- assessing the appropriateness of the accounting treatment applied by the Company in light of all these aspects;
- assessing the appropriateness of the disclosures provided in the notes to the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information given with respect to the payment terms referred to in article D.441-4 of the French Commercial Code.

Information with respect to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers 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 it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L. 225-37-5 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Gecina by the General Meeting held in June 1997 for Mazars and on June 2, 2004 for PricewaterhouseCoopers Audit.

As at December 31, 2018, Mazars and PricewaterhouseCoopers Audit were in the twenty-second and the fifteenth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Neuilly-sur-Seine and Paris La Défense, February 19, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Jean-Baptiste Deschryver	Baptiste Kalasz

8.2.2.3 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.

(General Meeting for the approval of the financial statements for the year ended December 31, 2018)

Gecina SA

14-16, rue des Capucines

75084 Paris CEDEX 02, France

To the Shareholders,

In our capacity as Statutory Auditors of Gecina SA, 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, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

Agreements and commitments submitted for the approval of the General Meeting

We were not informed of any agreement authorized or entered into during the year to be submitted for approval at the General Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by the General Meeting

Agreements and commitments approved in previous years

In accordance with article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Meeting in previous years, remained in force during the year. These agreements and commitments were re-examined by the Board of Directors at its meeting on February 21, 2018.

Agreement defining the conditions of the severance pay due to Méka Brunel in the event of the termination of her duties as CEO of the Company

Executive concerned: Méka Brunel

At its meeting on January 6, 2017, the Board of Directors defined the conditions of the severance pay due to Méka Brunel in the event of the termination of her duties as CEO of the Company. These conditions can be summarized as follows:

- in the event of forced departure, Ms. Méka Brunel will be granted severance pay, the amount of which will be based on her seniority as CEO of the Company. For seniority of more than two years, she will be entitled to severance pay corresponding to a maximum of 200% of the gross total compensation (fixed and variable) payable for the preceding calendar year with respect to her duties as CEO.

The payment of the indemnity will be subject to the fulfilment of the performance conditions below.

Performance conditions

The indemnity will only be paid in full if the average of the bonuses for the two financial years preceding the termination of her duties (Y-1 and Y-2) is more than or equal to the target bonus.

Performance conditions	Severance pay
Average of Y-1 and Y-2 bonuses ≥ target bonus	100%
Average of Y-1 and Y-2 bonuses ≥ 80% of target bonus	80%
Average of Y-1 and Y-2 bonuses ≥ 70 % of target bonus	50%
Average of Y-1 and Y-2 bonuses < 70% of target bonus	No severance pay

It will be the responsibility of the Board of Directors to verify whether the performance criteria are met. Where applicable, the Board of Directors may consider exceptional events that occurred during the year.

The agreement was approved by the General Meeting of April 26, 2017.

Assistance and consulting agreement with Dominique Dudan, independent director of Gecina

Director concerned: Dominique Dudan

At its meeting of October 19, 2017, the Board of Directors authorized an assistance and consulting agreement with Dominique Dudan, an independent director of the Company. Under the terms of this agreement, Dominique Dudan will support the Company in the sale of its hotel portfolio. The Company has entrusted Dominique Dudan with this assignment in view of her substantial professional experience in the hotel sector and her extensive knowledge of the hotel market. As part of her one-year assignment, Dominique Dudan will assist and advise the Company on the choice of external stakeholders (technical service providers, legal professionals, etc.) and the review of the market approach methodology and related marketing documentation.

The assistance and consulting agreement entered into with Dominique Dudan continued to be implemented until it was terminated on March 28, 2018.

Under the agreement, Dominique Dudan received total fixed compensation of €20,000 excluding tax, of which €10,000 excluding tax and costs was paid in the 2018 financial year.

Neuilly-sur-Seine and Paris La Défense, February 19, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Jean-Baptiste Deschryver	Baptiste Kalasz

8.3 Legal information

8.3.1 Head office, legal form and applicable legislation

Name	Gecina
Head office	14-16, rue des Capucines, Paris (II^e)
Legal form	French *Société Anonyme* (public limited company) governed by Articles L. 225-1 *et seq.* and R. 210-1 *et seq.* of the French Commercial Code and all subsequent legislation
Legislation	French legislation
Date of formation and termination of company	The company was found on January 14, 1959 for 99 years. It will expire on January 14, 2058
Trade and company registry	592 014 476 RCS PARIS
Identification number	SIRET 592 014 476 00150
APE Code	6820A
Place where documents and information regarding the company may be consulted	At head office (telephone: +33 (0)1 40 40 50 50)
Financial year	The financial year starts on January 1 and ends on December 31. It lasts twelve months
LEI Code	9695003E4MMA10IBTR26

French listed real estate investment trusts system

The company opted for the tax system introduced by the 2003 Finance law dated December 30, 2002 and applicable from January 1, 2003, which provided for the creation of listed real estate investment trusts (SIIC). It allows companies opting for this system to claim exemption from the tax imposed on the income and capital gains deriving from their business as a real estate company, contingent on the payment of an exit tax now calculated at a rate of 19% on unrealized capital gains existing on the date of the option, and for which the payment is to be spread over four years. In return for this tax exemption, the SIICs are subject to the mandatory distribution of 95% of their exempt rental income and 60% of their exempt capital gains within two years, and 100% of profits received from subsidiaries.

8.3.2 Bylaws

Title I – Form – purpose – corporate name – registered office - term

Article 1 – Form of the company

The company is incorporated under the form of a *société anonyme* (public limited company) with a Board of Directors.

Article 2 – Corporate name

The corporate name is: Gecina

Article 3 – Company purpose

The company has the purpose of running buildings or groups of buildings to be rented out located in France or abroad.

In particular for such purpose:

- the acquisition through the purchase, exchange, contribution in kind or other manner, of building plots or equivalent;
- the construction of buildings or groups of buildings;
- the acquisition through the purchase, exchange, contribution in kind or other manner of buildings or groups of buildings, which have already been constructed;
- the financing of the acquisitions and construction operations;
- the rental, administration and the management of all buildings for itself or on behalf of third parties;
- the sale of all real estate rights or property;
- the acquisition of holdings in all Companies or organisations, the activities of which are in relation with the corporate purpose through the contribution, subscription, purchase or exchange of securities or company rights or otherwise,

and generally all financial, real estate and movable property transactions directly or indirectly relating to this purpose and likely to facilitate the development and the completion thereof.

Article 4 – Head office

The head office is located in Paris (2e) – 14-16, rue des Capucines.

Article 5 – Term of the company

Except in the event of an early winding up or extension decided upon by the Extraordinary General Meeting of shareholders, the term of the company is fixed at ninety-nine years as from the date of its incorporation at the Registry of Trade.

Title II – Share capital - shares

Article 6 – Share capital

The share capital is fixed at the amount of €571,991,190 (five hundred and seventy one million nine hundred and ninety one thousand one hundred and ninety euros) and is divided into 76,265,492 shares with a nominal value of seven euros and fifty cents (€7.50), all of the same category and fully paid up.

Article 7 – Form of shares

The shares are mandatorily registered shares. They give rise to a registration on account under the conditions and pursuant to the terms provided for by the legislative and regulatory provisions in force.

Article 8 – Transmission and assignment of shares

The shares shall be freely transferable and their assignment shall take place under the legal and regulatory conditions in force.

Article 9 – Exceeding of the thresholds - Information

In addition to the legal obligation to inform the company when certain fractions of the share capital or voting rights 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, directly or indirectly, a fraction equal to or higher than 1% 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 it holds, of the number of securities it holds giving access in the future to the company's share capital and the associated voting rights, and equivalent securities or financial instruments (as defined by laws and regulations in force), by registered letter with recorded delivery to the company's head office within five trading 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. To determine whether the threshold has been crossed, shares equivalent to the shares held as defined by the legislative and regulatory provisions of Articles L. 223-7 *et seq.* of the French Commercial Code shall be taken into account.

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 requests this as recorded in the minutes of the General Meeting. The forfeiture of voting rights applies to all General Meetings held within a period of two years following the date on which the failure to disclose is rectified.

Any shareholder other than a natural person that directly or indirectly comes into possession of 10% of the company's dividend rights will be required to indicate in their declaration on exceeding the threshold limit whether or not they are a Deduction Shareholder as defined in Article 23 of the bylaws. Any shareholder other than a natural person that directly or indirectly comes to hold 10% of the company's dividend rights as at the date this paragraph comes into force is required to indicate within ten (10) business days before distributions are scheduled to be paid out, whether or not they are a Deduction Shareholder as defined in Article 23 of the bylaws. Any shareholder who declares that he or she is not a Deduction Shareholder, will be required to justify this claim whenever requested to do so by the company, and at the company's request provide a legal opinion from an internationally-renowned law firm specialized in tax matters confirming that the shareholder is not a Deduction Shareholder. Any shareholder other than a natural person having disclosed that they have directly or indirectly crossed the 10% threshold for dividend rights or directly or indirectly holding 10% of the company's dividend rights as at the date when this paragraph comes into force, is required to notify the company as promptly as possible or in any event within ten (10) business days before the payouts are to be made, of any change in their tax status that would cause them to acquire or lose their status as a Deduction Shareholder.

Article 10 – Rights and obligations attached to each share

In addition to the voting rights, allocated to it by law, each share gives right to a quota proportional to the number and to the minimal value of the existing shares, of the company assets, the profits or the liquidating dividend.

The shareholders shall only be liable for the company liabilities up to the nominal amount of the shares, which they hold.

The rights and obligations attached to the share shall accompany the security regardless of the person to whom it is transferred.

The ownership of a share entails automatic adhesion to the memorandum and articles of association of the company and to the decisions of the General Meeting.

Article 11 – Paying up of the shares

The amount of the shares issued in respect of an increase in capital and to be paid up in cash shall be payable under the conditions determined by the Board of Directors.

Title III – Management of the company and Advisory Board

Article 12 – Board of Directors

The company is managed by a Board of Directors made up of at least three (3) members and of a maximum of eighteen (18) members, subject to the derogations provided for by law.

The Directors shall be appointed for a term of four years. By way of exception in order to allow the staggered renewal of the mandates of the Directors, the Ordinary General Meeting may appoint one or several Directors for a period of two or three years. They shall be re-eligible and may be dismissed at any time by the General Meeting.

No person may be appointed as a Director if he or she is over 75 years old. In the event that a Director were to exceed such age, he or she shall be deemed to have resigned his or her office at the end of the General Meeting convened to approve the accounts of the financial year during the course of which he or she has reached the age limit.

During the term of his, her or its mandate each Director shall have to own at least one share.

Article 13 – Executive Committee

The Board of Directors shall elect a Chairman amongst its members, who shall have to be a physical person and as the case may be a Co-Chairman and one or several Vice-Presidents.

In the event that the Board of Directors decides to appoint a Co-Chairman, such title shall also be allocated to the Chairman without for all that such appointment entailing a limitation on the powers devolved by law or these articles of association hereof to the Chairman only.

The Board of Directors shall determine the term of office of the Chairman and as the case may be of the Co-Chairman and the Vice-President or Vice-Presidents, which may not exceed that of their Director's mandate.

The Chairman of the Board of Directors and as the case may be the Co-Chairman or the Vice-President or Vice-Presidents may be dismissed at any time by the Board of Directors.

No person may be appointed as Chairman, Co-Chairman or Vice-President if he or she is over 70 years old. In the event that the Chairman, Co-Chairman or a Vice-President were to exceed such age, he or she shall be deemed to have resigned his or her office at the end of the General Meeting convened to approve the accounts of the financial year during the course of which he or she has reached the age limit.

The Meetings of the Board shall be chaired by the Chairman. In the absence of the Chairman, the Meeting shall be chaired by the Co-Chairman or by one of the Vice-Presidents present, upon appointment, for each Meeting by the Board. In the event of the absence of the Chairman, Co-Chair person and the Vice-Presidents, the Board shall appoint for each Meeting one of the members present who shall chair the Meeting.

The Board shall choose the person who shall carry out the duties of Secretary.

Article 14 – Deliberations of the Board of Directors

The Board of Directors shall meet as often as the interests of the company so require either at the head office or in any other location including overseas.

The Chairman shall determine the agenda for each Board Meeting and shall convene the Directors by all appropriate means.

The Directors making up at least one third of the members of the Board of Directors may, upon indicating the agenda of the Meeting, convene the Board at any time.

The Managing Director may, as the case may be, also request the Chairman to convene the Board of Directors on a determined agenda.

The Chairman shall be bound by the requests, made to him or her pursuant to the two preceding paragraphs.

The effective presence of at least half of the members of the Board shall be necessary for the validity of the deliberations.

A Director may give a mandate to another Director in order to represent him or her at a Meeting of the Board of Directors in accordance with the legal and regulatory provisions in force.

The provisions of the preceding paragraphs shall be applicable to the permanent representatives of a legal entity Director.

The Board of Directors may meet and deliberate through video-conference or telecommunication means or any other means, provided for by law, in accordance with the terms and conditions determined by its internal regulations.

In this respect, subject to the limitations fixed by law, the internal regulations may provide that the Directors participating to the Meeting of the Board by video-conference or telecommunication means or any other means, the nature and conditions of implementation of which are determined by the regulatory provisions in force, shall be deemed to be present for the calculation of the quorum and the majority.

The decisions shall be taken on a majority of votes of the members present or represented, the Director representing one of his or her colleagues having two votes; in the event of a tied vote, the Chairman of the Meeting shall not have a casting vote.

Article 15 – Powers of the Board of Directors

The Board of Directors shall determine the orientations of the activity of the company and shall ensure their implementation. Subject to the powers expressly allocated to the General Meetings and subject to the limitations of the corporate purpose, all questions relating to the proper running of the company shall be referred to it and it shall rule on the affairs, which concern it through its deliberations.

In its relations with third parties, the company shall be bound by the actions of the Board of Directors even if they do not enter into the corporate purpose, unless it can prove that the third party knew that the action exceeded such purpose or that he, she or it could not have ignored it given the circumstances, it being excluded that the sole publication of the memorandum and articles of association is sufficient to constitute such proof.

The Board of Directors shall carry out controls and verifications, which it deems to be useful.

The Board of Directors may entrust any special mandate for one or several determined purposes to one or several of its members or to third parties, whether they are shareholders or not.

It may also decide upon the creation of Committees in charge of studying questions, which it or its Chairman shall submit for an opinion pursuant to their review. Such Committees, the composition and allocations of which shall be determined in the internal regulations shall carry out their activity under the responsibility of the Board of Directors.

Article 16 – Powers of the Chairman of the Board of Directors

In accordance with article L. 225-51 of the French Commercial Code, the Chairman of the Board of Directors shall represent the Board of Directors. Subject to the legal and regulatory provisions, he or she shall organise and manage the works of the latter and shall report thereon to the General Meetings. He or she shall ensure the proper functioning of the bodies of the company and shall in particular ensure that the Directors are capable of carrying out their assignments.

He or she may also, pursuant to the application of Article 17 of these articles of association hereof, ensure the general management of the company.

Article 17 – Management of the company

17.1 The general management of the company shall be assumed by, pursuant to the choice of the Board of Directors, either by the Chairman of the Board of Directors or by another physical person appointed by the Board of Directors and holding the title of Managing Director.

The Board of Directors shall choose between the two methods of exercise of the general management referred to in the preceding paragraph.

The Board of Directors shall exercise such choice upon the majority of the votes of the Directors who are present or represented.

The shareholders and third parties shall be informed of such choice in accordance with the applicable regulatory provisions.

17.2 Where general management is assumed by the Chairman of the Board of Directors, he or she shall hold the position of Chairman and Chief Executive Officer. The Board of Directors shall determine the term of the office of the Chief-Executive Officer, which may not exceed the term of his or her Director's mandate. The Chief-Executive Officer may be dismissed at any time by the Board of Directors.

17.3 In the event that the general management is not assumed by the Chairman of the Board of Directors, a Managing Director shall be appointed by the Board of Directors.

The term of the office of the Managing Director shall be freely determined by the Board of Directors.

17.4 The Managing Director or as the case may be the Chief Executive Officer shall be vested with the widest powers in order to act in all circumstances in the name of the company and in particular to carry out the purchase or sale of any real estate rights or property. They shall exercise their powers subject to the limitations of the corporate purpose and subject to those, which the law expressly allocates to the General Meeting and to the Board of Directors.

They shall represent the company in their relations with third parties. The company is bound by the actions of the Managing Director or, as the case may be, the Chief Executive Officer, which do not fall under the corporate purpose, unless it can prove that the third party knew that the action exceeded such purpose or that he, she or it could not have ignored it given the circumstances, it being excluded that the sole publication of the memorandum and articles of association is sufficient to constitute such proof.

The Board of Directors may limit the powers of the Managing Director or, as the case may be, the Chief Executive Officer in the context of the internal organization of the company, however the restrictions, thereby made to their powers shall not be binding on third parties.

17.5 Pursuant to the proposal of the Managing Director or as the case may be of the Chief Executive Officer, the Board of Directors may appoint one or several physical persons to assist the Managing Director or, as the case may be, the Chief Executive, in the role of Assistant Managing Director.

The number of Assistant Managing Directors may not exceed a maximum number of five.

In agreement with the Managing Director or, as the case may be, the Chief Executive Officer, the Board of Directors shall determine the scope and term of the powers entrusted to the Assistant Managing Directors.

Where the Managing Director or, as the case may be, the Chief Executive Officer cease or are prevented from exercising their functions, the Assistant Managing Directors shall retain their functions and powers until the appointment of the new Managing Director or, as the case be, of the new Chief Executive Officer, unless a decision is made to the contrary by the Board.

The Assistant Managing Directors shall have with regard to third parties, the same powers as the Managing Director or, as the case may be, as the Chief Executive Officer.

17.6 The Managing Director may be dismissed at any time upon just grounds by the Board of Directors. This also holds true for the Assistant Managing Directors, pursuant to a proposal of the Managing Director or, as the case may be, of the Chief Executive Officer.

17.7 No persons over 65 years old may be appointed Managing Director or Assistant Managing Director. In the event that a Managing Director or an Assistant Managing Director in office were to exceed such age, he or she shall be deemed to have resigned his or her office at the end of the General Meeting convened to approve the accounts of the financial year during the course of which he or she has reached the age limit.

Article 18 – Advisory Board

The Annual General Meeting may appoint an Advisory Board within the company chosen amongst the shareholders, subject to their number not exceeding a maximum of three. The Advisory Board may also be appointed by the Board of Directors of the company subject to the ratification of such appointment by the next General Meeting.

No person may be appointed as a member if the Advisory Board if he or she is over 75 years old. In the event that a member of the Advisory Board were to exceed such age, he or she shall be deemed to have resigned his or her office at the end of the General Meeting convened to approve the accounts of the financial year during the course of which he or she has reached the age limit.

The members of the Advisory Board shall be appointed for a term of three years and shall be re-eligible. They shall be convened to the Meetings of the Board of Directors and shall take part in its deliberations with a consultative vote.

The members of the Advisory Board may be entrusted with specific assignments.

Article 19 – Remuneration of the Directors, members of the Advisory Board, the Chairman, the Managing Director and the assistant Managing Directors

19.1 The Directors shall receive, as remuneration for their duties, a fixed annual amount, by way of Director's fees, the amount of which shall be determined by the Ordinary General Meeting.

The Board of Directors shall freely distribute the amount of such Directors' fees amongst its members and Advisory Board members.

It may also allocate exceptional remuneration for effective assignments or mandates entrusted to Directors or Advisory Board members. Such agreements are subject to the legal provisions relating to agreements subject to the prior authorisation of the Board of Directors.

19.2 The Board of Directors shall determine the remuneration of the Chairman, the Managing Director and the Assistant Managing Directors.

Title IV – General Meetings

Article 20 – Shareholder Meetings

1. Convening

The General Meetings shall be convened and shall deliberate pursuant to the conditions determined by the legal and regulatory provisions.

The Meetings shall either be held in the head office or in any other location specified in the notice of convocation.

2. Right of access

The right to participate in the company's General Meetings shall be based on the registration of shares in an account in the name of the shareholder or the intermediary registered on his or her behalf in the company's records within the time frames and under the conditions provided by law.

3. Bureau – Attendance sheet

The General Meetings shall be chaired by the Chairman of the Board of Directors or in his or her absence by a Vice-President or in the absence of the latter by a Director, specially delegated for this purpose by the Board. Failing this, the General Meeting shall itself elect its Chairman.

The functions of vote-tellers shall be carried out by two members of the Meeting in accordance with the legal and regulatory provisions in force, holding the greatest number of votes.

The bureau of the Meeting shall appoint the secretary, who need not be a shareholder.

4. Voting rights

The voting right attached to the company's shares corresponds to the percentage of capital that it represents and one company share entitles the holder to one vote. Pursuant to the option offered by subparagraph 3 of Article L. 225-123 of the French Commercial Code, no double voting right shall be conferred to fully paid-up shares for which proof of registration is given for two years in the name of the same shareholder.

The shareholders may vote in the Meetings by sending the voting by correspondence form either in paper format or pursuant to a decision of the Board of Directors by tele-transmission (including by electronic means), in accordance with the procedure determined by the Board of Directors and specified in the notice of the Meeting and/or of the convocation. Where this latter method is used, the electronic signature may take the form of a process meeting the conditions defined in the first sentence of the second paragraph of article 1316-4 of the French Civil Code.

The shareholders may also be represented at the Meetings by sending the company a proxy form either in paper format or by tele-transmission in accordance with the procedure determined by the Board of Directors and specified in the notice of the Meeting and/or of the convocation pursuant to the conditions provided for by the applicable legal and regulatory provisions. The electronic signature may take the form of a process meeting the conditions defined in the first sentence of the second paragraph of article 1316-4 of the French Civil Code.

The proxy given for a Meeting may be revoked in the same form as that required for the appointment of the representative.

The General and Special Meetings shall deliberate pursuant to the quorum and majority provisions provided for by the legal and regulatory provisions in force.

Pursuant to a decision of the Board of Directors published in the notice of Meeting and/or the notice of convocation, the shareholders participating to the Meetings by way of video-conference or by tele-communication of means allowing for their identification pursuant to the conditions provided for by the regulations in force, shall be deemed to be present or represented for the purposes of the calculation of the quorum and the majority.

The minutes of the Meetings shall be drawn up and their copies certified and delivered in accordance with the law.

Title V – Financial year – Auditors of the Corporate Accounts – distribution of profits

Article 21 – Financial year

Each financial year of a period of one year shall start on the January 1st and shall end on the December 31.

Article 22 – Auditors of the Corporate Accounts

One or several Auditors of the Corporate Accounts, both statutory and substitute shall be appointed by the Ordinary General Meeting and shall exercise their auditory assignments in accordance with the legal and regulatory provisions in force.

Article 23 – Distribution of the profits - reserves

The profits for the financial year closed in accordance with the provisions of the legal provisions shall be made available to the General Meeting.

The distributable profits shall be made up of the profits for the financial year as decreased by the losses for the preceding years as well as amounts allocated to reserves pursuant to the application of the law and as increased by amounts carried forward.

Following the approval of the accounts and the noting of the existence of distributable amounts, the General Meeting shall determine the share allocated to the shareholders under the form of a dividend.

The General Meeting deciding on the accounts of the financial year may grant each shareholder, as regards all or part of the dividend or interim dividend distributed, with an option between the payment of the dividend or interim dividend, either in cash or in shares of the company in accordance with the legal and regulatory provisions in force.

Any shareholder, other than a physical person:

(i) holding at the time of the payment of any distribution of dividends, reserves, bonuses or revenue deemed to be distributed pursuant to the meaning of the French General Tax Code (a "Distribution"), whether directly or indirectly at least 10% of the dividend rights of the company; and

(ii) whose own situation or that of its shareholders holding at the time of the payment of any distribution, whether directly or indirectly 10% or more of the dividend rights of such shareholder, renders the company liable to the 20% levy referred to in article 208 C II *ter* of the French General Tax Code (the "Levy") (such a shareholder hereinafter referred to as a "Levying shareholder"), shall be a debtor with regard to the company at the time of the payment of any Distribution for a sum, the amount of which shall be determined in such manner as to completely neutralize the cost of the Levy owed by the company in respect of the said Distribution.

In the event that the company were to hold, whether directly or indirectly, 10% or more of one or several SIIC (listed real estate investment companies) referred to in article 208 C of the French General Tax Code (an "SIIC Subsidiary"), the Levying shareholder shall in addition be a debtor of the company as at the date of payment of any Distribution of the company for an amount (the "SIIC Subsidiary Levy") equal as the case may be:

- either to the amount for which the company has become a debtor with regard to the SIIC Subsidiary, as from the latest Distribution of the company, in respect of the Levy for which the SIIC Subsidiary was liable owing to the holding of the company;
- or, in the absence of any payment to the SIIC Subsidiary by the company, to the Levy for which the SIIC Subsidiary was liable, as from the latest Distribution of the company, owing to a Distribution to the company multiplied by the percentage of dividend rights of the company within the SIIC Subsidiary;
- in such manner that the other shareholders do not have to bear any share whatsoever of the Levy paid by any of the SIICs in the chain of holdings owing to the Levying shareholder.

In the event of there being several Levying shareholders, each Levying shareholder shall be the debtor of the company for the share of the Levy and the SIIC Subsidiary Levy for which its direct or indirect holding shall be the cause. The capacity of Levying shareholder shall be assessed as at the date of the payment of the Distribution.

Subject to the information provided in accordance with article 9 of the articles of association, any shareholder other than a physical person holding or coming to hold whether directly or indirectly at least 10% of the dividend rights of the company shall be deemed to be a Levying shareholder.

The amount of any debt owed by the Levying shareholder shall be calculated in such manner that the company is placed, following the payment of the latter and taking into account the taxation, which may be applicable to it, in the same situation as if the Levy had not been payable.

The payment of any Distribution to a Levying shareholder shall be made by registration in the individual current account of such shareholder (without the latter bearing any interest), the repayment of the current account taking place within a period of five working days as from this registration following compensation with any amounts owed by the Levying shareholder to the company pursuant to the application of the provisions provided for here above. In the event of a Distribution realized other than in cash, the said amounts shall have to be paid by the Levying shareholder prior to the payment of the said Distribution.

In the event that:

(i) it were to be found, subsequent to a distribution by the company or an SIIC Subsidiary, that a shareholder was a levying shareholder at the time of the payment of the distribution; and where

(ii) the company or the SIIC Subsidiary should have made the payment of the Levy in respect of the Distribution thereby paid to such shareholder, without the said amounts having been subject to the compensation provided for in the preceding paragraph, such Levying shareholder shall be liable to pay to the company not only the amount, which it owed to the company pursuant to the application of the provisions of this article hereof but also an amount equal to the penalties and interest on arrears, which as the case may be, may be owed by the company or SIIC-Subsidiary as a consequence of the late payment of the Levy.

The company shall, as the case may be, have the right to implement a compensation, equivalent to its receivable in this respect and any amounts, which may be paid subsequently in favour of such Levying shareholder.

The Meeting shall decide on the allocation of the balance, which may be carried forward or allocated to one or several reserve accounts.

The time, method and location of the payment of the dividends shall be determined by the Annual General Meeting or, failing this, by the Board of Directors.

Title VI - Miscellaneous

Article 24 – Winding up and liquidation

Upon the winding up of the company, one or several liquidators shall be appointed by the General Meeting of shareholders, pursuant to the conditions of quorum and of majority provided for by the Extraordinary General Meetings. Such appointment shall put an end to the offices of the

Directors. The Auditors of the Corporate Accounts shall be maintained in their office with their powers.

The liquidator shall represent the company. He, she or it shall be vested with the widest powers in order to liquidate the assets even on an out of court basis. He, she or it shall be authorized to pay the creditors and distribute any available balance.

The General Meeting of shareholders may authorize him, her or it to continue the business in progress or to undertake new business for the purposes of the liquidation.

The sharing of the net assets remaining following the reimbursement of the nominal amount of the shares shall be allocated to the shareholders in the same proportions as their investments in the capital.

Article 25 – Disputes

Any disputes, which may arise during the term of the company's existence or at the time of its liquidation, either between the company and its shareholders or between the shareholders themselves in relation to the company affairs, shall be subject to the jurisdiction of the competent courts of the head office.

8.3.3 Research and patents

None.

8.4 Glossary

Annualized rental income:

The annualized rental income published by Gecina correspond to the IFRS gross rental profitability that would be generated over one year by the portfolio by considering the rental position observed on the closing date, over a full year.

Available supply:

All vacant surface areas, offered for commercialization on the market.

Block sales:

Sale of an entire building to the same buyer.

Capitalization rate:

Its calculation is determined by the ratio of potential rents over the appraisal value excluding rights. Duties correspond mainly to transfer duties (notary expenses, registration taxes, etc.) applied to the asset sale or the company holding that asset.

Current basis:

All real estate assets as held over a given period or on a given date.

EPRA (European Real Estate Association):

Gecina has been a member of EPRA, the European Public Real Estate Association, since its creation in 1999. The EPRA publishes recommendations on, in particular, performance indicators to make the financial statements of real estate companies listed in Europe more transparent and more comparable.

Face-value rent:

Face-value rent corresponds to the valuation present on the lease signed by two parties.

ICC:

Index of the cost of construction published by INSEE and used for the annual review of certain rents, such as commercial or office leases.

IGH:

High rise building (immeuble de grande hauteur). They are subject to strict safety standards, especially regarding fire protection.

ILAT (INSEE Retail Rental Index):

Retail Rental Index (indice des loyers des activités tertiaires) published by INSEE and used for the annual review of certain rents, such as office leases.

ILC:

Index of commercial rents (indice des loyers commerciaux) published by INSEE and used for the review of certain rents, such as commercial leases.

IRL:

Rent reference index (indice de référence des loyers) published by INSEE and used for the annual indexation of rental revenues on residential properties.

Like-for-like:

All real estate assets excluding acquisitions, disposals and all programs intended for redevelopment or under development.

Loan-to-Value (LTV):

The Loan-to-Value ratio is calculated by dividing net consolidated debt by the value of the property portfolio excluding duties (unless otherwise stipulated), as determined by independent experts.

NAV (Net Asset Value):

Diluted Net Asset Value (NAV) per share: its calculation is defined by EPRA. Detailed in paragraph 2.5, this indicator comprises the company's revalued shareholders' equity, *i.e.* based on the fair value of consolidated assets and liabilities, including balance sheet items not valued at fair value, such as the head office and most financial debt at fixed rate. This amount, known as the NAV, is calculated in relation to the company's number of shares at the end of the period excluding treasury shares, taking account of any diluting items stemming from the equity instruments to be issued when the issuance conditions are met.

Net recurring income:

Net recurring income (also known as net current cash flow) per share, which Gecina defines as the difference between EBITDA and net financial expenses and recurring income tax. This can be calculated by excluding certain non-recurring elements. This amount is based on the average number of shares comprising share capital, excluding treasury shares.

Pipeline:

The pipeline of Gecina projects refers to all the investments the Group plans to make over a given period, in terms of development or redevelopment. The pipeline breaks down into three categories:

- the committed pipeline, which comprises transactions under development;
- the "certain" controlled pipeline, which 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;
- the "probable" controlled pipeline, which brings together the projects identified and held by Gecina, for which a redevelopment project aligned with Gecina's investment criteria has been identified, and which might require pre-commercialization (for "greenfield" projects in peripheral locations within the Paris Region) or in respect of which tenant departures are not yet certain in the short term.

Potential rent:

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

Pre-letting:

Firm commitment of a user prior to the actual availability of a building.

Prime yield:

Lowest ratio between the rent and the sales price excluding tax, obtained for the acquisition of a building of standard size, of excellent quality, offering the best amenities, and in the best location of the market.

Take-up:

All transactions, whether leasing or sale, carried out by end users, including turnkey.

TOF (financial occupancy rate, or *taux d'occupation financier*):

The financial occupancy rate is the ratio between the rents billed for a given period and the rents the Group would receive if all of its property holdings were rented (vacant premises are computed at the rent paid by the departing tenant). Properties for which the disposal process is initiated are not taken into account in the calculation of the financial occupancy rate because, as of this stage, the Group ceases to offer these properties for lease.

Turnover rate:

The turnover rate is defined, for a given period, as the number of housing units becoming vacant in the period under consideration divided by the number of Group housing units at the same given period, excluding buildings for which the transfer period has been initiated.

Units sales:

Sale of a building unit by unit, whether said units are empty or occupied, to several buyers. Unit-by-unit sales are mainly used for residential property.

Vacancy rate:

Ratio measuring the relationship between the immediately available supply and the existing stock. It is the share of housing units or vacant premises across all assets offered for lease.

VLM (market rental value, or *valeur locative de marché*):

It is analyzed as the annual financial compensation for the use of a real estate asset in the framework of a lease. It corresponds to the market rent that should be obtained from a real estate asset under the usual terms and conditions of leases for a given property category and region.

Yield on cost:

Ratio between the gross face-value rent expected post-transaction and the overall cost of said transaction, taking into account the land value or, if applicable, the last appraised value before the launch of the program for the projects undertaken (or the latest appraisal available for audited projects), the technical cost, the marketing fees and the capitalized financial expenses.

Yield on cost = gross face-value rent/total cost of investment.

Yield rate:

Its calculation is based on a potential rent relative to the block value of the property assets including duties and costs. Duties correspond mainly to transfer duties (notary expenses, registration taxes, etc.) applied to the asset sale or the company holding that asset.

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gecina

16, rue des Capucines
75084 Paris Cedex 02
Tel: 33 (0) 1 40 40 50 50

www.gecina.fr