



Financial Report

2010



In accordance with article 212-13 of the General regulations of the AMF, this Reference Document was filed on March 8, 2011 with the AMF.

It can only be used in support of a financial transaction if it is supplemented by a prospectus approved by the AMF.

This Reference Document has been compiled by the issuer and engages the responsibility of its signatories.

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01

BUSINESS AND MARKETS

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1.1. Key figures

€millions	2010/2009	2010	2009	2008
Rental revenues	-4.7%	616.8	647.2	637.0
Economic business				
Offices	-10.4%	335.0	374.0	370.2
Logistics	-12.1%	32.1	36.5	42.3
Hotels	-3.5%	19.4	20.1	18.3
Demographic business				
Residential	-6.0%	183.3	195.0	206.2
Healthcare	117.6%	47.0	21.6	0.0
Recurring income ⁽¹⁾	-5.9%	327.4	348.1	298.0
Value in block of property holding	10.7%	11,675	10,547	11,387
Economic business				
Offices	20.0%	6,575	5,481	6,452
Logistics	-20.8%	441	557	555
Hotels	0.0%	275	275	285
Demographic business				
Residential	7.7%	3,638	3,377	3,798
Healthcare	10.0%	737	670	8
Other ⁽²⁾	-96.3%	7	187	289
Gross rate of return on property holding ⁽³⁾	+7.5%	6.17%	6.67%	6.15%
Data per share (€)	2010/2009	2010	2009	2008
Net income (Group share)	N/A	16.39	(12.83)	(14.66)
Diluted NAV (block values)	12.9%	99.7	88.3	115.4
Net dividend ⁽⁴⁾	0.0%	4.40	4.40	5.70
Number of shares	2010/2009	2010	2009	2008
Share capital as at Dec. 31	0.1%	62,615,368	62,582,240	62,444,652
Excluding treasury shares as at Dec. 31	0.2%	60,988,537	60,872,534	59,197,041
Diluted, excluding treasury shares as at Dec. 31	-0.9%	61,558,926	62,091,413	60,523,157
Average, excluding treasury shares	1.0%	60,911,312	60,302,852	59,692,060

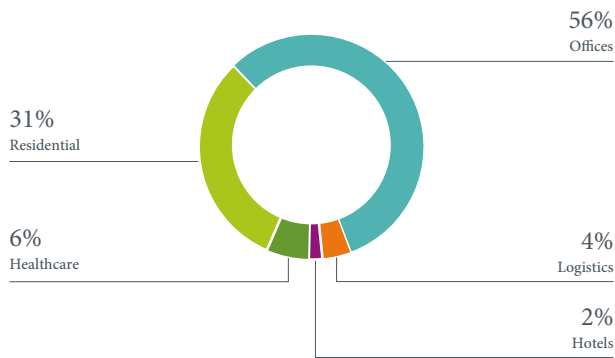
(1) EBITDA minus net financial expenses.

(2) "Other" covers equity accounted investments and related receivables. Gecimed (healthcare) was fully consolidated starting July 1, 2009 and SCI Beaugrenelle starting July 1, 2010.

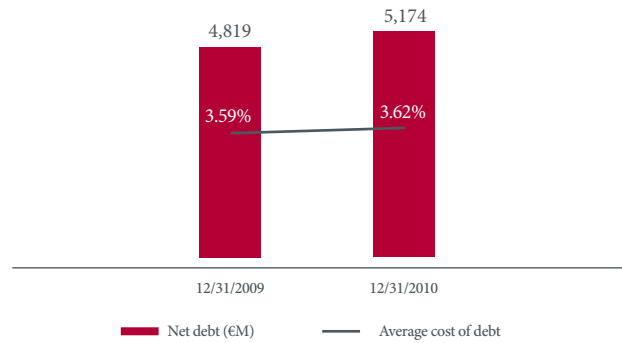
(3) Based on buildings in operation.

(4) For 2010, subject to approval by the General Meeting of Shareholders.

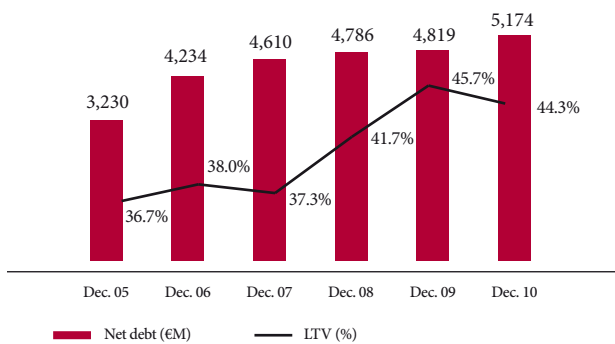
Property holding appraisal by business



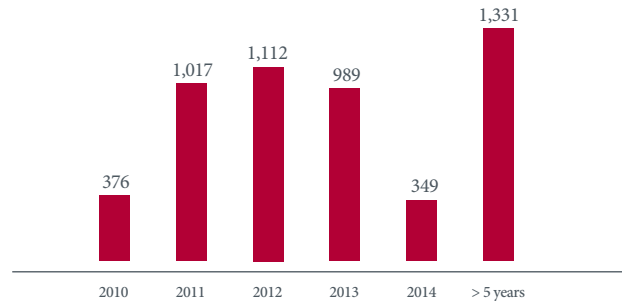
Cost of debt



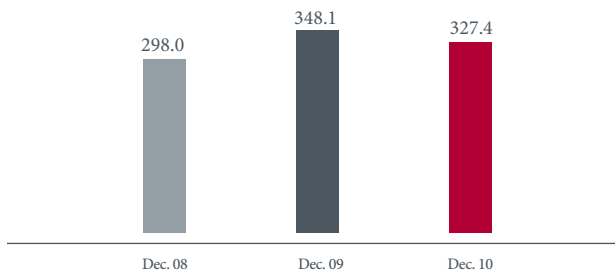
LTV ratio



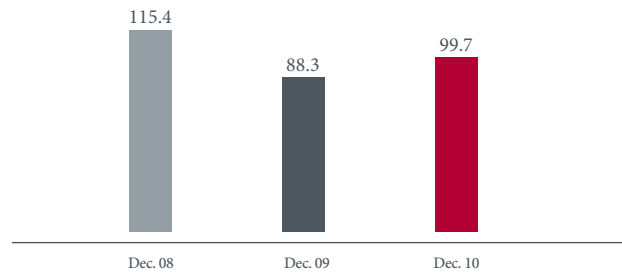
Debt maturity breakdown (€ million)



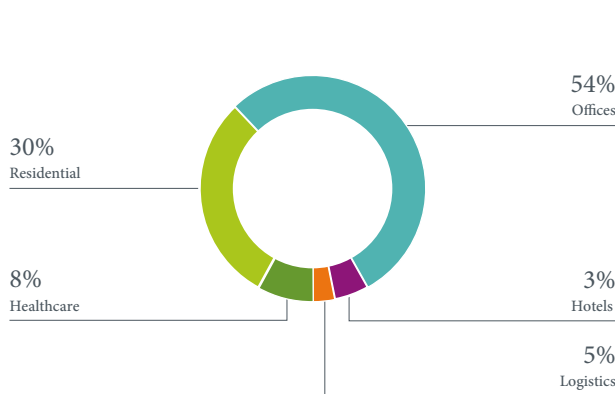
Recurring income (€ million)



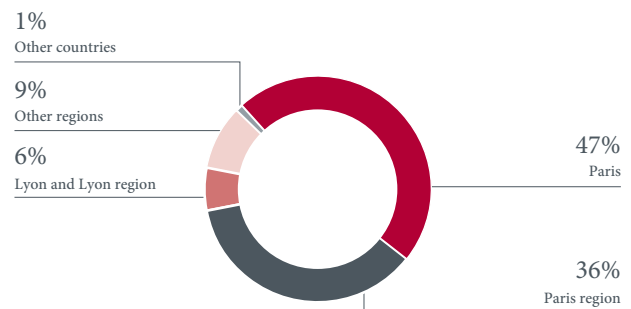
NAV per share (block in €)



Breakdown of rental revenues by business



Geographic breakdown of rental revenues



1.2. Key Gecina dates

- 1959 Foundation of Groupement pour le Financement de la Construction (GFC).
- 1963 Listing of GFC on the Paris stock market
- 1991 GFC absorbs GFIL.
- 1997 GFC acquires Foncina.
- 1998 GFC absorbs UIF and acquires "Foncière Vendôme". GFC becomes Gecina.
- 1999 Gecina absorbs Sefimeg (which holds Fourmi Immobilière founded in 1879) followed by Immobilière Batibail.
- 2002 Acquisition of Simco, a real estate company, which had previously acquired Compagnie Immobilière de la Plaine Monceau (founded in 1878) and Société des Immeubles de France (founded in 1879).
- 2003 Gecina adopts the status of a Société d'Investissement Immobilier Cotée (Listed Real Estate Investment Trust).
- 2005 After a public tender offer, Metrovacesa holds 68.54% of Gecina's share capital.
Joaquín Rivero is appointed Chairman of Gecina at the Shareholders' General Meeting.
First investments in new types of assets, hotel properties and logistics.
"Building of the Year 2005" trophy, renovated buildings category, awarded at SIMI.
- 2006 Public tender offer on Sofco, which becomes Gecimed, and purchase of 28 clinics from Générale de Santé.
- 2007 Signing of a Separation Agreement among Metrovacesa shareholders.
On completion of the first phase of this agreement, Metrovacesa holds only a 27% stake in Gecina, Mr Rivero 16% and Mr Soler 15%.
Gecina launches its brand of premium logistics platforms: Gecilog.
Merger by absorption of Société des Immeubles de France by Gecina.
- 2008 The "Building", former head office of "Le Figaro", receives the "Building of the Year 2008" trophy, renovated buildings category, awarded at SIMI.
Gecina launches its corporate Foundation.
Gecina launches "Campuséa", its student residences brand.
- 2009 Labuire Park receives the urban planning prize.
Gecina launches a mandatory public offer on Gecimed and obtains 98.5% of the share capital.
Definite waiving of the Separation Agreement.
Gecina amends its system of governance, separates the positions of Chairman and Chief Executive Officer and in November appoints Christophe Clamageran as Chief Executive Officer.
- 2010 Bernard Michel is appointed Chairman to replace Joaquín Rivero.
Gecina initiates its withdrawing from Spain by shutting down its Madrid office and selling its investment in Sanyres.
Gecina purchases 25% of SCI Beaugrenelle, reaching a 75% stake in this investment.
- 2011 The Golden Stone 2011 ("Pierre d'Or" 2011) trophy, awarded to Christophe Clamageran in the investors category.

1.3. Performance Indicators

The change of rental revenues for housing units depends, among other things, on the rental market conditions and on the efficiency of the Group's management of the properties.

Rental revenues from offices and retail depend on the average rent levels, the occupancy rate, the acquisition or disposal of real estate assets, but also on criteria specific to this business, namely:

- as regards offices, the movement of rents depends on the conditions on the office market, on lease renewal negotiations carried on by the management teams and on automatic annual reviews on the basis of the ICC for current leases. On expiration of the lease, since office rent is not subject to the cap rules applicable to commercial spaces, the Group's management teams negotiate with the tenant to set the renewal rent at the rental value.
- as regards retail, leases signed for several years contain automatic annual review clauses for rents based on ICC. For rents subject to renewal, the rules are more restrictive than those applicable to offices where they are in principle subject to the cap rule. Their amount therefore depends on the capacity of the Group's management teams to exploit the legal exceptions to this rule. In addition, leases may henceforth be subject to the new ILC index.

The principal factors affecting the amount of rents taken by the Group for its housing units are as follows:

- the rent per sqm. billed to tenants. Its change is principally a function of the reference indices for current leases (ICC and IRL) and of conditions on the rental market for re-rentals. Rental market conditions are described in the "Businesses and Markets" section;
- the financial occupancy rate of buildings. The financial occupancy rate is the ratio between the rents billed for a given period and the rents the Group would receive if all of its property holding were rented (vacant premises are computed at the rent paid by the departing tenant). The vacancy periods are determined day by day during the period of calculation. Buildings for which a disposal procedure has been initiated are not taken into account in the calculation of financial occupancy because, beginning at this stage, the Group stops putting the vacant units up for rent in order to be able to sell the units wholly unoccupied. The structural cap of the financial occupancy rate is less than 100% because of improvements performed during the periods of structural non-occupancy of housing units at times of tenant rotation (these periods being the minimal time necessary to complete the work needed to restore to previous condition or to renovate). The level of this cap depends on the efficiency of the rental and marketing management teams, the goal of the Group in the present market context being to keep the financial occupancy rate close to the structural cap;
- the financial occupancy rate is influenced by the rotation rate, defined for any given period as the number of housing units becoming vacant in the given period divided by the number of the Group's housing units at the beginning of the period, with the exception of buildings for which the transfer period has been initiated. Under present market conditions, a high rotation rate would be translated in an increase in the total rent per sqm. so long as the rents billed by the Group are on average below the market rents for new leases (which has been the case for several years). In principle, unless the units are not re-rented within a short time, an increase in the turnover rate will result in a fall in the financial occupancy rate.
- Acquisitions and disposals of real estate assets.

Two indicators are particularly important for real estate companies:

- the recurring income (also called current cash flow) per share, defined by Gecina as the difference between EBITDA and net financial expenses. This amount is divided by the average number of shares composing the share capital, excluding treasury shares. This indicator is sometimes shown after current taxes;
- the Net Asset Value (NAV) per share is defined by the European Public Real Estate Association (EPRA). Detailed in Note 6.12 to the Consolidated Financial Statements, this indicator includes revalued shareholders' equity, *i.e.* based on fair value of consolidated assets and liabilities, including items that are not reported at fair value on the balance sheet, like Gecina's head-office or most of financial debt. This amount, NAV, is divided by the average number of shares composing the share capital, excluding treasury shares, including should the case arise, dilution items from equity instruments to be issued when issuance conditions are met.

1.4. Economic Division

1.4.1. Office Sector

Sources:

- Annual reports: BNP Paribas Real Estate, Jones Lang Lasalle, CBRE, Cushman & Wakefield, Knight Frank, Sources Immostat.
- Studies and research: MBE Conseil, IPD, 2010 Novethic – Ademe survey.

Description of the market: mixed economic context for 2010, caution in 2011

The upswing in transactions, which began late 2009, was confirmed throughout 2010. Without returning to its previous levels, the rental sector of the real estate market in the Paris region is vibrant once again for both the rental (+15%) and investment segments (+57%).

Indeed, the business climate overall continued to improve in both the Euro zone and in the United States and even reached a level considered as high.

The real estate markets are recovering from the 2008 financial crisis, yet the outlook for economic growth and jobs remains modest.

For 2011, the disappearance of economic stimulus plans and the implementation of austerity measures, combined with inflationary tensions, are expected to continue holding back growth, which should remain similar to that of 2010 (1.5%).

Investment market

Total 2010 Paris region investments in the offices sector amounted to €8.3 billion compared to €5.3 billion in 2009, up 57%.

In France, €12 billion were invested in commercial real estate in 2010. While volumes were still far below the record levels of 2007 when there were more than €30 billion of transactions in France, 2010 was a year in which volumes returned to normal for the investment market. This did not just concern amounts invested but also how the market in general operates.

In fact, there was greater liquidity for large assets: 23 transactions of more than €100 million were completed in 2010. In 2009, difficulties obtaining credit had penalized this type of asset and been favorable to investors with their own funds such as SCPI, pension funds, insurance companies and private investors – family office.

The proportion of French investors in 2010 remained the same as in 2009 with 63% of the market. Among international investors, there were fewer German investors and an increase in the number of Middle Eastern sovereign funds.

Although there was an upturn in financing, sufficient to cover 60 to 70% of investment: core property, meaning prime location, occupied by reliable tenants on long-term leases and recently, with intrinsic technical and environmental qualities, remain the real estate of choice. There is fierce competition between investors on prime assets in the Paris region and a rapid and significant contraction can be observed on rates of return (75 to 100 bp) on these assets.

Given the scarcity of this type of product inside Paris, investors focused on more varied markets than in 2009, for all segments in terms of volume.

For example, while 37% of 2009 investments were concentrated in the Paris Central Business District (Paris CBD), it attracted 22% in 2010 mainly in the first rim which jumped from 6% to 15% of volumes.

Similarly, Four pre-sale transactions for new speculative developments were completed in 2010. They point to the recovery, albeit limited, of speculative programs.

Future supply of new property

The effects of the sudden halt in new speculative developments from the end of 2008 are starting to fade.

At the end of 2008, nearly 2.1 million sqm. were under development while at the end of 2009, there were no more than 1.2 million sqm., down 40% in a year.

At the end of 2010, the confirmed future supply of new property of more than 5,000 sqm. still available for rent stood at approximately 444,000 sqm. out of total new property to be delivered of approximately 900,000 sqm., *i.e.*, more than 50% pre-sold.

Confirmed future supply of new property continues to diminish over the years and is expected to have a significant impact on both the rental and investment market.

Rental market

In 2010, the rental market bounced back strongly with a 15% surge in volume corresponding to a total of 2.1 million sqm. in the Paris region.

This result did not stem from a general growth trend in all Paris region sectors since some markets surged strongly while others shrank.

- The Paris region market was stimulated by such factors as demand from large corporations seeking to consolidate staff and save money by reducing their work premises.

For example, 73 transactions for properties of more than 5,000 sqm. were signed (*versus* 55 in 2009) out of a total volume of 786,000 sqm. Although they were more numerous, transactions were generally smaller in size: 10,800 sqm. on average in 2010, *versus* 13,400 sqm. in 2009.

The market became more balanced: properties over 5,000 sqm. represented 36% of marketed volumes, intermediate surface areas (1,000 sqm. – 5,000 sqm.) and surface areas under 1,000 sqm., represented 32% each.

- The Paris Central Business District (Paris CBD), recorded the sharpest surge in transactions, with eight transactions of more than 5,000 sqm. accounting for a total of 89,215 sqm. of take-up in 2010 compared to 25,400 sqm. in 2009.

At the same time, the vacancy rate, after peaking in 2009 (6.3%), started dropping in 2010 (5.4% at year end). This drop in the vacancy rate in Paris CBD is expected to continue in upcoming months. Only 20 properties will be available between

2011 and 2014, six in 2011 of which one aiming at HQE® certification and eight in 2012 including six aiming at HQE® certification.

Prime rent corresponded to a value of €750 per sqm. and year in 2010 (€700 per sqm. and year in 2009). It is expected to continue rising in 2011, given the scarcity of supply.

- Meanwhile, the Paris South market grew by 56% between 2009 (101,000 sqm.) and 2010 (157,000 sqm.). The sector was buoyant with more than 33% of volume pertaining to new premises and prime rent of €500 per sqm. and year in 2010 compared to €450 per sqm. and year in 2009. Meanwhile, the vacancy rate fell and dropped from 8.2% in 2009 to 7.9% in 2010.
- On the contrary, the market at La Défense remained sluggish. In spite of a business rally from Q2 2010, the volume of take-up in 2010 (155,000 sqm.) remains lower than that of 2009 (174,000 sqm.), i.e. -11%. The vacancy rate seems to be growing (6.2% in 2010 versus 4.6% in 2009). Prime rent in the "La Défense" area stayed flat at €530 per sqm. and year.
- The same scenario could be observed on the Paris North market. The vacancy rate remained high (14% in 2010), as the drop in rental values recorded in the Paris CBD had allowed some corporations to relocate inside the City of Paris and in the Issy-les-Moulineaux – Boulogne sector.

The scarcity of new large surface areas in the Paris CBD and on the contrary the inventory of new or used properties with high architectural and environmental quality in the first rim and especially in the "La Défense" area ("La Garenne-Colombes – Colombes" – Asnières-Gennevilliers) combined with ever higher user demand for new, modern properties, which are good value in terms of rent and charges, prompted the real estate agents CBRE, Jones Lang LaSalle, Cushman & Wakefield and BNP Paribas Real Estate to estimate that the attraction of these sectors will be shortly confirmed.

Furthermore, the project approved on January 26, 2011 by the French government and by the Paris regional authorities on the outline of the famous Greater Paris Express, a combination of the national (Grand Paris) and regional (Arc Express) transport projects for the Paris region, further confirms this analysis.

With respect to the financial benefits granted, they continued to rise in 2010 and represented overall 15% of tree rent for the fixed period under consideration compared to 12.5% in 2009.

Compared to other European cities, the vacancy rate at the end of 2010 remains reasonable (7%). Indeed, while available supply has plunged significantly in London, the recorded vacancy rate in Central London was 8.9%, with a large number of European capitals reporting rates above 10%, like Frankfurt (15%) and Madrid (10.7%) (*Paris Vision Knight Frank*).

Market outlook

The commercial real estate market stabilized in 2010. The crisis was faded. However, caution is recommended in predictions for 2011, since it is the first year of a stable and constant recovery in a new five or seven year cycle.

Investment market

For 2011, according to commercial real estate consultants (Jones Lang LaSalle, CBRE and BNP Paribas Real Estate), the volume of investment should rise compared to 2010; they predict a potential €10 billion in the Paris region.

The fierce competition will continue on prime assets and especially on those located inside Paris, given the lack of this type of product. The beginning of the year is expected to be difficult for investors seeking an additional reduction in rates in 2011.

However, on the market for large assets (over €100 million), investors with sufficient funding capacity based on their credit rating with rating agencies will have the upper hand.

Future supply of new property

The real estate business is still driven by the need for companies to streamline their real estate locations, on new properties compliant with environmental standards.

Real estate has actually become a management tool used by companies to position their businesses in terms of market image for the user.

Therefore, users will tend to prefer new assets, those with High Environmental Quality (HQE®).

Combined with increasingly stringent regulations with respect to energy savings over the past 10 years (the 2012 energy law will generalize the low energy consumption building standard), before eventually imposing, one day, positive energy buildings, a regulatory and technological leap that has considerably highlighted the aging of existing properties.

Furthermore, the real estate streamlining policy of companies, in search of savings and new properties compliant with environmental standards (Grenelle 2: French law defining the "national environmental Commitment" of July 12, 2010) combined with a low construction activity since 2008, should certainly continue to drive take-up and hinder the drop in nominal rents for prime properties and increase the spread with rents for second hand properties.

At the same time, the scarcity of supply of new large properties, is expected to have an upward impact on rental values for certain sectors in 2011.

Rental market

Economic growth, which could level off at 1.5% as in 2010, will no doubt stabilize unemployment in France, or even generate jobs in the Paris region as in 2010.

Due to austerity measures, the new jobs will not come from the public sector but from the private sector and will mostly be services, banking-finance, insurance as well as consultancy, legal services, which were the leading employers in 2010. The industrial sector should continue to be streamlined. Yet, 80% of users are still not satisfied with their real estate locations.

Four criteria are now essential for these users:

- streamlining their occupied properties, and optimizing the useable floor area in relation to their workforce;
- reducing their real estate costs and saving on charges;
- offering their employees modern, effective and pleasant working environment;
- presenting a modern image and launching an environmental policy.

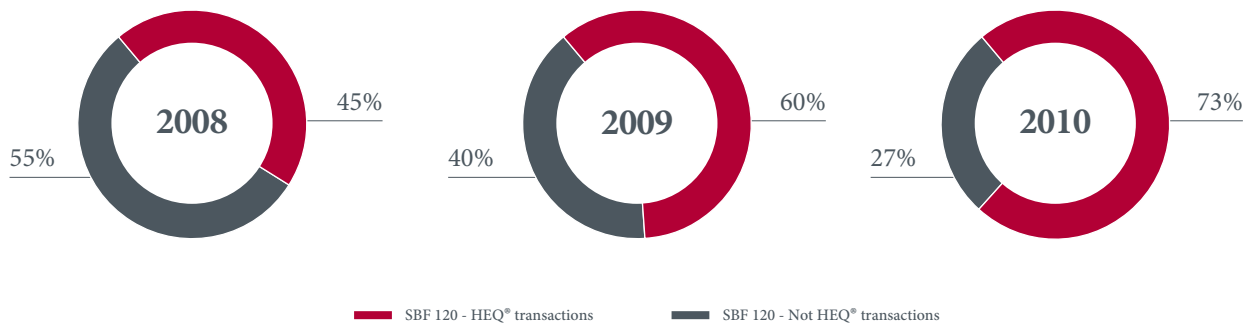
Combined with the obsolescence of the real estate portfolio, this dissatisfaction has also become an essential business driver in the Paris region, which real estate agents predict will be the same in 2011 as in 2010.

Contrary to 2010, given the job stabilization expected in the Paris region in 2011, the medium transactions segment (2,000 to 5,000 sqm.) will not suffice to explain the same volume of

demand in 2011. However, real estate advisers expect transactions of over 5,000 sqm. to rally.

Environment: 2010, a year of progress

Grenelle 2, the French law defining the "national environmental Commitment" of July 12, 2010, perfectly illustrates the cycle which began in 2008. After becoming aware of the environmental issues at stake (Grenelle 1), we notice leading housing and real estate companies and developers and fund managers "who have actually integrated the environmental and energy dimension into their business" (2010 Novethic – Ademe survey) have begun to emerge.



The environmental dimension has become a key criterion for the SBF 120 companies, at the origin of more than 50% of the volume of transactions of more than 5,000 sqm. in the Paris region.

Currently, out of the 629,000 sqm. of new supply of large properties under construction scheduled for delivery in 2011, 86% are classified as High Environmental Quality (HQE®).

On January 1, 2011, immediate supply was 3.6 million sqm. including 973,000 sqm. of new supply, and future supply is estimated at 1.2 million sqm. in 2011. (As of January 1, 2010, supply was estimated at 4.7 million.)

Therefore, confirmed new future supply keeps on shrinking over the years. Given the increasing search by major companies for new and HQE® properties, the gap between the negotiated leases of new HQE® properties and second hand properties is expected to continue widening.

However, the quality second hand market, which has remarkable intrinsic qualities (good location, accessibility to public transport, large centers, services including concierge services) combined with HQE® operations, should also perform well.

Gecina's Performance

Property holdings

At the end of 2010, Gecina had a high quality office portfolio which now represents 1,122,899 sqm., including 887,204 sqm. in operation broken down as follows:

- 42% inside Paris;
- 52% in the Paris region;
- 5% in Lyon;
- 1% in Spain.

Increasingly, the intrinsic quality of a building will depend not only on its location and its architectural quality but also on energy, environmental and health criteria.

75% of the world's largest companies have established a Sustainable Development strategy and concrete goals (KPMG Int Survey of Corp) and 89% of real estate managers in large corporations take account of Sustainable Development criteria in their location decision (Core Net Global – JLL Survey 2009).

Breakdown of assets by size:

- properties of more than 10,000 sqm. representing 61% of the portfolio (44% in 2004);
- between 5,000 and 10,000 sqm., 21% of the portfolio;
- properties of under 5,000 sqm. represent no more than 18% of the property holding, versus 29% in 2004.

At the end of 2010, the office property holding was valued at €6.57 billion.

In 2010, in connection with the restructuring of its property holding, Gecina sold 54,982 sqm. of offices (11 properties) for €179.5 million.

At the same time, Gecina invested €423 million in acquisitions and development in 2010, (in including) on two assets generating secure cash flows on the basis of an average return of 6.5%, and on a speculative development with a high rate of return of 8% out of a total of 83,735 sqm.

These three acquisitions illustrate the investment criteria of Gecina. The assets are located in the close outskirts of Paris, i.e., in the first south rim for the properties of Montrouge and Arcueil and the North loop for the property of Gennevilliers, close to public transport. Gecina targets for its investments large prime assets with a strong architectural identity and which seem to have minimal risk income profile. The properties correspond ideally to corporate head offices and are therefore intended to be inhabited by single tenants, which minimizes management costs. Lastly, properties must be recent or new, and therefore meet high Sustainable Development standards. All these criteria meet the needs of users to streamline their property costs thanks to large units offering services and optimal environmental guarantees.

- A fully-leased recent asset: “Les Portes d’Arcueil”

Gecina signed a pre-sale purchase commitment with two funds managed by UBS Real Estate Kapitalanlagegesellschaft mbH, München, concerning a property complex built in 2006 and located in Arcueil, rue Nelson Mandela, offering 44,735 sqm. of useable floor area and 940 car parks spread over three buildings. The unit is fully leased, with the offices occupied by France Telecom and the retail area by two Group Flo restaurants.

- A pre-leased asset to be built: “Park Azur” in Montrouge

Gecina acquired in partnership with Abcd-Group, the entity carrying the development project, an office program located in Montrouge (92), 97, avenue Pierre Brossolette – 1, avenue de la Marne –12, rue Paul Bert. This real estate complex with a surface area of nearly 24,000 sqm. was fully pre-leased to EDF under a pre-sale commercial lease for a confirmed nine year period. This project, which is scheduled for delivery in 2012, is covered by a building permit and aims to obtain HQE® and BBC (low energy consumption) certifications.

- A speculative development: “Pointe Métro 2” in Gennevilliers

Gecina signed with Nexity-Entreprises, a pre-sale purchase of the “Pointe Métro 2” property. The property comprises 15,000 sqm. of office space and 274 parking places on two basement levels. Construction will begin in January 2011 for a projected delivery at the end of 2012. This project, signed by architects Jean-Paul Viguier, aims to acquire HQE® and BBC certifications. It is a speculative development and should be delivered against a backdrop of office space shortage around 2012.

Operations

Rental income for the Office portfolio amounted to €335 million for 2010, up 1.50% over the initial 2010 budget. On a like-for-like basis, actual 2010 came in at €328 million, the difference being primarily due to disposals for the year.

The physical occupancy rate for the entire portfolio was very pleasing and stood at 95% at the end of 2010, in line with 2009. As such the portfolio vacancy rate was lower than that of the market which was 7% at year end for all office properties in the Paris region and 6.6% in the Lyon’s market.

In Lyon and in the Lyon region, Gecina holds 11 real estate assets in operation and a total surface area of 45,758 sqm. Rental revenues totaled €5.4 million in 2010 and are in line with budget forecasts. The actual occupancy rate was 97.8% at year end 2010.

26,313 sqm. were re-let with effective date in 2010 (20,350 sqm. in 2009) at an average price of €482 per sqm. in Paris, €374 per sqm. in the Paris region and €220 per sqm. in the Lyon region.

20,131 sqm. of surface area leased in properties acquired or developed as speculative projects by Gecina (36,377 sqm. in 2009), the main rentals concern:

- “Origami” (8th district): 4,872 sqm. of offices rented to Barclays Capital at €830 per sqm. and year excluding parking space;
- “Anthos” (92): 8,437 sqm. of offices leased to Carrefour Management SAS at €460 per sqm. and year excluding parking space.

All these rentals represent an annual rent of €9.7 million.

2010 was indeed particularly illustrated by the leasing of “Origami” by Barclays Capital. This transaction signed in the Q1 2010, positions Gecina as the leading real estate company on the prime market in Paris CBD by signing a 12-year lease based on a rent of €830 per sqm. and year excluding parking space (prime rent in Paris CBD: €750 per sqm. and year).

“Origami”, located 34-36, avenue de Friedland in Paris 8th district, with a useable surface area of €4,872 sqm. of offices, was delivered to Barclays Capital in July 2010. Designed by Manuelle Gautrand, this office property is exceptional for its architectural quality and its close location to the Champs-Élysées. The HQE® Construction certification (THPE label) targeted in this program, has been confirmed over time by Gecina signing its first “green” lease.

Thanks to the signature of a lease with Carrefour Management SAS on “Anthos” to receive the Head Office of Carrefour, Gecina is positioned as the major player on the market of Boulogne and of the new ZAC Seguin Rives-de-Seine. The property is located at Boulogne (92) and offers 9,487 sqm. total surface area of offices delivered in March 2010. It was designed by architects Élisabeth Naud & Luc Poux and developed by Hines in the context of an HQE® Construction certification (THPE label).

It is also the signature with Laboratoire Roche of a confirmed 9-year lease for more than 50% of the office space of the Horizons property, located in Boulogne (92) and developed by Gecina in partnership with Hines. This “Non Tower” designed by Jean Nouvel with a useable floor area of 38,600 sqm. will be delivered in June 2011. The specific architectural style associated with services will make this property an extraordinary working place. This property is built in the context of an HQE® Construction certification and Gecina is aiming at a THPE (Very high energy performance) label.

Gecina has thus created a brand new office market in Boulogne since 2007 by leasing to Laboratoires Ipsen the entire Khapa office, and L’Angle in 2008 to Équipe.

This is the result of an acquisition and development policy launched several years ago and confirmed since the beginning of 2010 by Christophe Clamageran, CEO. The goal is to make Gecina a leading commercial property real estate company in Paris and in the Paris region.

2010 was also notable for important relocations, the main ones being:

In Paris:

- 8, rue des Pirogues, Paris 12th district: 5,530 sqm. of offices leased to Natixis at €415 per sqm. and year excluding parking space;
- 43-45, avenue de Clichy, Paris 17th district: 2,975 sqm. of offices leased to Aedian at €305 per sqm. and year excluding parking space;
- 193, rue de Bercy, Paris 12th district: 2,452 sqm. of offices leased to Crédit Agricole at €386 per sqm. and year excluding parking space;
- 3-7, rue de Montessuy, Paris 7th district: 1,620 sqm. of offices leased to the firm Vivien & Associés at €447 per sqm. and year excluding parking space;

- 53, rue de Courcelles, Paris 17th district: 1,208 sqm. of offices leased to Partner RE at €463 per sqm. and year excluding parking space;
- 4, rue de la Bourse, Paris 2nd district: 1,094 sqm. of offices leased to Agence France Presse at €430 per sqm. and year excluding parking space;
- 10-12 Place Vendôme, Paris 1st district: 1,032 sqm. of offices leased to Carmignac Gestion at €680 per sqm. and year excluding parking space.

In Lyon:

4,126 sqm. were vacated in "Le Dauphiné Part-Dieu" property in February 2010 (Lyon 3rd district) and were entirely re-let during the year thanks to four transactions with attractive rental values. An average rent holiday of four months was granted on the new leases.

- CCAS (CE EDF): effective from April 1, 2010, for six confirmed years, rent of €220 excl. VAT per sqm.;
- SODIAAL (Candia Group): effective from April 15, 2010, term 3/6/9 years, rent of €230 excl. VAT per sqm.;
- IBM: effective from April 1, 2010, term 4/6/9 years, rent of €230 excl. VAT per sqm.;
- ICADE: renegotiation of the lease with extension of the surface area, effective from February 22, 2010, for six confirmed years, surface 878 sqm. (in addition to the 1,233 sqm. already leased).

The quality of the products presented, a customized renovation policy, appropriate maintenance of Gecina's assets and also Gecina's capacity to customize the planning of the offices on offer to the wishes of the potential tenants have contributed to these good results.

It is important to stress that 2010 was marked by the expiry of renegotiations on the basis of Article L.145-39 of the Commercial Code. The financial crisis combined with a sharp increase in the INSEE cost of construction index and the decline of rental values had allowed tenants in 2009 to renegotiate rent rebates, by updating Article L.145-39 of the Commercial Code.

At year end 2008 and in 2009, Gecina had anticipated these negotiations by agreeing to grant rent rebates in exchange for users waiving their exit options at the end of their three-year term and signing new leases for a confirmed period, or renegotiating the sliding scale clause by limiting increases or reductions in the INSEE cost of construction index and by planning a substitute for ILAT, the index for commercial activities rents (ILAT) if this new index is applicable.

The reduction in the INSEE cost of construction index (-1.05% in the 4th quarter), and the stabilization of rental values, or even their upward progression, has put a stop to these renegotiations.

Rentals in 2010 on the Dauphiné Part Dieu properties illustrate the sound performance of the Part Dieu district both in terms of rental values and in market values which is a good sign for the future outlook for the VELUM project being developed by Gecina at Labuire.

Gecina now holds 75% of SCI Beaugrenelle

On July 12, Gecina purchased from SCI Pont de Grenelle, whose shareholders include Apsys, Foncière Euris/Rallye and Paris Orléans (Rothschild Group), 25% of SCI Beaugrenelle shares, thereby raising its equity interest to 75%. The cost of the entire transaction was €58 million and specifically includes the partial refund of the current account advance granted by SCI Pont de Grenelle to SCI Beaugrenelle. An earnout will probably be added to this amount based on the recognized valuation after delivery.

The Beaugrenelle shopping centre project (Paris 15th), in which Gecina has been participating since the beginning, develops nearly 45,000 sqm. of GLA in one of the largest districts in the capital and benefits from an exceptional customer base. 45% of the total investment which amounts to €400 million had been committed at the end of 2010.

In July 2010, the administrative court delivered the latest favorable sentence for SCI Beaugrenelle against the action aimed at the building permits, thereby removing the uncertainties hanging over work continuing.

The shopping center is scheduled to be delivered in the first half of 2013.

Gecina, Managing Real Estate Company with a business-critical focus on customer relations

In 2009, Gecina requested the assistance of IPSOS to organize a qualitative survey with its top twenty five customers to find out about customer satisfaction and their perception of the outlook for Gecina's commercial real estate division. This was a first for IPSOS and for a real estate company.

With respect to the main quality indicators expressed by its major customers, Gecina always focuses on customer relationship combined with strong added value in the context of a responsible Sustainable Development approach, anticipating the future regulatory changes following the Grenelle Environment project.

Gecina's "Green" lease

The Grenelle 2 law (published on July 7, 2010) stipulated the mandatory inclusion of an environmental appendix to leases entered into or renewed on or after January 1, 2012 and concerning rental of offices or stores of more than 2,000 sqm.

This appendix will be mandatory for ongoing leases within the three years of the law's effective date, *i.e.*, from July 14, 2013.

The "green" lease is therefore part of a Sustainable Development process and allows Gecina to be a step ahead of the regulation on the energy efficiency of buildings which will have to change beyond the regulation based on the laws of Grenelle 1 and Grenelle 2.

Gecina anticipated this future regulation, by signing in 2010 six "green" leases with six partner clients, on new properties but also on existing properties:

- Barclays Capital for "Origami" – 34-36, avenue de Friedland, Paris 8th district;
- Roche (15,560 sqm.) for "Horizons" – Zac Seguin Rives-de-Seine, 92 Boulogne-Billancourt;
- Carrefour Management SAS for "Anthos" – ZAC Seguin Rives de Seine, 92 Boulogne-Billancourt;

- Express Roularta – 23-29 rue de Châteaudun – 26/28, rue Saint-Georges, Paris 9th district;
- Natixis – 8, rue des Pirogues, Paris 12th district;
- Oracle – “Portes de la Défense”, 92 Colombes (17,938 sqm.).

The “green” lease is a common instrument for Gecina and its clients to maintain the intrinsic qualities of the building (HQE[®] Construction, BBC, THPE) through a sustainable and long-term operation of the building (HQE[®] Operation) with respect to its energy and environmental performances but also with the goal of saving operating costs.

Furthermore, Gecina maintained its action of controlling energy efficiency by continuing to analyze consumption and taking corrective measures relating to operations.

Gecina introduced a water consumption procedure by installing water saving devices, waste treatment and recycling systems for offices signing appropriate contracts and raising the awareness of the occupants.

Furthermore, an HQE[®] Certification process was launched for four large buildings (“Portes de la Défense” 42,700 sqm., Défense Ouest 58,200 sqm. at La Garenne-Colombes (92), “Le Valmy” 29,500 sqm. in Paris 20th and “Le Crystalys” 24,000 sqm. in Vélizy (78)) and there are plans to extend this process to other properties in the property holding.

Lastly, an audit was performed on the accessibility of buildings to people with three disabilities (movement, sight and hearing).

Specific positioning

Gecina positions itself as a real estate company with large new assets corresponding to international standards, both inside Paris and in the outskirts.

Gecina diversifies its rental supply with national or international users by proposing quality properties with the High Environmental Quality Certification and now the BBC label with a view to ensuring the durability of the lessor-user partnership relationship.

In this respect, Gecina applies to all new office programs four principles:

- develop prime assets in strategic geographic zones;
- meet and exceed regulatory standards derived from the Grenelle Environment project for a reduced carbon footprint;
- prefer strong architectural quality;
- create working areas that place the individual at the heart of the real estate project.

This applies to properties scheduled for delivery in 2011:

- “La Tour Mercure I” – 31-37, quai de Grenelle Paris 15th, with a useable floor area of 8,703 sqm., is in the process of restructuring. This program is being developed by 2AD Architect for the façade and by Siena Ingénierie, an interior decorating firm, and will be delivered in April 2011. It is restructured in the context of an HQE[®] Construction Certification aimed at a THPE label;
- “Horizons”, architect Jean Nouvel’s “Non Tower”, located in Boulogne (92) and developing a net floor area of 38,600 sqm. This HQE[®] building appears today through its size and ambition as the mandatory reference point for the urban landscape under preparation on this major site on the banks of the river Seine.

It is also the case for properties scheduled for delivery in or after 2012:

- “Mercy-Argenteau”, a historic building located at 16, boulevard Montmartre in Paris 9th district which is in the process of restructuring by DTACC and will be delivered in the Q2 2012. It will comprise shops, offices and 22 housing units, 6 of which are for low income families;
- the property on 96-104 avenue Charles-de-Gaulle Neuilly-sur-Seine (92) with a useable floor area of 10,426 sqm., will be delivered in April 2012. This program was designed by architects Lobjoy & Bouvier and includes demolition and reconstruction of the avenue Charles-de-Gaulle property, restructuring of the two buildings with a garden and infrastructure. The projects are part of an HQE[®] process, since the property is also aiming at a BBC label (low consumption building). This property will be the first BBC property in Neuilly;
- “Garenne-Colombes” in La Garenne-Colombes, a new building with a useable floor area of 17,860 sqm., will be built on an old PSA building. This program is being developed by architects Valode & Pistre, in the context of an HQE[®] Construction (BBC label) and LEED certifications. The delivery is scheduled for Q4 2012;
- at 62-64, rue de Lisbonne – 13-17, rue Murillo in Paris 8th district, a property fully owned by Gecina since July 2011. It comprises three private villas dating from the Second Empire and combined in the 20s by Dunlop to be used as its headquarters. Currently being restructured by architects AAA BECHU, the building will offer 7,800 sqm. of top quality office space when delivered by mid-2012. For this quality program in the heart of the Paris Central Business District, the developers are aiming for the HQE[®] Construction and THPE Certifications;
- “Velum” located in the Buire Mixed Development Zone, boulevard Vivier-Merle in Lyon 3rd district (69), close to Part-Dieu. This new property, HQE[®] construction (BBC label), with a useable floor area of 14,050 sqm. built by the architect Franck Hammoutène, will be delivered at the end of 2012.

The outlook for Gecina

In 2011, Gecina will continue to strengthen its leading position on office real estate in the Paris region in line with its target for a €9 billion portfolio in this division by 2014. This will be achieved on the one hand through balanced growth with acquisitions, split between let or prelet operations and higher-yield speculative projects, and on the other hand thanks to the completion of developments currently being implemented by the Group.

2011 investment strategy

The financial crisis will result in a major shortage of new buildings over the coming years. Indeed, the lack of available financing, combined with risk aversion among the industry’s players, means that it has not been possible to launch a sufficient number of operations.

At the same time, the development of environmental standards is leading to stronger demand among investors and users for environmentally-friendly buildings.

Gecina’s investment strategy is in keeping with this context, combining core operations with secure cash flow and “value-added” operations.

Gecina's strong deal flow enables it to identify the best operations available on the market, offering returns on investment that are consistent with its objectives.

In line with Gecina's criteria for investment, whether for core or "value-added" operations, the company only selects operations with the following characteristics:

- Strategic geographical sectors;
- Buildings compliant with international standards;
- Reduced environmental footprint;
- Strong architectural signature.

1.4.2. Logistics sector

The logistics portfolio comprises 55 platforms in operation representing 1,031,606 sqm. and 2 platforms under construction over 50,412 sqm. 30% of assets in operation are located in Ile-de-France (Paris region), 53% outside the Paris region (excluding Lyon), 8% in the Lyon region and 9% in Spain.

At the end of 2010, this portfolio was valued at €441 million.

2010 rental income for the entire portfolio amounted to €32.1 million and had an actual occupancy rate of 67.2% at the end of the year.

In 2011, Gecina is looking to invest in new areas in the Paris region with prospects for growing and diversifying its portfolio.

2011 disposal plan

Gecina will be accelerating its asset rotation policy, focusing on two areas: optimizing the portfolio and exiting non-strategic assets.

In 2010, in the context of the restructuring of its property holding, Gecina sold 50,533 sqm. of warehouses (6 platforms) for a total amount of €17.3 million.

2010 was also illustrated by the lease of the new Récy platform in Moët-Hennessy (43,000 sqm.) for a period of nine years as well as the re-let of the Corbas platform (25,000 sqm.) to Babolat for a confirmed period of six years (effective as of January 1, 2011), representing for these two rentals an annual lease of €2.7 million.

In 2011, Gecina will continue its strategy to sell assets considered as non-strategic.

1.4.3. Hotel sector

In 2010, Gecina restructured its property holding and disposed of its assets considered as non-strategic. Accordingly, three small-sized Paris-based properties leased to independent operators, were sold on very good terms during the year. The three assets were sold for €10.7 million excluding duties, which is nearly 6% higher than the appraisal value for those properties at December 31, 2009.

At the end of 2010, Gecina had five assets representing 92,223 sqm., four of which are operated by Club Méditerranée (98% of surface areas). The entire portfolio was valued at €275 million at December 31, 2010.

In recent years, considerable renovation and extension works have been carried out on most of the four major assets. These works were financed by Gecina in line with the policy to upgrade

the Club's villages. Gecina used this opportunity to revise the rent and the lease term, as appropriate. The sale of these valued assets is not considered a priority, given their superb locations, their quality and the recurring cash flow they generate. Nevertheless, the Group remains ready to take advantage of any opportunities.

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

Rental income was high at €19.4 million in 2010. On January 1, 2011, the residual confirmed term of the Club Med's leases was 7 years and 6 months. This maturity combined with an occupancy rate of 100% on all Club Med villages ensures secure and long term income for Gecina.

1.5. Demographic Business

1.5.1. Residential sector

Sources: FNAIM www.immobilier.notaires.fr; Commissariat Général au Développement Durable www.statistiques.equipement.gouv.fr CAPEM.

Description of the market: a seller's market

Investment market

Prices in Paris rose on average by +15.70% in 2010 compared to the previous year. They reached a record €7,645 per sqm. on average in Q4 2010, up 24.1% since Q4 2009. Since 2006, they have continued growing on average by 4.4% each year.

After a 30% fall in the volume of sales in France in 2008 and 2009, business rallied sharply in 2010 and exceeded a record 700,000 sales, up over 18.64% compared with 2009, driven specifically by the return of second-time home buyers to the market. The volume of sales of vintage buildings in Paris jumped by 16% over one year in the Q3 2010.

Credit conditions stimulated demand. We observed a 125 basis point drop in interest rates between Q1 2009 and Q4 2010 (4.52% for Q1 2009 *versus* 3.27% on average for Q4 2010). The going market rates for mortgages and initial deposits on a like-for-like basis dropped by 12.5% in monthly payments, while borrower's debt capacity rose by 14.5%.

The impact on sales volumes was confirmed by the sharp increase in new mortgages which is expected to reach €112 billion in France (up 27.3% compared to 2009).

Paris and to a lesser extent, the Paris region first rim, represent a market with genuine shortages and growing demand due to demographic changes, concern about pensions and uncertain financial markets.

Future supply of new property

After a sharp fall in housing indicators in 2009, the assessment for the past year reveals a recovery of housing starts (+3.5%) and building permits (+15.1%). At December 31, 2010, housing starts totaled nearly 333,000 started housing units, *versus* a volume of slightly more than 322,800 a year earlier.

The recovery of housing unit sales was driven by government policy (the Scellier law, interest-free loans +, *Pass Foncier...*) which boosted and confirmed the gradual return to growth in the new housing sector on the French market. According to CAPEM, the Scellier law, allegedly accounted for 57% of net bookings as of September 30, 2010.

Nevertheless, these figures are low compared to the growing expressed demand, which further aggravates the shortage trend mentioned earlier. This is particularly true for the City of Paris and the Hauts-de-Seine area where most of Gecina's properties are located.

Rental market

Source: Clameur

Market rents continued climbing in 2010, especially in Paris and in the Paris region in general:

- Paris: €22.30 per sqm. and month excluding charges (€21.85 per sqm. and month in 2009, or +2.10%);
- Paris region: €17.60 per sqm. and month excluding charges (+2.10%);
- whole of France: €12.20 per sqm. and month excluding charges (+1.40%).

Once again, we notice a shortage in the supply of rental property, especially inside the City of Paris.

The recovery of the property ownership market led to a slight increase in turn-over without however significantly increasing rental vacancy.

Overall, there has been widespread erosion in vintage rental properties which has not been counterbalanced by deliveries of new properties covered by the Scellier tax relief scheme, as the latter only very slightly applies to city centers, where demand is the highest.

In addition, the number of free rental housing units held by institutional investors represents a rare property holding, as the market is mostly driven by private individuals in joint ownership properties.

Market outlook

The fundamentals of the residential market will be the same in 2011, namely weak supply compared to constantly growing demand, especially in Paris.

Sales volumes in vintage properties are expected to continue rising due to the return of second-time home buyers to the market.

The figures for the volume of transactions in new properties are not expected to rise, given that developers have reported a record low in inventories. Prices should edge up in France, with a more significant increase inside the City of Paris.

We expect rents to be relatively stable aside from more sustained increases in Paris with a turn-over still driven by the vibrant transactions market. The difference between new tenants and leavers will continue to be high in Paris, by around 8%.

Gecina's performance: Gecina benefits from its leases in the most difficult areas

Property holdings

The transaction market prompted Gecina to sell €209.5 million of properties in 2010, mostly in unit sales. With €62.6 million of block sales, the total of 2010 residential sales amounted to €272.2 million.

In addition, four buildings were delivered in Marseille, Lyon, Prévessin and Saint-Denis, representing a total residential surface area of 853,907 sqm. including 27,623 sqm. under development.

Residential surface areas in operation are broken down as follows:

- 52% inside the City of Paris;
- 31% in the Paris region;
- 13% in Lyon;
- 4% in other regions.

The inventory of apartments in operation represents a property holding valued at €3.53 billion at year end 2010.

Operations

While rental income fell 6% to €183.3 million (due to sales completed in 2009 and 2010), it surged 1.9% on a like-for-like basis where 1% is linked to IRL adjustment index, 0.8% to rentals and 0.1% to negotiations.

1,628 apartments were re-let in 2010 for a new tenant/leaving tenant rent difference of +8.3% for the entire portfolio.

Turnover jumped significantly following the rally of the transaction market to represent 15.8%. It remains however below the market average, proof of the quality of Gecina's locations, products and services. The average time to re-letting after the departure of a tenant including works (an average of 17 days) remains low at 32 days in the Paris region and 38 days in Lyon.

The physical occupancy rate at the end of 2010, excluding new deliveries, remains high at 97.8% and levels off at 95.7% including the delivery of new assets in 2010.

Outlook for Gecina

Given Gecina's position on the markets in short supply, specifically inside the City of Paris, the Hauts-de-Seine department and the France-Geneva area, we believe that the company will post similar results in 2011. Rents on a like-for-like basis should continue growing, specifically thanks to the quality procedures introduced by Gecina which has allowed it to make significant rent increases between leaving tenants and new tenants. The financial occupancy rate ought to remain high and the margin rate should continue rising.

Gecina has high ambitions with respect to transactions in 2011, in terms of unit sales on a market that will remain highly buoyant, as well as in terms of block sales, since Gecina aims to dispose of its Lyon-based portfolio which has matured. In 2011, these sales should reach or exceed €360 million, *i.e.* nearly 25% more than in 2010.

With respect to investment, a new asset is scheduled for delivery during the year in Boulogne-Billancourt, in the Trapèze Mixed Development Area. Furthermore, Gecina will reinforce land development in the Paris region and in Lyon and will focus on new acquisitions in the France-Geneva region.

1.5.2. Student residences sector

Description and market outlook

With more than 22 million students, more than 60% of whom share an accommodation and hardly any supply in terms of customized residences, this market is characterized by extreme shortage of supply, especially in the Paris region. Students need to find accommodation in the traditional sector, often sharing with other students, sometimes in conditions of limited comfort, and at very high prices.

No significant change is expected on this scarcity of supply in the market in 2011.

Gecina's performance: no. first owner-operator in France

This business continued growing in 2010, boosted by the delivery of two new residences in Champs-sur-Marne (77) on the Descartes cluster and in Lyon (69) in the 7th district, which raised the portfolio to 1,190 housing units, excluding ongoing developments. These two residences were 100% full on the very first day of opening—proof that Gecina has made the right market decisions.

At the end of 2010, the portfolio comprised nine buildings, with two in the Paris region, six in other French cities and 1 under construction in Paris (13th district). It was valued at €111.3 million.

2010 rental income therefore increased to €5.3 million from €4.0 million in 2009, up 33.2% year on year and 4.5% like-for-like.

The physical occupancy rate for student residences stood at 98.8% at the end of 2010 (only 15 apartments were vacant).

Outlook for Gecina

Gecina's goal is to raise its portfolio of student residences to 5,000 units within three years. These would be totally new residences designed to meet the highest Sustainable Development and energy efficiency standards (BBC label) and in the premium (high level of comfort, design, equipment and services) spirit of Campuséa, which intends to become the n°1 owner-operator in France.

In 2011, Campuséa will continue to roll out its commercial strategy, deliver its first student's residence inside the City of Paris (rue du Château des Rentiers in the 13th district) and should finalize the launch of the construction of nearly 2,000 housing units in major French universities where demand still greatly exceeds supply. Numerous projects are under review in the Paris region and more specifically in Saint-Denis, Saint-Ouen, Nanterre, Boulogne-Billancourt, but also in Nice, Marseille, Grenoble... all these residences show net rental returns greater than 6% with no rental risk, and are located in areas with potential return of capital and yield.

1.5.3. Locare, Gecina's marketing agent, serving Paris financial institutions

In addition to being the year of the 25th anniversary of Locare, 2010 was also the year of record revenues with respect to retail trade fees, *i.e.* €7.9 million representing €259.3 million, or 639 apartments/town houses sold.

The rental business remained on a positive trend with €3.7 million in fees for 1,876 apartments re-let with an 8.1% hike in rents between new and leaving tenants.

Locare continued to develop its business of block disposals for both residential and commercial real estate, as well as stores and hotels.

Lastly, Locare's other business lines include, for developers and investors in new products, a pre-sale business and the first rental of new assets.

Locare posted total 2010 revenue of €12.1 million, up 50% over 2009.

For 2011, business should remain buoyant, especially for the retail trade. Consequently, Locare expects to post similar revenue.

1.5.4. Healthcare sector

Description of the market

Healthcare real estate is a developing market with a limited number of real estate sector players, even though competition on this market has grown fiercer in the last five years. The operators (groups or doctors holding long-standing commercial and real estate assets) or family real estate companies have a strong presence.

The real estate transactions in this sector are mostly initiated by operators pursuing an M&A policy. Indeed, the financing of their expansion strategy is facilitated by the outsourcing of the property they own.

Furthermore, the financing or refinancing of healthcare operators real estate through leases is still a favorite option for these operators and represents direct competition for traditional real estate companies, as evidenced by the sale and lease back of Medica France.

The sale of furnished rooms (*Loueur Meublé professionnel* (LMP)) in pension homes is also another favorite financing solution for certain players in the sector.

However, the financing, and therefore, monitoring of the construction of new healthcare facilities, often the result of a combination of old and unsuitable clinics, remains the specialty of real estate companies specializing in this sector, as evidenced by the call for bids launched in 2010 by Générale de Santé and won by Gecimed on the Annemasse project. Indeed, Gecimed's proven skills in construction and oversight of such large-scale projects helped to set it apart from other players who were more investment-oriented.

The healthcare real estate market was mostly driven by two operations in 2010:

- the outsourcing by Générale de Santé of three institutions, one of which was purchased by Gecimed;
- a transaction completed by Weinberg Capital which acquired two health institutions in the South-East.

Market outlook

We have observed an increase in the size of the different operators in the medico-social field, illustrated by the merger of Domus VI and Dolcea or that of Orpea and Mediter. With respect to health sector players, the combination of institutions is an essential criterion for their growth.

Due to these trends, operators are reviewing their real estate policies and most of them are admitting that having the backing of a healthcare real estate professional, capable of assisting them in their growth while financing the construction of new assets or the buildings of a facility as they purchase the business operations, represents a genuine advantage in such a competitive sector.

Therefore, the trends in the healthcare sector and the capital intensive aspect of real estate tend to indicate that in 2011, the different operators, regardless of their size, will require the services of the sector's real estate companies, including Gecimed.

Very promising portfolios have already been announced.

Gecina Performance

Property holdings

In operational terms, 2010 was a year of consolidation for Gecimed with the delivery and operational launch of two major facilities, the private hospital in Le Havre and the Gien clinic, for which the Group was responsible for the construction begun in 2007 and 2008 respectively.

The two assets of Le Havre and Gien will produce each full year total annual rent of approximately €6.5 million excluding VAT. There is a total of nearly 500 beds.

Furthermore, Gecimed continued one of the critical pillars of its strategy, the financing of extensive restructuring and extension works on the facilities in its portfolio, with the aim of tailoring the property (the clinic) to the operating requirements of its user. These works are offset by adjustments to the lease both in terms of the rent and the lessee's firm commitment to a period thereby allowing value creation. For example, for the past four years, more than €50 million has been invested in improving and upgrading Gecimed's assets.

Finally, the company also continued its growth strategy by winning the bidding for the development project for the Hôpital Privé Savoie Nord. This new facility, the result of the combination of two facilities that are currently unfit for their final purpose, will be run by Générale de Santé on the basis of a 12-year confirmed lease that will become effective when the property is delivered. The site is firmly rooted in a health environment where there is little or no competition. It is located near the city of Annemasse and is very easily accessible from Geneva, and therefore to a large population. The Annemasse private hospital represents a

net floor area of 24,600 sqm. with 288 beds and investment of approximately €50 million excluding VAT.

This acquisition brings the number of facilities owned by Gecimed to 40, in operation or under construction, representing a portfolio valued at €737 million at the end of 2010.

Operations

2010 rental income amounted to €47.0 million, *versus* €42.5 million in 2009.

As at January 1, 2011, the residual firm term of leases was 8 years and 4 months for Gecimed's property holding. This maturity combined with a 100% occupancy rate on all assets is a guarantee of long-term secure income for Gecimed.

Outlook for Gecina

Backed by the Annemasse project, Gecimed spent the year end reviewing other projects of varying sizes, including a large-scale project scheduled to take off in the first half of 2011.

FINANCIAL RESOURCES

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In 2010, Gecina extensively restructured its financial resources as follows:

- renegotiation of existing loans to extend the average term;
- two bond issues to diversify sources of finance;
- restructuring of its hedging instruments to boost short-term flexibility and extend the hedge;

- improvement in financial ratios through a larger margin;
- resumed issue of treasury bonds to lower the interest rate;

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

2.1. Debt structure at December 31, 2010

Gecina's consolidated gross financial debt totaled €5,199 million at December 31, 2010 *versus* €4,922 million at December 31, 2009, up €277 million; consolidated net debt amounted to

€5,174 million at year end 2010 (up €355 million during the year).

The main terms and conditions of the debt are as follows:

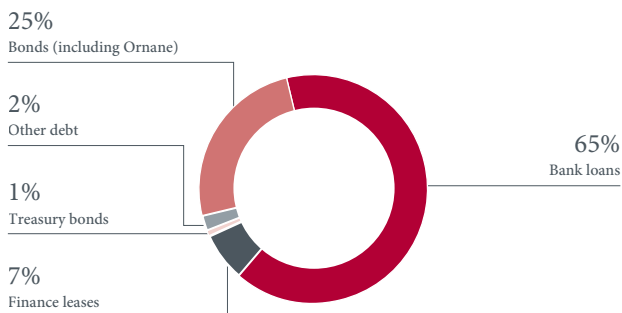
	12/31/2009	12/31/2010
Consolidated net debt	4,819	5,174
Net debt (Group share)	4,816	5,159
Unused lines of credit	676	850
Average maturity of authorizations	3.77	3.86
LTV	45.7%	44.3%
ICR	3.24	3.09
Pledged debt/Property holding	18.55%	16.94%

Debt by type

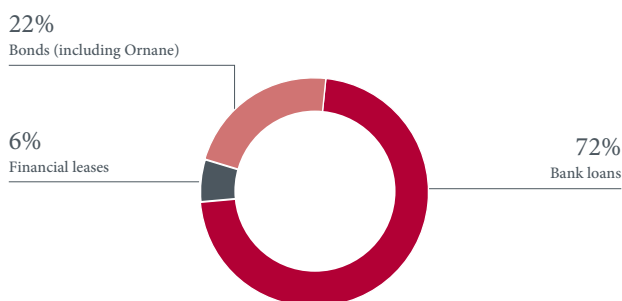
Gecina's gross financial debt at December 31, 2010, comprised:

- €989 million of bonds issued under the EMTN (Euro Medium Term Notes) program;
- €323 million of Ornane bonds (market value);
- €3,370 million of bank loans of which €1,593 million of mortgage financing, €1,770 million of corporate debt and €7 million of bank overdrafts;
- €383 million of finance leases;
- €35 million of treasury bonds which are covered by confirmed credit lines;
- €99 million of other debt.

Breakdown of uses



Breakdown of authorizations



2.2. Liquidity

The financing or refinancing transactions carried out in 2010 at an average margin of 2.19% excluding Ornane, include:

- the signature of €1,200 million of medium and long-term bank debt at an average margin of 1.91% or 1.73% after taking into account the LTV below 45% and with an average 3.89 year term:
 - syndicated corporate loan of €500 million for a five year term arranged in May 2010 to replace a €400 million loan expiring in December 2011,
 - extension of the maturity of a bilateral €300 million loan maturing in 2014,
 - extension and increase of a bilateral €350 million loan maturing in 2015,
 - new corporate line of €50 million maturing in 2012;
- an April 2010 issue of Ornane convertible bonds for €320 million the terms and conditions of which include:
 - coupon of 2.125%,
 - maturity of 5.7 years at issue,

- exercise price of €111.05 at issue, corresponding to a premium on issue of 35%;

- a September 2010 issue of a €500 million bond with the following terms and conditions:
 - coupon of 4.5%,
 - maturity of 4 years,
 - mid-swap spread: 2.85%.

In February 2011, the Group also issued a €500 million bond with the following terms and conditions:

- coupon of 4.25%;
- maturity of 5 years;
- mid-swap spread: 1.68%.

The two bond issues of September 2010 and February 2011 therefore have an average spread of 227 bps.

Market access conditions for Gecina have improved since the start of 2010 due to an improved credit rating in October 2010, when Gecina reverted to "Investment Grade".

This explains the fall in the mid-swap spread between September 2010 and February 2011 from 285 bps to 168 bps for an issuance of the same amount and for a period of more than one year.

At the same time, Gecina relaunched its treasury bond issue program at the end of the year. The outstanding treasury bonds at the end of the year was €35 million (€90 million at the end of January 2011) with an average margin of 1 bp over Euribor.

Gecina’s debt repayments are extensively covered by unused credit lines. Indeed, a total of €307 million of 2011 debt

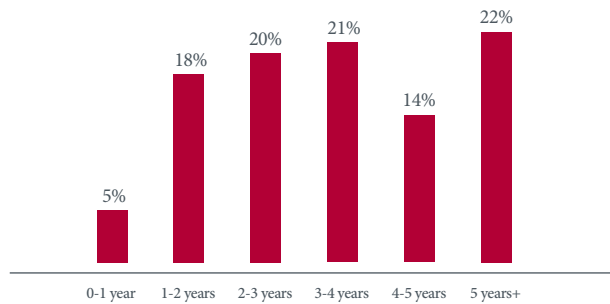
repayment installments were repaid at the end of 2010, compared to the amount of unused lines on that date of €850 million. Subsequent to the February 2011 bond issue, unused lines increased to €1,460 million.

The cash surpluses were invested under optimum conditions and amounted to €24.6 million at the end of December 2010 (of which €9 million of blocked cash) *versus* €104 million the previous year.

2.3. Debt by maturity

The average term of Gecina’s consolidated authorized debt was 3.86 as of December 31, 2010, up by 0.1 compared to the end of 2009.

The chart below presents the maturity tables of the authorizations existing as of December 31, 2010.



For example, 57% of confirmed lines had a maturity period above 3 years at December 31, 2010 (61% on February 1 after the €500 million bond issue).

2.4. Average cost of debt

The average cost of debt was 3.62% in 2010, *versus* 3.59% in 2009 (carry cost of the unused lines included and excluding special financial income). The credit margin on utilizations totaled 0.98% at December 31, 2010 *versus* 0.74% the previous year. These changes can be specifically explained by renegotiations of existing loans and bond issues.

Interest capitalized on projects under development (not included in the average cost of debt) amounted to €18.7 million in 2010 (*versus* €12.4 million in 2009).

2.5. Credit rating

Gecina is monitored by Moody’s and Standard & Poor’s.

- Standard & Poor’s raised Gecina’s credit rating three times during the year, upgrading it from BB– with negative outlook at the end of 2009 to BBB– with stable outlook;

- similarly, Moody’s credit rating is Investment Grade Baa3 with a stable outlook.

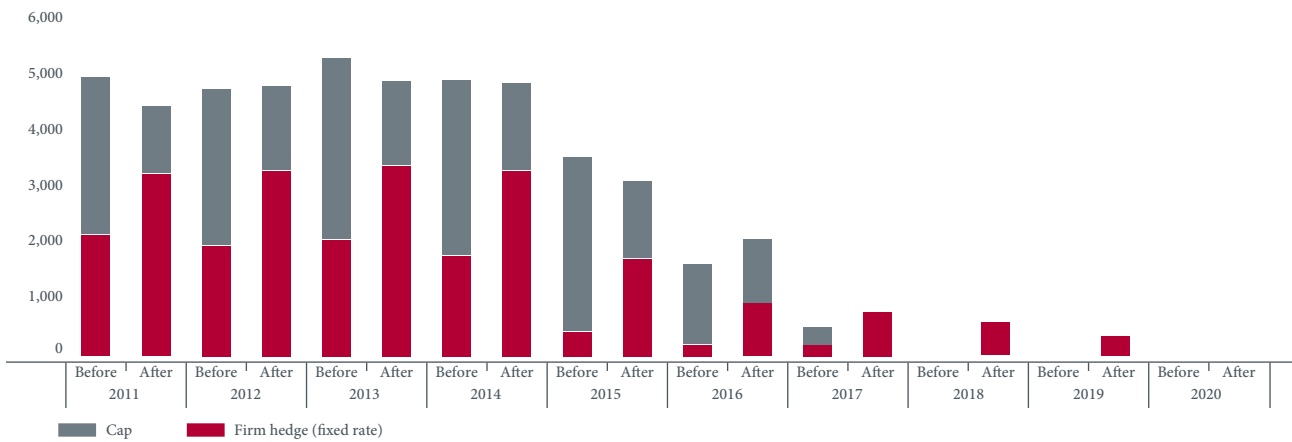
2.6. Managing interest rate hedges

In 2010, Gecina implemented a hedging policy aimed at taking advantage of low long-term interest rates and extending the average life of its hedges while increasing short and medium term flexibility.

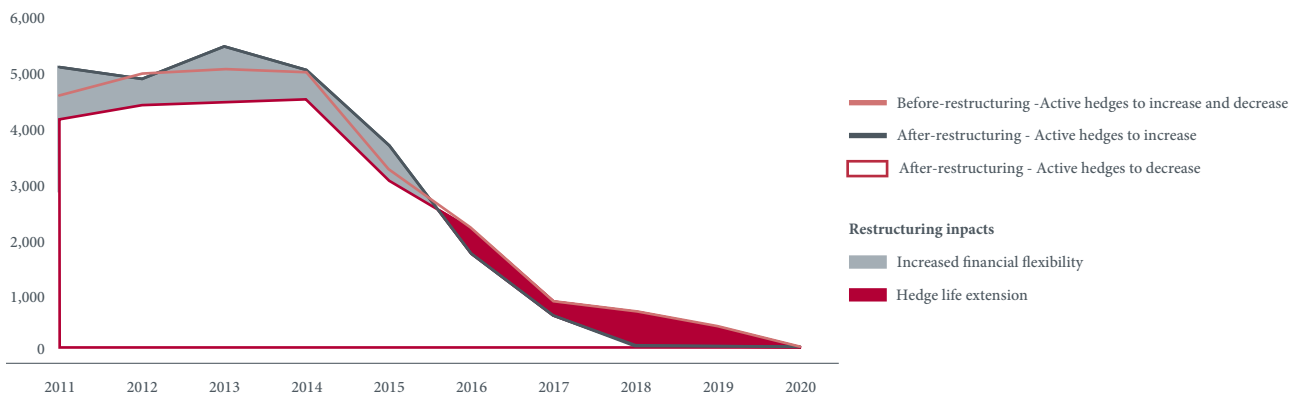
Consequently, in November and December 2010, Gecina restructured its hedging portfolio by canceling €3,713 million of 3 to 5 year hedges (average term: 3.4 years, average reference rate: 3.52%) and arranged €1,350 million of hedges with terms between 4 and 9 years (average term: 6.8 years, average reference rate: 2.64%).

As of December 31, 2010, the average term of the hedges was 4.90 years.

The chart below presents the changes in the average outstanding hedge by type including firm hedges and caps, before and after the 2010 restructuring (€m):



As shown in the chart below, restructuring the hedges portfolio allowed Gecina to improve its financial flexibility for the next 4 years.



In January 2011, in view of the February 2011 fixed rate €500 million bond issue, Gecina reduced two hedge positions given that the bond issue was maintained at a fixed rate (just as in September 2010).

Gecina's interest rate hedging policy is mainly a blanket arrangement not assigned to any specific loan. As a result, it does not meet the accounting classification of hedging instrument and the change in fair value is therefore recognized in the income statement.

Measurement of interest rate risk

Gecina's net financial debt as of December 31, 2010 is 88% hedged against an interest rate hike (100% of active hedges to increase following the February 2011 bond issue) given that:

- the fixed rate debt comprised primarily of bond issues;
- the hedges arranged within the Group which were restructured in 2010 in order to specifically extend the maturity.

Compared to the existing debt at December 31, 2010, the forecast sensitivity of interest costs to 2011 changes in Euribor is as follows:

- -50 bps: -€5 million;
- +50 bps: +€5 million.

2.7. Financial structure and ratios

Gecina's financial position at December 31, 2010 meets the different limits likely to affect repayment terms or trigger the early payment clauses, as set out in loan agreements.

The table below reflects the status of the principal financial ratios set out in contracts:

	Benchmark standard	Balance at 12/31/2010
LTV		
Net debt/revalued block value of property holding	Maximum 50%	44.3%
RCI		
EBITDA before disposals/financial expenses	Minimum 2.25/2.50	3.09
Outstanding secured debt/block value of property holding	Maximum 20%	16.9%
Revalued (block) value of property holding (€ millions)	Minimum 8,000	11,662

Financial covenants improved overall between December 31, 2009 and December 31, 2010 with a debt level that only represents 44.3% of the block value of its property holding (*versus* 45.7% at December 31, 2009). This improvement to below 45% will allow Gecina to lower its credit margins.

2.8. Guarantees given

The amount of consolidated debt secured under real sureties (mortgages, lenders liens, unregistered mortgages and leasing) amounted to €1,976 million at the end of 2010 *versus* €1,957 million at the end of 2009. The Group did not carry out other similar transactions in 2010, and the increase since 2009 arises because certain mortgage lines were not used at December 31, 2009 but were used at December 31, 2010. Furthermore, outstanding finance leases totaled €415 million in 2009.

Accordingly, at December 31, 2010, the total amount of asset-backed loans in the form of mortgages and finance leases represented 16.9% of the total block value of the property holding compared to a permitted ratio of 20% under the various loan agreements, *versus* 18.5% at December 31, 2009. The ratio's decline can be explained by the increase in the value of the property holding.

2.9. Early repayment in case of change of control

Certain loan agreements to which Gecina is party and certain bonds issued by Gecina provide for early mandatory repayment and/or cancellation of loans granted and/or their mandatory early repayment if there is a change of control for Gecina.

Based on a comprehensive authorized amount including gross outstanding debt of €5,199 million and undrawn credit lines of €850 million at December 31, 2010, *i.e.* €6,049 million, €2,855 million of bank debt and €1,315 million of bonds (maturing on January 25, 2012, September 19, 2014 and Ornane

due on January 1, 2016) are concerned by such a change of control clause. In the case of the bond maturing on January 25, 2012, only a change of control followed by a Non Investment Grade rating, not upgraded to Investment Grade within the 270 days that follow, can trigger the early repayment of the loan.

The early repayment of the bond due September 2014 would be triggered by a rating decrease below BB due to a change of control and not upgraded to BB+ within 120 days.

03

PROPERTY HOLDING APPRAISAL

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3.1. Appraisal of property holding

The entire property holding of Gecina Group undergoes appraisals each year as of June 30, and December 31, conducted by a board of five independent appraisers: CB Richard Ellis, BNPP Real Estate, Foncier Expertise, Jones Lang Lasalle and Catella; the appraisers' fees are based on the number of assets appraised and not on the value of those assets.

In this section values derive from appraisals performed by the independent appraisers.

The Group's properties include commercial assets (offices and retail outlets), residential assets, logistics assets, hotels and healthcare facilities. For purposes of its Consolidated Financial Statements, the Group opted for the fair value model of appraisal of its properties in accordance with IAS 40, with the fair value being measured by the independent appraisers twice a year. In accordance with this standard, changes in fair value of the properties (after factoring in capitalized work) in each accounting period are posted to the income statement.

The value of each appraised asset is measured by one of the appraisers on the board; the appraisers are rotated in accordance with a procedure reviewed by the Group's Risk and Sustainable Development Audit Committee, which stipulates that each appraiser should be given a portfolio of properties to value and that an annual average rotation of 10% be maintained by

transferring properties between appraisers. This Committee checked that this procedure was applied. The appraisers determine the value of the properties based on two approaches: the individual sale of units comprising the properties (appraised unit value) and sale of entire properties (appraised block value). The methods used by the appraisers are described in Note 3.1.1 of the notes to the Consolidated Financial Statements. The appraisers provide a detailed report for each valued property.

The appraisals were carried out in accordance with standard procedures that remain consistent from year to year on the basis of net sales prices, *i.e.*, exclusive of costs and duties. Gecina does not disclose values inclusive of duties, given that they do not add value for the shareholders. Gecina deems that disclosures including such costs that artificially increase the value of the assets are not appropriate.

The gross or net rates of return are determined as the ratio of annualized rents gross or net, respectively (with the exception of residential assets for which booked rents are used) over the appraisal values excluding duties.

Information on the sensitivity of the property holding valuation to changes in the economic situation is indicated in the Consolidated Financial Statements section, in Note 4 of the Notes to the Financial statements.

The Group's properties as valued by the appraisers are as follows:

Property holding block asset value as of December 31

€ millions	2010	2009	2008
Office properties	6,567	5,481	6,452
Logistics properties	437	557	555
Hotel properties	275	275	285
Economic business	7,279	6,313	7,292
Residential properties	3,638	3,377	3,798
Healthcare properties	737	670	8
Demographic business	4,375	4,047	3,806
Shares and receivables from equity affiliates	7	193	370
TOTAL	11,662	10,552	11,467
Accounting adjustments	13	(5)	(80)
Group property holding value	11 675	10 547	11 387

After a first half during which the value of the property holding increased slightly except for the logistics sector which fell, the second half of the year was particularly profitable for sectors in which the Group operates, except for logistics which once again deteriorated.

The total value of Gecina Group's property holdings increased by €1,110 million (+10.5%) to reach €11,662 million as at December 31, 2010 including €381 million of acquisitions in 2010.

Summary of property holding under development

€ millions	Value in progress 2010	Value at Delivery 2010	Cost Price
Office properties	735	1,345	1,142
Logistics properties	0	0	0
Hotel properties	7	7	7
Economic business	741	1,352	1,149
Residential properties	72	130	122
Healthcare properties	11	51	51
Demographic business	83	181	173
TOTAL	824	1,532	1,322

(Except for the La Buire sector)

Summary of property holding on a like-for-like basis

€ millions	2010	Net rate of return 2010	2009	Net rate of return 2009	Change
Office properties	5,300	6.1%	4,897	6.7%	8.2%
Logistics properties	341	8.3%	457	7.3%	-25.4%
Hotel properties	275	7.1%	265	7.1%	4.0%
Economic business	5,916	6.3%	5,620	6.8%	5.3%
Residential properties	3,277	4.2%	2,916	4.6%	12.4%
Healthcare properties	627	7.0%	583	7.4%	7.6%
Demographic business	3,904	4.7%	3,499	5.1%	11.6%
TOTAL	9,820	5.6%	9,119	6.1%	7.7%

On a like-for-like basis, the total property holding value amounted to €9,820 million, up by 7.7%. This increase can be explained primarily by the 7.3% drop in the rate of return and 0.4% of the increase due to rents. The property holding benefits from the solid performance of the demographic business where the residential sector made considerable progress during the second half thanks to historically low interest rates and the return of private investors to the market. For the demographic business, this spurred a 11.6% increase in values, 9.6% of which can be explained by the lower interest rates and only 2.0% due to rents.

Although the economic business suffered from the absence of an economic recovery, which was particularly detrimental to logistics with its high vacancy rate and declining rents; the fierce competition from office sector investors in search of safe transactions was confirmed and generated a sharp drop in rates of return. Overall, the economic business gained 5.3% due to the 5.7% decline in rates partially offset by the negative rental impact of -0.4%.

3.2. Properties of the economic business

Valuation of office properties

€ millions	12/31/2010	12/31/2009	Change
Valuation of office properties	6,567	5,481	19.8%
Valuation of office properties on a like-for-like basis	5,300	4,897	8.2%

By including the acquisitions and disposals carried out during the year, the value of office properties amounted to €6,567 million, up 19.8% compared with the value at December 31, 2009 (*i.e.*, +€1,086 million including €367 million for 2010 acquisitions). The appetite of investors for higher returns and lower volatility

on properties than other asset classes and low-priced terms of financing led to a reduction in interest rates. This favorable environment explains the 8.2% like-for-like increase in values, 7.7% of which stems from the lower rates of return and 0.5% from the impact of rents.

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

	Appraisal value € millions	Value/sqm. in €	Rate of return, gross	Rate of return, net
Paris CBD	2,262	10,557	5.7%	5.5%
Paris outside CBD	901	6,627	6.8%	6.5%
Paris	3,163	9,031	6.1%	5.8%
1 st Rim	1,910	5,690	6.9%	6.5%
2 nd Rim	98	2,124	8.0%	7.6%
Paris region	2,008	5,259	6.9%	6.6%
Lyon region	77	1,838	6.9%	6.6%
Other countries	52	4,198	6.7%	6.4%
TOTAL	5,300	6,740	6.4%	6.1%

The Group's office properties are located for 59.7% in Paris, for which the rates of return are comparatively low, and for 37.9% in the Paris region.

Valuation of logistics properties

€ millions	12/31/2010	12/31/2009	Change
Valuation of logistics properties	437	557	-21.6%
Valuation of logistics properties on a like-for-like basis	341	457	-25.4%

The economic situation has taken a heavy toll on the logistics sector which has been affected by high vacancy rates and rent reductions resulting from negotiations in the second half of 2010. This has caused values to plunge 25.4% on a like-for-like basis,

21.1% of which occurred in the second half of 2010. The decline in logistics values can be explained by the 14.5% rents correction and 10.9% increase in rates of return.

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

	Appraisal value € millions	Value/sqm. in €	Rate of return, gross	Rate of return, net
Paris region	105	417	10.1%	8.3%
Other regions	202	393	10.1%	8.3%
Other countries	34	350	10.6%	8.6%

Valuation of hotel properties

€ millions	12/31/2010	12/31/2009	Change
Hotel properties	275	275	0.2%
Hotel properties on a like-for-like basis	275	265	4.0%

Comprised mainly of four Club Med with long-term leases, the 4% increase in values can be explained by the 3% increase in rents resulting from the remodeling carried out in 2010 and a lower rate of return impact of 1%.

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

	Appraisal value € millions	Value/ sqm. in €	Rate of return, gross	Rate of return, net
Other regions	275	2,986	7.1%	7.1%

3.3. Demographic business properties

Valuation of residential properties

€ millions	12/31/2010	12/31/2009	Change
Valuation of residential properties	3,638	3,377	7.7%
Valuation of residential properties on a like-for-like basis	3,277	2,916	12.4%

The recovery that began in 2009 on the residential Paris markets was confirmed throughout 2010 thanks to historically low interest rates and the return of private investors who had been absent from the market in recent years and who once again showed an

interest in block properties. This led to short supply and a hefty 12.4% like-for-like increase in Group residential block values. 10.4% of this increase can be explained by the reduction in rates of return and 2.0% to rents.

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

	Appraisal value € millions	Value/sqm. in €	Rate of return, gross	Rate of return, net
Paris	2,243	4,858	5.0%	4.1%
Paris region	766	3,488	5.3%	4.4%
Other regions	268	2,225	5.5%	4.5%

68.4% of the Group's residential properties are located in Paris, which has the highest change in rates of return. The average price per sqm. as of January 1, 2011 published by the Paris

Chambre des Notaires early January 2011 was €7,572 per sqm., highlighting the appreciation potential of the residential property holding.

Valuation of healthcare properties

€ millions	12/31/2010	12/31/2009	Change
Valuation of healthcare properties	737	670	10.1%
Valuation of healthcare properties on a like-for-like basis	627	583	7.6%

The healthcare portfolio with an overall value of €737 million at year end 2010 gained 10.1%, i.e., +€67 million. On a like-for-like basis, the 7.6% increase in values stems from an interest rate effect of 5.4% and a rental impact of 2.2%. Without the improvements made on the Bazincourt and Pessac assets, the increase in values would be 5.9% on a like-for-like basis.

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

	Appraisal value € millions	Value/sqm. in €	Rate of return, gross	Rate of return, net
Paris region	116	2,157	6.9%	6.8%
Other regions	511	1,632	7.1%	7.0%

3.4. Condensed property appraisers report

General background to the appraisal mission

General framework

Gecina contacted the following property appraisers:

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

to obtain an update on the value of its property holding assets according to the breakdown below:

		No. of assets	Valuation as of 12/31/10
CBRE	Offices	85	4,892
BNP RE	Offices	29	1,265
	Logistics	23	199
Catella	Health Hotel	43	999
	Logistics	11	118
Foncier Expertise	Offices	16	119
	Residential	79	1,882
	Hotel	1	3
Jones Lang	Residential	42	1,698
Non appraised assets		80	500
TOTAL GECINA GROUP ASSETS		409	11,675

In accordance with Gecina's instructions, the property appraisers drafted appraisal reports and determined the requested values, objective value at December 31, 2010.

No conflict of interest was identified.

This engagement accounts for less than 2.5% of the annual revenues of each property appraiser except for Catella Valuation Advisors where the percentage is 7.6% of annual revenues.

It was carried out with a view to meeting the AMF's recommendations on the presentation of appraised items and the property holding risks of listed companies, published on February 8, 2010.

Assignment

All relevant property assets have been visited by the appraisal teams in the past five years, including 34 assets in 2010 and 89 in 2009.

No technical, legal, environmental or administrative audit was required for this appraisal. The valuation is based on documents communicated by Gecina, which specifically include:

- leases;
- descriptive section of acquisition deeds;
- details of payments;
- details on tax issues and on specific expenses.

Performance Conditions

This assignment was conducted on the basis of documents and information communicated by Gecina to the appraisers, specifically rental statements transmitted in October, all assumed to be accurate and corresponding to the entirety of information and documents in Gecina's possession or knowledge, likely to have an impact on the market value of the property.

The appraisers' procedures and valuations were carried out in accordance with:

- the recommendations of the Barthès de Ruyter report on valuing properties of publicly traded 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 market value of the assets:

- comparison-based method;
- income-based method;
- cash flow based method;
- so-called developer balance sheet method (applied to properties under development only).

The appraisal methods are summarized in Note 3.1.1 of the Notes to the Consolidated Financial Statements.

This value is given subject to market stability and absence of significant changes on the properties between the date of the performance of the appraisals discussed herein and the value date.

Concerning leased properties and rights, only the underlying properties and rights were valued excluding the sale value of the lease.

Similarly, no account was taken of the special financing methods that may have been reached by the owners.

Comments

Market values are stated exclusive of costs and duties.

All appraisers have declared that they were independent and held no stake in Gecina; each appraiser has certified the values of the properties appraised thereby without assuming liability for appraisals performed by any of the other appraisers and has agreed that this condensed report be included in Gecina's Reference Document.

BNPP Real Estate
Valuation

Catella Valuation
Advisors

CB Richard Ellis
Valuation

Foncier Expertise

Jones Lang LaSalle

04

CONSOLIDATED FINANCIAL STATEMENTS

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4.1. Activity and earnings

The Group's consolidated income statement is presented in a format that is appropriate for its real estate business and specifically includes the following items:

- Income recorded in the Group's income statement (gross rental revenues), which mainly comes from rent paid by tenants of the Group's properties;
- EBITDA (total of gross rental revenues and income from services and other items minus total net property expenses, services and other items and overheads including salaries and fringe benefits and net management fees) represents income from operations related to the properties and service activities.

The company also uses recurring income as an indicator (which is EBITDA less net financial expenses). This indicator is used to

assess changes in the Group's earnings from operations before disposals, valuation adjustments and taxes.

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

4.1.1. First effects of the restructuring

2010 was a decisive year in Gecina's real estate strategy with targeted investments in core properties, accelerated turnover in residential property, a review of the office portfolio and change in staff. At the same time, active hedge and liquidity management was implemented and Gecina returned to the bond market.

Improved like-for-like rental revenues trend in Q4 2010

2010 gross rental income on a current basis fell 4.7% to €616.8 million. On a like-for-like basis, the reduction in rental income was limited to 1.8% for the full year, compared to a 2.3% drop for the nine months ended September 30, 2010. As such organic growth stabilized in the fourth quarter after two consecutive quarters of net decline. The sound performance of the residential and healthcare real estate businesses partially offset the sluggishness of the office and logistics real estate businesses on a like-for-like basis.

The Gecina model, built around a demographic business line (residential and healthcare), which now represents 37% of the

Group's business, and an economic business line (offices, logistics and hotels) confirmed its relevance in a turnaround economic cycle.

The property holding changes remain the main factor of adjustment. For example, the 2009 and 2010 disposals led to a €50 million dip in rents for the entire Group, €29.5 million for the office business and €17.1 million for the residential business. At the same time, developments on a like-for-like basis were negatively affected by the steep increase in vacancy rates for the logistics business at 28.3% in 2010 (*versus* 18.0% in 2009). Lastly, rental revenues were affected by negotiations by a number of office property tenants for lower rents in 2009 and 2010. The office portfolio is rented out at market price.

The fall in rents was partially offset by the consolidation of the healthcare real estate over a full year for an additional €25.5 million compared to 2009. The investments also generated additional rental income of €6 million. In 2011, Gecina will continue to earn rent both from acquisitions and projects delivered in 2010.

€ million	12/31/2009	12/31/2009	Change (%)	
			Current basis	Like for like
Group total	616.8	647.2	-4.7%	-1.8%
Offices	335.0	374.0	-10.4%	-3.1%
Residential	183.3	195.0	-6.0%	+1.9%
Healthcare ⁽¹⁾	47.0	21.6	+117.6%	+0.7%
Logistics	32.1	36.5	-12.1%	-10.8%
Hotels	19.4	20.1	-3.5%	-1.5%

(1) The healthcare business consolidated by the equity method in 2008 and in the first half of 2009, was fully consolidated as from the 2nd half of 2009. For purposes of comparison, the change in rents on a like-for-like basis is calculated by taking 100% of Gecimed's rents in the first half of 2009.

Stability of the average occupancy rate at September 30, 2010

The 2010 average financial occupancy rate levelled off at 94.3%, flat compared to September 30, 2010. Nevertheless, the occupancy rate shows a 1.6 point drop compared to the 2009 rate of 95.9%. This fall can be primarily explained by the higher vacancy rate in the logistics segment between the two periods.

The occupancy rate of the office business improved by 40 bp over Q4 2010 under the positive effect of the rental of the Origami and Anthos properties as from October 1, 2010 and

December 1 respectively. The occupancy rate of the residential business had fallen slightly compared to December 31, 2009 mainly under the impact of the recent delivery of three residences (Saint Denis, Simon Fryd in Lyon and Prévessin in the Rhône-Alpes region, close to the Swiss border). These assets are currently being marketed and represent 2.1 points of the vacancy rate on the residential portfolio.

To date, known vacated premises represent nearly 4 points of the office business vacancy rate, taking into account the termination of the AON lease (26% of the total) which will lead to the payment of a net compensation of €6.6 million in 2011.

Average financial occupancy rate	12/31/2010	09/30/2010	12/31/2009
Group	94.3%	94.3%	95.9%
Offices	95.3%	94.9%	95.7%
Residential	97.1%	97.3%	98.6%
Logistics	71.7%	72.8%	82.0%
Hotels/Healthcare	100.0%	100.0%	100.0%

Office property (54% of the Group's rent)

Change on a like-for-like basis 2010 versus 2009	Indices	Renegotiations & renewals	Vacancy
-3.1%	-0.2%	-3.4%	0.5%

Rental revenues amount to €335, indicating a -10.4% drop on a current basis. This trend particularly includes the €29.5 million reduction in rent due to the 2009 and 2010 asset disposals. The like-for-like rent reduction was limited to 3.1%. In the 4th quarter the organic growth narrowed to -1.5% compared to an aggregate decline of -3.6% year to date September 30, 2010, which was specifically due to indexing that had become positive again.

This change on a like-for-like basis mainly stems from the negative reversion of negotiations and re-lets (3.4% on 2010 organic growth). For example, out of the 128,024 sqm. (i.e. nearly 16% of the Group's office space) that were renewed or renegotiated with effect from 2010, a reduction was granted in nominal rent, even if the levels of the new agreed nominal rents were satisfactory. In return for the rent adjustments, the Group obtained extended leases, the signing of new contracts with an extended confirmed period.

Furthermore, 63 re-lets were signed in 2010 for more than 26,000 sqm. (i.e. nearly 3% of the portfolio in operation), which had 11% lower rents between new tenants and leavers (versus 13.6% lower rents year to date September 30, 2010).

Following the rental of the Origami properties (from October 1, 2010) and Anthos (from December 1, 2010), the occupancy rate improved slightly in 2010 to 95.3% compared to 94.9% average year to date September 30, 2010, but was slightly lower than the 95.7% observed in 2009. 42,832 sqm. were vacant at the end of 2010.

- 11% of these surface areas have already been re-let.
- 39% of these surface areas will be restructured in 2011.
- 13% of these surface areas are concentrated on the Square property in Velizy, where restructuring is under review, and on the offices located Avenue du Général Leclerc in Boulogne, vacated by Avis at the end of July 2010.

Residential real estate (30% of the Group's rental income)

Change on a like-for-like basis 2010 <i>versus</i> 2009	Indices	Renegotiations & renewals	Vacancy
1.9%	0.6%	1.3%	0.0%

2010 gross rental income totalled €183.3 million, down 6% on a current basis. On a like-for-like basis, rental income rose by 1.9%.

Residential real estate is still boosted by high turnover (15.8% on average for the year) allowing the company to take advantage of a potential increase in rent, and a very short re-letting period of 32 days on average in Paris. This division then benefits from positive structural and counter-cyclical growth aside from the indexing impact. Indeed, Gecina has posted an 8.3% increase on re-lets in its residential portfolio since January 2010.

Asset disposals led to a loss in rental revenues of €17.1 million over the year, which was not offset by the €3.2 million increase in like-for-like rental income and by the €2.2 million rental income on new investments. However, the vacancy rate of the residential business, which at 1.4% in 2009 was not material, in 2010 rose slightly to 2.9%, mostly due to the delivery of three residences (Saint-Denis, Simon Fryd in Lyon and Prévessin). These residences are currently being marketed and account for 2.1 points in the residential property vacancy rate.

Healthcare (8% of Group rental income)

Change on a like-for-like basis 2010 <i>versus</i> 2009	Indices	Vacancy	Other factors
0.7%	0.5%	0.0%	0.2%

Gecimed, which is 98.5% owned by Gecina, has been fully consolidated since the 2nd half of 2009. Full year 2010 gross rental revenues of the healthcare business amounted to €47 million.

Two assets were delivered to Générale de Santé during the year: The Hôpital Privé de l'Estuaire in Le Havre in June and the Jeanne

d'Arc Polyclinic in Gien in August. The two assets represent nearly €6.5 million of aggregate rent in a full year. Lastly, Gecimed will invest by 2012 €50 million in building the Annemasse private hospital, a project acquired from Générale de Santé.

Logistics (5% of Group rental income)

Change on a like-for-like basis 2010 <i>versus</i> 2009	Indices	Renegotiations & renewals	Vacancy	Other factors
-10.8%	-0.7%	-3.6%	-6.8%	0.3%

Gross rental income amounted to €32.1 million for full year 2010, 12.1% down on a current basis. On a like-for-like basis, there was a steep 10.8% reduction in revenues.

The financial occupancy rate continued falling in the 4th quarter, in line with what the Group announced in November. Consequently, the vacancy rate grew from an average 27.2% year to date September 2010 to an average 28.3% for full year 2010 (up from 18% in 2009).

At the same time, Gecina is actively marketing its vacant surface areas. For example, 25,000 sqm. were leased in early January on the Corbas site, which will prompt a 2.5 point improvement in the occupancy rate. Similarly, in line with the goal to pull out of this business, Gecina signed a sale agreement on a €119 million portfolio in February 2011. After the impact of this sale, the occupancy rate of the logistics business rises to 77%.

Hotels (3% of Group rental income)

Change on a like-for-like basis 2010 <i>versus</i> 2009	Indices	Vacancy	Other factors
-1.5%	-5.1%	0.0%	3.6%

2010 gross rental revenues totalled €19.4 million, down 3.5% compared to full year 2009 on a current basis. On a comparable basis, the reduction was less pronounced at 1.5%. This trend reflects indexation decreases throughout the year following strong indexation increases in previous years.

Following the disposal of the Marivaux Hotel on July 30, 2010, Gecina's hotel portfolio mainly comprises the four Club Méditerranée properties. The average residual term of leases for the hotel business is 7 years.

Leasing margin holds up despite higher vacancy rate

The leasing margin corresponds to the ratio of rental revenues net of property expenses and gross rental revenues.

Property expenses correspond to costs incurred in the operation of the properties, particularly: upkeep costs, operating charges (mainly including consumables, maintenance contracts and superintendent costs), and property tax. Based on the lease, a portion of these expenses is then recharged to tenants.

Apart from upkeep expenses, which are included in property expenses, the Group incurs renovation costs that are capitalized and are not therefore included under property expenses. The capitalized amounts are not amortized, but they are taken into account in the assessment of a property's fair value.

Changes in the level of property expenses depends largely on changes in the salaries of superintendents, the price of electricity, gas, heating oil and water, property taxes, and generally the rate of inflation on costs borne by the Group in the course of operating

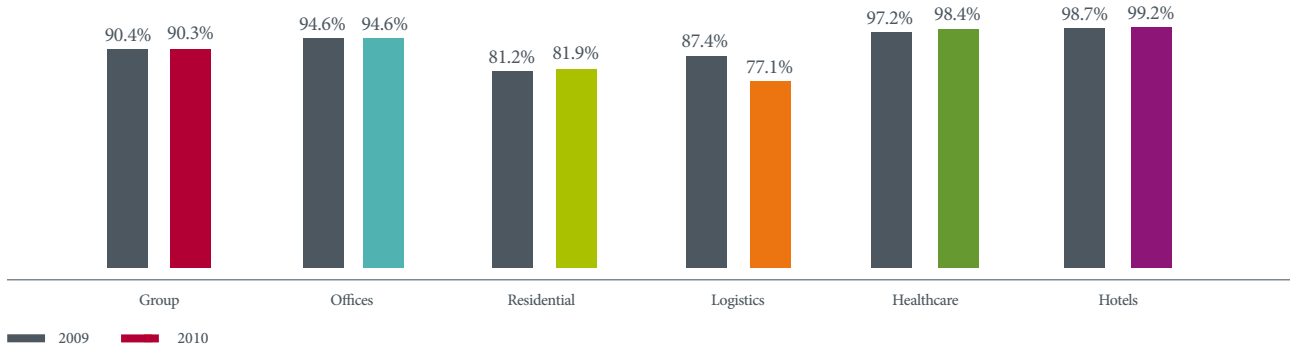
the properties. Margins vary by business sector: in residential, many charges are the responsibility of the owner of the building whereas in other sectors, the tenants are responsible for most charges, and for almost all of them in the triple net category of leases.

The Group's full year 2010 leasing margin was nearly flat at 90.3% versus 90.4% in 2009, holding up well in light of the net contraction recorded in the logistics business.

This result was largely due to the growth in the residential business which was boosted by the expense minimization policy implemented by the Group's asset management teams as well as the accretive effect of the disposals. The full year 2010 leasing margin of the office property was flat at 94.6% despite the higher vacancy rate. The leasing margins of the healthcare and hotel properties remained at structurally high levels, and only changed slightly based on adjustments in expenses.

Directly impacted by the cost of vacancy, Logistics remained the only segment with a steep reduction in leasing margin from 87.4% in 2009 to 77.1% for full year 2010.

Change in leasing margin 2010 versus 2009



Overheads

Overheads or administrative expenses mainly include salaries and fringe benefits and related management costs and other operating costs (e.g. premises, IT purchases and supplies) and fees.

In 2010, overheads totalled €79.8 million, down 9.8% year on year due to a sharp 24% drop in management costs (€26.2 million or 33% of the total of overheads).

Employee expenses are slightly down over the period (-0.7%) even though they include a €1.7 million increase in non-recurring expenses.

The workforce (excluding building superintendents) dipped slightly at year end 2010 (399 people versus 402 at year end 2009), for a total workforce at year end 2010 of 600 people (201 building superintendents).

Overheads represented 12.9% of rental revenues, slightly down since last year and accounting for 0.7% of the value of assets under management.

4.1.2. Contraction of recurring income at the lower range of initial expectations: impact of restructuring measures

Debt hedge restructured to allow better overview of the cost of debt

Net financial costs increased slightly (+0.9%) to €155 million versus €153.7 million for full year 2009. The increase in the average cost of debt announced by Gecina occurred in the Q4 and amounted to 3.62% over full year 2010 versus 3.59% in 2009.

The Group confirms that it expects an average cost of debt of 4.15% for 2011, of which 20 bp due to an increase in interest rates without margin and 23 bp due to an increase in margins. The increase in cost of debt would have been an additional 69 bp before the restructuring of hedges carried out in the Q4 2010.

Gecina set up a Treasury Bond program of €400 million in 2010, the total outstanding balance of which has been growing steadily to reach €90 million at the end of January 2011.

The hedging policy allows a large portion of cash flow to be protected against a potential hike in rates. Thus, in relation to the existing debt at December 31, 2010, the sensitivity

of 2011 financial costs to a +/-50 bp change in Euribor is +/-€5 million.

Recurring income down 5.9%

The Group's recurring income amounted to €327.4 million *versus* €348.1 million in 2009, – down 5.9%.

€ millions	12/31/2010	12/31/2009	Change (%)
Gross rental income	616.8	647.2	-4.7%
Property expenses	(155.5)	(153.5)	+1.3%
Recharges to tenants	94.7	91.2	+3.8%
Net rental income	556.0	585.0	-5.0%
Services and other expenses (net)	6.2	5.3	+18.2%
Overheads	(79.8)	(88.5)	-9.8%
EBITDA	482.4	501.8	-3.9%
Net financial expenses	(155.0)	(153.7)	+0.9%
Recurring income	327.4	348.1	-5.9%

4.1.3. Increase in property holding value has highly favourable impact on net income

Disposals detailed in Section 4.2.1 showed a net income of €43,8 millions.

Changes in value

Gecina's property holdings are valued twice a year by independent appraisers.

The change in value of properties over a given period corresponds to the difference between (i) the appraised value of properties owned by the Group at the end of the year in question and (ii) the appraised value of the properties held by the Group at the start of the fiscal year in question plus the amount spent on construction work capitalized during the year. The change in the fair value of fixed assets is also adjusted (where necessary) to take account of acquisitions and disposals in the year.

The fair value of investment properties is posted to the income statement.

Investment properties are not therefore subject to depreciation or impairment, only the head office property is depreciated.

The change in fair value of financial instruments principally represents the result of adjusting the fair value of hedging instruments for the Group's gross debt and of transferable securities. The Group's policy is to pursue an overall hedging policy for its financial risks, mainly interest-rate risk. As such hedging instruments are revalued at each year-end in accordance with IAS 32 and 39, and the impact is recognized mainly through income.

At December 31, 2010, the block value of the property holding amounted to €11,667 million, up 12.7% on a current basis and up 7.7% on a like-for-like basis. This change is in line with the Group's November 2010 guidance of over 7% growth in the property holding's value on a like-for-like basis. The 7.7% increase was primarily (*i.e.* 7.1% of the 7.7%) due to a reduction in capitalization rates, and the remaining 0.6% arose due to changes in rent.

This improvement in values has an impact of +€763.2 million on income (*versus* -€871.3 in 2009).

On the other hand, the decrease in the fair value of financial instruments at December 31, 2010 includes:

- a €7.1 million capital loss on the sale of Eiffage shares, which were bought for €155.7 million, had a book value based on the stock market closing price of €66.1 million, and were sold on November 15, 2010 for €59.0 million;
- a €40.3 million loss due to the restructuring of 11 hedge transactions, representing a notional amount of €3,713 million and a value of €100.7 million on sale;
- the €10.1 million decrease in value of the Ornane bond issued on April 9, 2010, given that Gecina had elected for fair value accounting;
- the €46.8 million decrease in the value of non asset-backed derivative instruments (-€37.3 million for fixed rate paying instruments and -€9.4 million for floating rate paying instruments).

Financial impairment charges mainly comprise impairment in Spain (amounting to €34.5 million in 2010 *versus* €94 million in 2009). In this regard, note that Gecina, through its subsidiary SIF Espagne:

- in October 2008, bought a 19.57% equity stake in Sanyrès, No. 4 healthcare facilities operator in Spain. The €44 million value of this investment was fully written down for impairment at the end of 2009 in the Consolidated Financial Statements due to the economic crisis in Spain and the financial situation of this company. This stake was fully sold at the end of 2010 at a net price of €2.7 million;

- purchased a 49% equity stake in Bami, which was completed in June 2009. The real estate company owns an office portfolio in operation and under development in Madrid valued at €605 million at June 30, 2010. The purchase was made for an amount excluding costs of €107.8 million, €100 million of which was paid in bonds convertible into shares of Stratum Industries, a Luxembourg company, and the rest in cash;
 - this equity investment, consolidated under the equity method until December 31, 2010 (and from December 31, 2010 treated as a non-consolidated equity investment given that Gecina no longer has a significant influence on this equity investment), was fully written down for impairment at year end 2010 in the Consolidated Financial Statements due to the company's negative net assets (after restatement to the Group's accounting principles) due to the economic crisis in Spain and the company's financial situation,
 - Gecina had granted an advance for which the residual amount of €2.7 million was fully written down for impairment at December 31, 2010. Late 2010, Gecina Group initiated a lawsuit in Spain against Bami to collect this receivable,
 - SIF Espagne, subsidiary of Gecina, had granted a guarantee of €20 million in connection with the Bami bank refinancing, in application of a commitment taken before finalizing the acquisition of this interest on June 29, 2009: this guarantee which was counter guaranteed by Gecina in March 2010, was fully written down for impairment at December 31, 2010,
 - the principal shareholders in Bami, including SIF Espagne, made a joint commitment to guarantee Bami's obligations in relation to FCC Construcción under a contract entered into in September 2008 for a project to build offices for FCC Construcción in Madrid. Since Bami had not met its commitments by the planned date, FCC Construcción opened legal

proceedings against Bami in May 2010 to recover a principal amount of 5 million euros, corresponding to the penalty provided for in the contract from September 2008, and impleaded Bami's two principal shareholders. A provision of €5 million is recorded since June 2010;

- furthermore, in October 2007 Gecina granted a €76 million loan to the company Bamolo in connection with the acquisition of a plot of land in Marbella. In February 2008, it was acted a reduction of the loan to €59 million. Following changes in the local urban planning in particular, the value of land in the Consolidated Financial Statements was reduced to €6.1 million at December 31, 2010 based on an external appraisal. Gecina has sued Bamolo demanding repayment of its loan that had matured in October 2010.

The net loss of equity affiliates concerns, as indicated in the previous paragraph, mostly Bami, which has had no impact on the Financial statements since June 30, 2010.

Taxes include a current income tax expense of €2.4 million, an exit charge of €8 million which will reduce future deferred tax expenses (which in 2010 represented income of €21.1 million) on three properties purchased under a financial lease, non-current tax income of €30.8 million, €29.9 million of which is linked to tax reductions or litigations that were settled in favour of Gecina.

Minority interests correspond to the 25% minorities share in the value increase of the Beaugrenelle shopping centre project under development.

2010 net income Group share amounted to €998.2 million compared to a €773.7 million loss in 2009.

4.2. Property holding and financial structure

4.2.1. Changes in property holding

Valuation of property holding up 7.7% like for like and NAV up 12.9% over the year

At December 31, 2010, the block value of the property holding amounted to €11,667 million, up 12.7% on a current basis and

up 7.7% on a like-for-like basis. This increase is in line with the Group's November 2010 guidance of over 7% like-for-like growth in the property holding's value. The 7.7% increase was primarily (i.e. 7.1% of the 7.7%) due to a reduction in capitalization rates, and the remaining 0.6% arose due to changes in rent.

Breakdown by segment € million	Block value		2009	Change current basis		Change like for like	
	2010	S1 2010		6 months	12 months	6 months	12 months
Offices	6,575	5,549	5,462	18.5%	20.4%	5.1%	8.2%
Residential	3,639	3,385	3,377	7.5%	7.8%	9.5%	12.4%
Health	737	697	683	5.7%	7.9%	5.2%	7.6%
Logistics	441	556	558	-20.8%	-21.0%	-21.1%	-25.4%
Hotels	275	269	275	2.6%	0.2%	3.7%	4.0%
Subtotal	11,667	10,456	10,354	11.6%	12.7%	5.3%	7.7%
Companies accounted for by the equity method	7	163	193	N/A	N/A	N/A	N/A
GROUP TOTAL	11,675	10,619	10,547	9.9%	10.7%	5.3%	7.7%
Total value units	12,423	11,340	11,320	9.5%	9.7%	5.4%	7.3%

The Group's gross capitalization rates fell from 6.55% in 2009 to 6.14% in 2010. Net capitalization rates dipped from 6.01% in 2009 to 5.61% in 2010, i.e. down 40 bp.

These rates are detailed on a like-for-like basis in the table below.

Change in capitalization rates on a like-for-like basis

	Gross cap rate			Net cap rate		
	2010	2009	Change	2010	2009	Change
Offices (including head office)	6.40%	6.97%	-0.57%	6.08%	6.68%	-0.60%
Residential	5.10%	5.64%	-0.54%	4.23%	4.64%	-0.41%
Logistics	10.15%	8.30%	1.85%	8.30%	7.25%	1.05%
Hotels	7.12%	7.23%	-0.11%	7.07%	7.14%	-0.07%
Health	7.10%	7.48%	-0.38%	7.00%	7.29%	-0.29%
TOTAL LIKE-FOR-LIKE BASIS	6.17%	6.65%	-0.49%	5.63%	6.11%	-0.48%

Turnover of assets €482 million of disposals made with a 11.4% premium

Gecina carried out a total of €482 million asset disposals in 2010. Sale prices showed an average premium of 11.4% compared to the 2009 appraisal values.

These disposals break down as follows:

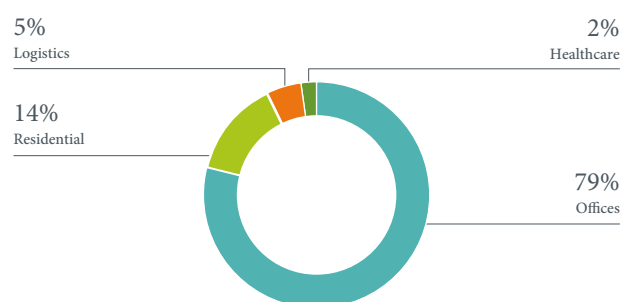
- €272 of residential properties, including 77% of sales by units closed on the basis of an average premium of 24% compared to the 2009 appraisal values. Sales of block residential properties were made with a 4% premium compared to 2009 appraisal values;
- 37% of asset sales concerned office assets, on the basis of a sale price slightly above 2009 values.

At the same time, Gecina invested €723 million in 2010, comprising both acquisitions and projects under development (92% of investments) and capex (8% of investments). These investments concerned:

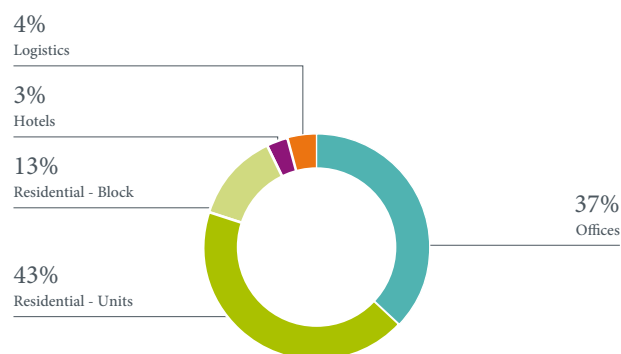
- **offices:** Gecina acquired a property named "Portes d'Arcueil" for €250 million, an asset entirely rented to France Télécom. €199 million was invested in projects in progress, especially on the "Park Azur" property in Montrouge and the "Beaugrenelle" shopping centre. Lastly, €89 million was invested on projects that have since been delivered ("Anthos" and "Origami" properties);
- **residential:** €37 million was invested in ongoing projects, including a student's residence in Paris, and traditional residence programs in the Paris area and in other parts of France. €47 million were invested in properties that have now been delivered.

The acquisition of a 25% stake in Beaugrenelle, raising Gecina's equity interest in this project to 75% during the second half, represents an additional €58 million.

€781 million of investment



€482 million of disposals



The diluted NAV (block) triple net (EPRA reference), whose calculation can be found in the notes to the Consolidated Financial Statements, stood at €99.7 per share at December 31, 2010, up 12.9% compared to year end 2009 and up 14.9% compared to June 30, 2010. The difference compared to 2009 stems from the following:

- payment of a dividend (-€4.4);
- impact of the recurring income (+€5.3);
- change in value of assets (+€12.3);
- change in value of derivative instruments (-€1.7);
- other (-€0.2).

4.2.2. Other assets items

- Other tangible and intangible assets include furniture and fittings and Gecina's software.
- Financial investments of €9.2 million covering investments in non-consolidated companies, as well as investments such as Bamolo (residual value of €6.1 million after €59.4 million impairment) and Sanyres (sold at year end). The 49% equity stake in Bami Newco, which is no longer consolidated under the equity method at December 31, 2010 (given that Gecina had no significant influence) and which represents a gross value of €109.3 million is fully written down.
- Equity-accounted investments (€3.9 million *versus* €86.2 million in 2009) which only cover the equity investment in Labuire (which owns land reserves currently for sale in Lyon) after the consolidation of Beaugrenelle, the liquidation (after disposal of the last assets in Lyon) of SGIL and the reclassification of Bami Newco as a non-consolidated investment.
- Financial instruments (assets and liabilities) only cover derivatives following the disposal of Eiffage shares.
- Trade and other receivables remained stable at €65.6 million as did client risk.
- Other receivables of €71.4 million include VAT receivables and the €15.3 million sales price of an asset in Maisons-Alfort, for which payment from OPAC was received in 2011, which explains the increase compared to 2009.
- Prepaid expenses (€24.0 million *versus* €16.2 million in 2009) primarily include deferred charges, such as ten-year insurance policies, cost of arranging loans and marketing costs. The increase is due to costs of renewing and extending €1,115 million of credit lines in spring 2010.

4.2.3. Financial structure: diversifying sources of finance and restructuring the hedging policy

Shareholders' equity of €6,148 million, up from €5,373 million in 2009, rose primarily due to net income for the year of €998.2 million (Group share) and inclusion of €46 million for Beaugrenelle minorities, and is stated after deduction of the €268 million dividend paid in 2010.

Net debt at year end 2010 amounted to €5,174 million, up 7.4% on year end 2009. The average term of debt is 3.9 years, *versus* 3.8 at year end 2009. Gecina successfully negotiated the postponement of credit lines, reducing repayments in 2011 from

€794 million to €307 million, thereby representing no more than 5% of the amount of authorized lines. The repayment of debt in the next three years has fallen from 62% (early 2010) to 43% of the outstanding balance.

The LTV ratio amounted to 44.3%, in line with the internal limit fixed by the Group of a maximum of 45%. Gecina had €850 million of unused lines at year end 2010. This amount increased to €1,460 million after the bond issue of February 2011.

At December 31, 2010, Gecina was compliant with all its applicable bank covenants:

Ratios	Covenant	12/31/2010
Net financial debt/Block value	< 50% -55%	44.3%
EBITDA excl. disposals/Financial costs	> 2.25x	3.09x
Pledged debt/Block value	< 20%	16.9%
PROPERTY HOLDING VALUE (BLOCK) IN € MILLION	> 8,000	11,662

4.2.4. Other liabilities

- The decrease in provisions for risks and charges to €48.9 million from €108.2 million in 2009 primarily stems from (i) the use of €32.8 million for two settled tax disputes after a ruling against the company which will be appealed, (ii) the release, following the two tax disputes definitively settled in favour of the company (one in first instance, the other on appeal) for €26.6 million and (iii) the use for €8.5 million and the release of €24.5 million from a provision for future impairment on the purchase commitments of two properties in Boulogne-Billancourt (92).
- Trade payables include the earnout estimated at €17 million at the end of 2010 on the acquisition of 25% of Beaugrenelle and the commitment estimated at €29 million of the purchase of the balance of the shares of the company that owns an office project in Montrouge (92). Trade payables payment averaged 46 days in 2010.
- The increase in tax and social security liabilities is due to VAT, while other payables are down due to the consolidation of the €4.6 million advance to Beaugrenelle and the completion of the works advanced by the operator for an amount of €6.9 million in 2009 for the healthcare facilities of Le Havre and Gien.

4.3. Consolidated Financial Statements for the year ended december 31, 2010

Consolidated balance sheet

Assets

€ thousands	Notes	12/31/2010			12/31/2009	12/31/2008
		Gross	Depreciation and provisions	Net	Net	Net
Non-current assets		11,265,701	183,105	11,082,596	10,332,475	10,772,769
Investment properties	5.1	10,116,219	0	10,116,219	9,474,928	9,831,149
Properties under reconstruction	5.1	832,892	0	832,892	555,332	387,135
Operating buildings	5.1	76,204	8,359	67,845	69,279	70,713
Other tangible fixed assets		8,089	4,000	4,089	4,493	4,147
Intangible fixed assets		5,871	1,985	3,886	3,164	2,656
Financial investments	5.2	177,973	168,761	9,212	112,931	358,046
Equity-accounted investments	5.3	3,867	0	3,867	86,238	88,211
Financial instruments	5.11	43,361	0	43,361	25,604	27,546
Deferred taxes	5.4	1,225	0	1,225	506	3,166
Current assets		855,197	19,450	835,747	564,785	990,353
Properties held for sale	5.5	650,184	0	650,184	254,506	729,652
Inventories	5.1	0	0	0	0	7,205
Trade receivables	5.6	79,190	13,603	65,587	64,860	56,375
Other receivables	5.7	77,221	5,847	71,374	59,420	76,071
Prepaid expenses		23,975	0	23,975	16,206	18,690
Financial instruments	5.11	0	0	0	66,530	62,597
Cash and equivalents	5.8	24,627	0	24,627	103,263	39,763
TOTAL ASSETS		12,120,898	202,555	11,918,343	10,897,260	11,763,122

Liabilities

€ thousands	Note	12/31/2010			12/31/2009	12/31/2008
Capital and reserves	5.9			6,147,615	5,372,747	6,259,103
Capital				469,615	469,367	468,335
Issue, merger and contribution premiums				1,868,106	1,866,334	1,864,152
Consolidated reserves				2,765,848	3,809,100	4,801,968
Group consolidated earnings				998,245	(773,724)	(875,352)
Group shareholders' equity				6,101,814	5,371,077	6,259,103
Total minority interests				45,801	1,670	0
Non-current liabilities				5,074,424	4,564,246	4,901,372
Financial debt	5.10			4,825,008	4,253,059	4,679,594
Financial instruments	5.11			171,378	166,515	85,381
Deferred tax liabilities	5.4			23,134	33,373	47,093
Provisions for risks and charges	5.12			48,913	108,151	76,541
Tax and social security payables	5.13			5,991	3,148	12,763
Current liabilities				696,304	960,267	602,647
Short-term portion of debt	5.10			374,087	669,264	146,289
Financial instruments	5.11			4,984	8,327	27,300
Security deposits				65,979	68,269	73,603
Trade payables				140,089	100,604	71,999
Tax and social security payables	5.13			57,656	49,439	50,668
Other payables	5.14			53,509	64,364	232,788
TOTAL LIABILITIES				11,918,343	10,897,260	11,763,122

Consolidated income statement

€ thousands	Notes	12/31/2010	12/31/2009	12/31/2008
Gross rental income	6.1	616,770	647,196	637,040
Property expenses	6.2	(155,470)	(153,487)	(154,090)
Recharges to tenants	6.2	94,671	91,246	90,811
Net rental income		555,971	584,955	573,761
Services and other income	6.3	6,235	5,273	4,729
Overheads	6.4	(79,817)	(88,455)	(88,755)
EBITDA		482,389	501,773	489,735
Gains or losses on disposals	6.5	43,820	(19,478)	7,806
Change in value of properties	6.6	763,178	(871,316)	(989,756)
Depreciation		(4,148)	(3,285)	(2,984)
Net impairments and provisions		4,206	(11,575)	(9,155)
Operating income		1,289,445	(403,881)	(504,354)
Net financial expenses	6.7	(155,018)	(153,699)	(191,744)
Financial impairment and amortization	5.2	(34,560)	(94,003)	0
Change in value of financial instruments	6.8	(104,226)	(72,067)	(186,648)
Net income from equity-accounted investments	5.3	(21,327)	(59,839)	(11,282)
Income before tax		974,314	(783,489)	(894,028)
Tax	6.9	41,520	9,946	18,676
Minority interests		(17,589)	(181)	0
CONSOLIDATED NET INCOME (GROUP SHARE)		998,245	(773,724)	(875,352)
Consolidated net income per share	6.10	€16,39	-€12,83	-€14,66
Diluted consolidated net income per share	6.10	€16,25	-€12,53	-€14,28

Other items of comprehensive income

€ thousands	Notes	12/31/2010	12/31/2009	12/31/2008
Consolidated net income (Group share)		998,245	(773,723)	(875,352)
Impact of share-based payments		3,400	6,644	2,539
Gains or losses from translation differentials		255	14	(1,485)
Change in value of financial instruments		(4,703)	(4,579)	(1,874)
TOTAL PROFIT (LOSS)		997,197	(771,644)	(876,172)
Recurring income		327,371	348,074	297,991

Statement of changes in consolidated shareholders' equity

€ thousands (except number of shares)	Number of shares	Share capital	Consolidated premiums and reserves	Equity (Group share)	Minority interests	Total shareholders' equity
Balance at January 1, 2008	62,424,545	468,185	7,250,422	7,718,607	2,597	7,721,204
Dividend paid in April 2008 (€5.01 per share)			(298,600)	(298,600)		(298,600)
Interim dividend paid in January 2009 decided by the Board on December 13, 2008 (€2.50 per share)			(148,565)	(148,565)		(148,565)
Assigned value of treasury shares ⁽¹⁾			(96,730)	(96,730)		(96,730)
Change in value of financial instruments ⁽²⁾			(51,874)	(51,874)		(51,874)
Impact of share-based payments ⁽³⁾			2,539	2,539		2,539
Gains or losses from translation differentials			(1,485)	(1,485)		(1,485)
Group capital increase ⁽⁴⁾	20,107	151	1,271	1,422		1,422
Other changes ⁽⁵⁾			9,141	9,141	(2,597)	6,544
2008 Net Income			(875,352)	(875,352)		(875,352)
Balance at December 31, 2008	62,444,652	468,336	5,790,768	6,259,103	0	6,259,103
Dividend paid in May 2009 (€1.22 per share)			(72,810)	(72,810)		(72,810)
Dividend paid in June 2009 (€1.98 per share)			(118,145)	(118,145)		(118,145)
Assigned value of treasury shares ⁽¹⁾			(22,692)	(22,692)		(22,692)
Change in value of financial instruments ⁽²⁾			45,421	45,421		45,421
Impact of share-based payments ⁽³⁾			6,644	6,644		6,644
Gains or losses from translation differentials			16	16		16
Group capital increase ⁽⁴⁾	137,588	1,032	2,286	3,318		3,318
Changes in consolidation ⁽⁶⁾			43,949	43,949	1,489	45,438
2009 Net income			(773,724)	(773,724)	181	(773,543)
Balance at December 31, 2009	62,582,240	469,367	4,901,712	5,371,079	1,670	5,372,750
Dividend paid in May 2010 (€4.40 per share)			(267,860)	(267,860)		(267,860)
Assigned value of treasury shares ⁽¹⁾			1,180	1,180		1,180
Change in value of financial instruments ⁽²⁾			(4,703)	(4,703)		(4,703)
Impact of share-based payments ⁽³⁾			3,400	3,400		3,400
Gains or losses from translation differentials			255	255		255
Group capital increase ⁽⁴⁾	33,128	249	1,797	2,046		2,046
Changes in consolidation ⁽⁷⁾			(1,828)	(1,828)	26,592	24,764
Other changes				0	(50)	(50)
2010 Net income			998,245	998,245	17,589	1,015,834
BALANCE AT DECEMBER 31, 2010	62,615,368	469,616	5,632,199	6,101,814	45,801	6,147,615

(1) Treasury shares:

€ thousands (except number of shares)	At 12/31/2010		At 12/31/2009		At 12/31/2008	
	Number of shares	Net amount	Number of shares	Net amount	Number of shares	Net amount
Shares recorded as a deduction from equity	1,626,831	118,119	1,709,706	121,680	3,247,611	231,407
Treasury shares in %		2.60%		2.73%		5.20%

(2) Recognition in shareholders' equity of the effective portion of the change in fair value of cash flow hedge derivatives (see Note 3.8) including those of equity accounted companies and, for €50 million in 2008 and a €50 million reduction in 2009 of shares subject to an equity swap.

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

(4) Share issue for the exercise of stock options by Group employees (2,708 shares in 2010, 9,470 shares in 2009 and 1,019 shares in 2008) and share issue linked to the capital increase reserved for Group employees as part of the set up of an employee mutual fund (30,420 shares in 2010, 128,118 shares in 2009 and 19,088 shares in 2008).

(5) Increase of the equity stake in Gecimed and cancellation of minority interests following the application of the equity method of accounting for Labuire, Beaugrenelle and SGIL. (See Note 5.3.).

(6) Full consolidation of Gecimed for the first time.

(7) Full consolidation of Beaugrenelle for the first time.

Statement of consolidated cash flow

<i>€ thousands</i>	12/31/2010	12/31/2009	12/31/2008
Consolidated net income (including minority interests)	1,015,832	(773,543)	(875,352)
Net income from equity-accounted investments	21,326	59,840	11,282
Net impairment and provision charges	31,442	105,458	10,937
Changes in fair value and discounting of payables and receivables	(658,953)	943,384	1,176,406
Calculated charges and proceeds from stock options	3,400	6,644	9,607
Tax charges (including deferred tax)	(41,519)	(9,946)	(18,676)
Recurring cash flow before taxes	371,528	331,838	314,203
Capital gains and losses on disposal	(43,821)	19,160	(6,893)
Other calculated income and expenses	4,296	(15,153)	(18,113)
Cost of net debt	155,018	153,702	191,745
Net cash flow before cost of net debt and tax (A)	487,021	489,546	480,943
Tax paid (B)	(24,711)	(1,953)	(11,396)
Change in operating working capital (C)	(11,021)	41,914	10,135
Net cash flow from investing activities (D) = (A+B+C)	451,289	529,508	479,683
Acquisitions of tangible and intangible assets	(576,488)	(289,645)	(332,890)
Sales of tangible and intangible assets	476,293	741,755	632,588
Disbursements for acquisitions of financial investments (non-consolidated investments)	0	0	(4,428)
Proceeds from sale of financial investments (non-consolidated investments)	2,718	8	13
Impact of changes in consolidation	(79,726)	1,542	(85,626)
Dividends received (equity-accounted investments, non-consolidated investments)	914	3,580	144
Other cash flows from investing activities	55,094	(19,649)	(63,402)
Change in working capital from investing activities	(921)	4,642	(47,502)
Net cash flow from investing activities (E)	(122,116)	442,232	98,898
Capital contribution from minority interests of consolidated companies	32	899	0
Amounts received on the exercise of stock options	3,135	4,579	2,481
Purchases and sales of treasury shares	90	(23,954)	(104,856)
Dividends paid to shareholders of the parent company	(267,997)	(339,420)	(297,684)
Dividends paid to minority interests of consolidated companies	(82)	0	0
New borrowings	1,637,836	89,259	536,474
Repayment of borrowings	(1,527,441)	(464,756)	(581,662)
Net interest paid	(159,971)	(173,096)	(202,129)
Other cash flows from financing activities	(100,223)	(97)	(135)
Net cash flow from financing activities (F)	(414,621)	(906,585)	(647,511)
CHANGE IN NET CASH AND EQUIVALENTS (D+E+F)	(85,448)	65,154	(68,930)
Opening cash and equivalents	103,258	38,104	107,034
Closing cash and equivalents	17,810	103,258	38,104

Notes to the Consolidated Financial Statements

1. Highlights

Foreword

Gecina, a European Real Estate Investment Trust ("SIIC") listed on Euronext Paris, is a leader in the premium property sector and owns, manages and develops property holdings worth €11.6 billion as at December 31, 2010, consisting primarily of office and residential buildings located in Paris and the Paris region, as well as student residences, logistics platforms, healthcare establishments and hotels. Benefiting from sound, integrated expertise, Gecina accompanies its clients on their property journeys, with an ever-present concern for the impact of its businesses. Gecina has integrated sustainable innovation in its strategy and, to cement its social commitments, has set up a corporate foundation dedicated to environmental protection and the support of all forms of disability.

www.gecina.fr

Fiscal year 2010

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

Gecina also raised its stake in Beaugrenelle from 50 to 75% on July 12, 2010 and acquired 10% of SNC Montbrossol, with a commitment to purchase the additional 90% at completion of the building currently under construction in Montrouge leading to an interest of 100%.

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

Gecina also extensively restructured its financial instruments portfolio by canceling 11 transactions for a nominal amount of €3,713 million and paying off the €100.7 million balance in cash. In return, new transactions were subscribed amounting to a nominal value of €1,350 million.

2. General principles of consolidation

2.1. Reporting standards

The Consolidated Financial Statements of Gecina and its subsidiaries ("the Group") are prepared in accordance with IFRS as adopted by the European Union. The reporting standards can be viewed on the European Community's website: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#iasb-adoption.

As Gecina Group is not concerned by the IAS 39 exclusion on the recognition of financial instruments, or by mandatory standards or interpretations for 2010 not yet adopted by the European Union, the Financial statements are also compliant with the IASB's IFRS.

The standards and interpretations applicable for the Group since January 1, 2010 have no significant impact on its results and financial position. The standards and official interpretations that may be applicable after the balance sheet date have not been applied in advance and are not expected to have any material impact on the Financial statements.

The preparation of the Financial statements in accordance with IFRS requires certain key accounting estimates to be made. The Group is also required to exercise its judgment on the application of accounting principles. The areas where the issues are most important in terms of judgment or complexity or those for which the assumptions and estimates are significant with regard to the Consolidated Financial Statements are described in Note 3.14. The disclosures required under IFRS 7 concerning the type and risk of financial instruments appear in Notes 3.8, 3.9, and 4.

2.2. Consolidation methods

All the companies held by the Group directly or indirectly with exclusive control come under the scope of consolidation and are fully consolidated. The companies in which Gecina exercises a notable or joint influence are consolidated under the equity method.

Some non-material companies are not consolidated pursuant to the general provisions of IAS 27 and IAS 28.

2.3. Scope of consolidation

As of December 31, 2010, the consolidation included the following companies:

Companies	SIREN	12/31/2010 % interests	Method of consolidation	12/31/2009 % interests	12/31/2008 % interests
Gecina	592 014 476	100.00%	Parent company	100.00%	100.00%
23-29, rue de Châteaudun	387 558 034	100.00%	FC	100.00%	100.00%
5 rue Montmartre	380 045 773	100.00%	FC	100.00%	100.00%
55, rue d'Amsterdam	382 482 065	100.00%	FC	100.00%	100.00%
A.I.C.	351 054 432	100.00%	FC	100.00%	100.00%
Aralog Inversiones		100.00%	FC	100.00%	100.00%
Aralog Inversiones y developpement	423 542 133	100.00%	FC	100.00%	100.00%
Arnas	318 546 090	100.00%	FC	100.00%	100.00%
Beaugrenelle	307 961 490	75.00%	FC	50.00%	50.00%
Braque	435 139 423	100.00%	FC	100.00%	100.00%
Braque Inglatan	12 698 187	100.00%	FC	100.00%	100.00%
Campusea (ex-Immofac)	501 705 909	100.00%	FC	100.00%	100.00%
Capucines	332 867 001	100.00%	FC	100.00%	100.00%
Clairval	489 924 035	98.59%	FC	98.00%	48.96%
Colvel Windsor	477 893 366	100.00%	FC	100.00%	100.00%
Compagnie Foncière de Gestion	432 028 868	100.00%	FC	100.00%	100.00%
Dassault Suresnes	434 744 736	100.00%	FC	100.00%	100.00%
Denis	439 986 100	100.00%	FC	100.00%	100.00%
Denis Inversiones	B63256457	100.00%	FC	100.00%	100.00%
Ernst	439 959 859	100.00%	FC	100.00%	100.00%
Ernst Belgie		100.00%	FC	100.00%	100.00%
GEC 2 - Geciotel	428 819 064	100.00%	FC	100.00%	100.00%
GEC 4	490 526 829	100.00%	FC	100.00%	100.00%
GEC 7	423 101 674	100.00%	FC	100.00%	100.00%
Gecimed	320 649 841	98.59%	FC	98.00%	48.96%
Geciter	399 311 331	100.00%	FC	100.00%	100.00%
Grands Bouessays	309 660 629	100.00%	FC	100.00%	100.00%
Haris	428 583 611	100.00%	FC	100.00%	100.00%
Haris Investycje		100.00%	FC	100.00%	100.00%
Investibail transactions	332 525 054	100.00%	FC	100.00%	100.00%
Joba	392 418 216	100.00%	FC	100.00%	100.00%
Labuire Aménagement	444 083 901	59.70%	EM	59.70%	59.70%
Le Pyramidion Courbevoie	479 765 874	100.00%	FC	100.00%	100.00%
Locare	328 921 432	100.00%	FC	100.00%	100.00%
Michelet	419 355 854	100.00%	FC	100.00%	100.00%
Montessuy	423 852 185	100.00%	FC	100.00%	100.00%
Nikad	433 877 669	100.00%	FC	100.00%	100.00%
Parigest	642 030 571	100.00%	FC	100.00%	100.00%
Sadia	572 085 736	100.00%	FC	100.00%	100.00%
Saint Augustin Marsollier	382 515 211	100.00%	FC	100.00%	100.00%
Saint Genis Industries	382 106 706	100.00%	FC	100.00%	100.00%
Société Hotel d'Albe	542 091 806	100.00%	FC	100.00%	100.00%
Société Immobilière et Commerciale de Banville	572 055 796	100.00%	FC	100.00%	100.00%
SPIPM	572 098 465	100.00%	FC	100.00%	100.00%
SPL	397 840 158	100.00%	FC	100.00%	100.00%
Tour H15	309 362 044	100.00%	FC	100.00%	100.00%
Val Notre Dame	343 752 903	100.00%	FC	100.00%	100.00%

Companies	SIREN	12/31/2010 % interests	Method of consolidation	12/31/2009 % interests	12/31/2008 % interests
First consolidated in 2008					
Camargues Logistique	482 439 087	100.00%	FC	100.00%	100.00%
GEC 8	508 052 149	100.00%	FC	100.00%	100.00%
GEC 9	508 052 008	100.00%	FC	100.00%	100.00%
Khapa	444 465 017	100.00%	FC	100.00%	100.00%
L'Angle	444 454 227	100.00%	FC	100.00%	100.00%
Société des Immeubles de France (Spain)		100.00%	FC	100.00%	100.00%
First consolidated in 2009					
Bami Newco		49.00%	EM	49.00%	
First consolidated in 2010					
Annemasse	528 229 917	100.00%	FC		
Anthos	444 465 298	100.00%	FC		
Montbrossol	380 249 326	100.00%	FC		
Deconsolidated in 2008					
GEC 1 - Gecilog	428 819 130	Merged	FC	Merged	Merged
GEC 5	490 742 657	Merged	FC	Merged	Merged
Deconsolidated in 2009					
16 VE Investissements	352 396 899	Merged	FC	Wound up	100.00%
77/81, Bld Saint-Germain	431 570 530	Merged	FC	Merged	100.00%
Fedim	440 363 513	Merged	FC	Merged	100.00%
Gessi	409 790 276	Wound up	FC	Wound up	100.00%
Parisienne Immobilière d'Investissement 2	434 021 309	Merged	FC	Merged	100.00%
PB Îlot 1-4	437 592 672	Merged	FC	Merged	100.00%
Rue de la Faisanderie	442 504 999	Merged	FC	Merged	100.00%
Union Immobilière et de Gestion	414 372 367	Merged	FC	Merged	100.00%
Deconsolidated in 2010					
Bami Newco ⁽¹⁾		49.00%	NC	49.00%	
Foncigef	411 405 590	Wound up	FC	100.00%	100.00%
Foncirente	403 282 353	Wound up	FC	100.00%	100.00%
GEC 3	428 818 512	Merged	FC	100.00%	100.00%
GEC 6	490 753 340	Merged	FC	100.00%	100.00%
Paris Saint Michel	344 296 710	Merged	FC	100.00%	100.00%
Parisienne Immobilière d'Investissement 1	434 021 200	Merged	FC	100.00%	100.00%
S.G.I.L.	964 505 218	Wound up	EM	36.55%	36.55%
SCI Bazincourt	449 212 562	Merged	FC	98.00%	48.96%
SCI Pierre Curie	443 957 014	Merged	FC	98.00%	48.96%

FC: Full consolidation.

EM: Equity method.

NC: Not consolidated.

(1) See Note 5.2.

2.4. Consolidation adjustments and eliminations

2.4.1. Adjustments for consistency of individual Financial statements

The rules and methods applied by consolidated companies are subject to adjustments for the purpose of consistency with those of the Group.

All the companies close their accounts (or prepare a position of accounts) on December 31, 2010, with the exception of Bami Newco whose accounts at December 31, 2010 are not available (see Note 5.3).

2.4.2. Intercompany transactions

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

2.4.3. Business combinations (IFRS 3)

The acquisition cost corresponds to the fair value on the date of exchange of the contributed assets and liabilities and the capital

instruments issued in exchange for the acquired entity. Positive goodwill is recognized as an asset in respect of the surplus of the acquisition cost over the buyer's share of the fair value of the assets and liabilities acquired after deferred tax that is recorded under deferred tax. Negative goodwill is posted to the income statement.

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

2.5. Foreign currency translation

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

3. Accounting principles

3.1. Property holdings

3.1.1. Investment properties (IAS 40)

Properties held for the long term and intended to be leased under operating leases, and/or held for capital appreciation, are considered as investment properties.

On acquisition, investment properties are recorded on the balance sheet at cost inclusive of duties and taxes.

Interest expenses related to construction operations and eviction compensation paid in connection with building reconstructions are capitalized.

Contracts for assets acquired under leases are recognized as finance leases and recorded as assets on the balance sheet, and the corresponding borrowings are recorded as liabilities under debt. Accordingly, the fees are eliminated and the interest expense for financing and the fair value of the asset are recognized in accordance with the Group's accounting principles.

Gecina has opted for the valuation of investment properties at fair value. The company has elected, by convention, to retain the block value of properties in the Consolidated Financial Statements. This block value excludes transfer duties and is determined by independent appraisers (at December 31, 2010: BNPP Real Estate, Catella, CB Richard Ellis Bourdais, Foncier Expertise and Jones Lang LaSalle), which value the Group's portfolio on the assumption of a long-term holding at June 30 and December 31 each year and which take into account capitalized construction work. Valuations are conducted in accordance with industry practices using valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. Properties acquired within less than six months are not generally independently valued on the reporting date if there have been no significant changes in the market environment.

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

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

Investment properties under redevelopment are stated at fair value.

Properties under construction or acquired with the intention of reconstruction or in the process of being reconstructed are recognized at fair value. The fair value is determined by appraisers based on an evaluation of the property's realizable value less all direct and indirect future development costs. However, the Group considers that a property in the process of construction can only be reliably appraised at fair value when the foundations of the building are completed and its marketing is advanced and that whatever the case, a fair value appraisal will be performed when the asset is protected from the rain. This procedure is applied to all projects launched on or after January 1, 2010.

Valuation procedure

Each investment property is measured separately by an independent appraiser. The property is assessed at fair market value, which corresponds to the price at which it could be sold between informed consenting parties operating under normal market conditions without reference to the financing conditions as of the valuation date.

a) Office properties

The fair market value of each asset is based on the results of the following three methods. In the event that a difference between the results of the three methods is 10% or more, the appraiser has the option of determining the most relevant value.

- **Direct comparison method:** this method consists of comparing the asset that is the object of the valuation and transactions made on assets equivalent in type and situation, on dates close to the date of valuation.
- **Capitalization of net income method:** this method consists of capitalizing recorded or potential income on the basis of a return expected by an investor for a similar type of asset. The income base is generally constituted either of net annual rent excluding taxes and rental charges, or the market rent value. For occupied premises, the appraiser conducts an analysis of the legal and financial conditions of each lease and of the rental market. For vacant premises, the market rent value is used as a reference, taking account of reletting delays, renovation work and other miscellaneous expenditure.
- **Discounted cash flow method (DCF):** the value of the asset is equal to the discounted cash flow expected by the investor, including its assumed sale following a 10-year holding period. The sale price at the end of the period is determined on the basis of the net cash flow in year 11 capitalized at a rate of return. Discounted cash flow is determined on the basis of a risk-free interest rate (10-year Government Bond Equivalent) plus an appropriate risk premium for the property determined in comparison with standard discounted rates on cash flow generated by similar assets.

b) Residential real estate

The block market value of each asset is determined from the results of the following two methods: direct comparison and income capitalization. In the event that a difference between the results of the two methods is 10% or more, the expert has the option of determining the more relevant valuation.

- **Direct comparison method:** this is identical to the method used for office property.
- **Capitalization of income method:** this is identical to the method used for office property applied to gross income pursuant to the practices of the French professional body of property appraisers, AFREXIM.

c) Unit value for residential and mixed properties

Unit value is used for properties for sale by apartments (see Note 3.1.2) and for some of Gecina's property portfolio indicators, particularly calculation of the Net Asset Value.

The unit value is based on the unit prices per sqm. on the market for vacant premises. The valuation includes discounts to reflect marketing periods, costs and the margin earned on the sale of all the units. These discounts are differentiated according to the size of the property and number of units included. The estimated value of office units and commercial premises situated on the ground floor of buildings are then added based on both methods: direct comparison and income capitalization.

For properties where the process of sale by units is in process, the valuation follows the same method, adjusting the allowances applied to the property's actual marketing situation.

d) Logistics properties, healthcare facilities and hotels

The block market value of each asset is determined from the results of the following two methods: capitalization of income and discounted cash flow. In the event that a difference between

the results of the two methods is 10% or more, the appraiser has the option of determining which of the two is most appropriate.

3.1.2. Assets held for sale (IFRS 5)

When the Group is committed to the sale of an asset or group of assets, it classifies this as an asset held for sale and is included under balance sheet current assets at the latest known fair value.

Properties recorded in this category were valued as follows:

- **properties for sale in block:** block valuation excluding transfer duties, subject to the deduction of expenses and fees necessary for their sale;
- **properties where a sale has been agreed:** sale value recorded in the agreed sale, subject to the deduction of expenses and fees necessary for their sale;
- **properties for sale in units:** unit valuation (see Note 3.1.1) after taking into account miscellaneous costs, deadlines and contingencies that are incurred as part of their marketing.

3.1.3. Operating properties and other tangible assets (IAS 16)

The head office property at 16 rue des Capucines, Paris is valued at cost. It has been depreciated according to the component method, each component being depreciated on a straight line basis over its useful life (10 to 60 years).

Other tangible assets are recorded at cost and depreciated under the straight-line method for periods of 3 to 10 years.

In the event of a sign of impairment, the accounting value of an asset is immediately written down to its recoverable value. The recoverable value of an operating property is determined by an independent valuation conducted under the methods described in 3.1.1.

3.1.4. Intangible assets (IAS 38)

Intangible assets correspond primarily to software.

The costs for the acquisition of 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).

3.2. Equity interests

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 of the balance sheet date adjusted to the Group's accounting principles. Loss of value is recorded if the value in use of the investment becomes less than its net book value over the long term.

If the Group's share in the negative equity of an equity affiliate exceeds the book value of its capital interest, this is retained for a zero value and the Group stops recording its share in future losses, unless the Group is required or intends to support this interest financially.

3.2.2. Non-consolidated interests

Non-consolidated interests are stated at fair value. Changes in fair value are recorded under shareholders' equity until their disposal date. For long-term impairment, underlying capital losses recognized in shareholders' equity are recorded as expenses.

3.2.3. Other financial investments

Loans, receivables and other financial instruments are recognized based on the depreciated cost method at the effective interest rate. Where there is long-term impairment, this is accounted for under expenses.

3.3. Inventories

Properties acquired under the real estate agent tax treatment for rapid resale are recorded in inventories at cost. They may be subject to impairment if the property valuation determined by an independent appraiser is less than its net carrying amount.

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.

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

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

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

Impairment thus determined is adjusted to take account of particular situations.

3.5. Cash and equivalents

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

3.6. Treasury shares (IAS 32)

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

3.7. Share-based payment (IFRS 2)

Gecina has instituted an equity-based remuneration plan (stock options and bonus shares). The impact of services rendered by employees in exchange for the award of options or the allocation of bonus shares is expensed against shareholders' equity. The total amount expensed over the year during which rights are vested is determined by reference to the fair value of equity instruments granted.

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

3.8. Financial instruments (IAS 39)

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

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

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

To a large extent, Gecina's interest rate hedging is covered by a portfolio of derivatives that are not specifically assigned and do not meet hedge accounting eligibility criteria. Furthermore, some derivatives cannot be classified as hedging instruments for accounting purposes. These derivative instruments can therefore be recorded at fair value on the balance sheet with recognition of changes in fair value on the income statement.

Fair value is determined from the implementation of valuation techniques established by the Group based on the future cash flow method. Valuations are also supplemented by confirmations from banks.

Marketable securities are recorded under this heading as assets at fair value and changes in value are posted to the income statement.

3.9. Financial liabilities (IAS 32 and 39)

Bank borrowings are mostly constituted of repayable borrowings and medium and long-term credit lines that can be used by variable term drawings. Successive drawings are recognized in the Financial statements at face value, with the unused portion of the borrowing facility representing an off-balance sheet commitment.

Financial liabilities are stated at written down cost (net of transaction costs) based on the effective interest rate, except for Orname type convertible bond borrowings, which are recognized at fair value against income.

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

3.10. Long term non-financial provisions and liabilities

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

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

3.11. Employee benefit commitments

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

Short-term benefits (*i.e.* salaries, paid holiday, social security contributions, profit sharing, etc), which fall due within twelve months of the end of the year during which members of staff provided corresponding services, are recognized as “accrued Expenses” under the heading “Tax and social security liabilities” under balance sheet liabilities.

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

Post-employment benefits correspond to end-of-career payments and supplementary retirement commitments to some employees.

The valuation of these commitments is based on the assumption of the employee’s voluntary departure.

These commitments that are related to the defined-benefit plans for supplementary pensions are paid to external organizations.

No post-employment benefits are granted to executive managers.

Actuarial differences are posted to the income statement.

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

3.12. Tax

3.12.1. Common law treatment

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

3.12.2. Real estate investment trust (SIIC) regime

Opting for the SIIC regime means an exit tax immediately falls due at the reduced rate of 19% (the rate was 16.5% before the amended finance law of December 28, 2008) on unrealized capital gains related to properties and investments in entities not subject to income tax.

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

3.13. Recognition of rental income (IAS 17)

Rent is recorded in the income statement when invoiced. However, pursuant to IAS 17, benefits granted to tenants in the corporate property sector (mainly rent holidays and stepped rents) are amortized under the straight-line method over the fixed period of the lease. In the same way, the marketing fees of properties are amortized straight line over the confirmed lease term.

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

3.14. Estimates and key accounting judgments

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

Estimates that carry a major risk of leading to a material adjustment in the net book value of assets and liabilities during the following period are analyzed below.

The fair value of financial instruments that are not traded on an organized market (such as over the counter derivatives) is determined using valuation techniques. The Group uses methods and assumptions that it believes are the most appropriate, based primarily on market conditions at the balance sheet date. The realizable value of these instruments may turn out to be significantly different from the fair value used for the accounting statement.

The fair value of the property portfolio, whether it is held for the long term or for sale, is specifically determined based on the valuation of the portfolio by independent experts according to the methods described in paragraphs 3.1.1 and 3.1.2. However, given the estimated nature inherent in these valuations, it is possible that the actual sales value of some properties will differ significantly from the valuation, even in the event of disposal within a few months following the balance sheet date.

The value in use and the fair value of equity investment securities is determined on the basis of estimates based on the various information available to the Group as of the balance sheet date. New information, obtained subsequent to the balance sheet date, may have a material influence on this valuation.

4. Management of financial risks

4.1. Property market risks

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

However, this exposure is limited given that:

- the assets are currently held with a long-term view and valued in the accounts at fair value, even though fair value is based on estimates described in paragraph 3.14 above;
- the invoiced rents come from rental commitments, the term and spread of which contribute to moderating the impact of fluctuations on the rental market.

This risk is quantified in Note 6.6.

4.2. Financial market risk

Holding financial assets for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. The analysis and quantification of the risk on hedging financial instruments are stated under Note 5.11.

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 Annual Financial Statements: a 5% fall in the Gecina share price compared with its level at December 31, 2010 would result in an additional provision of €0.8 million in Gecina's Annual Financial Statements.

4.3. Counterparty risk

Having a portfolio of clients of over 2,000 tenant businesses, from a great variety of sectors, and 16,000 individual tenants, the Group is not exposed to significant concentration risks. In the course of its development, the Group aims to acquire assets for which the rental portfolio is closely based on tenant selection criteria and the security provided by them. When a property is rented out, a detailed application is submitted by the tenant and

an analysis of the tenant's financial soundness is conducted. Tenant selection and rent collection procedures help ensure an ongoing low bad debt rate.

Financial transactions, especially hedging the interest rate risk, are carried out with a broad selection of leading financial institutions. Competitive tenders are conducted for all major financial transactions and the maintenance of a satisfactory diversification of sources of funds and counterparties is one of the selection criteria.

4.4. Liquidity risk

The liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying resources. Liquidity is managed in the medium and long term as part of multi-annual financing plans and, in the short term, by using confirmed undrawn lines of credit, and asset disposal programs. Details of debt maturity dates are provided in Note 5.10 and a description of the various limits that might affect interest conditions or early repayment, as stipulated in the credit agreements, is described in Note 5.10.

4.5. Interest rate risk

The Group is primarily borrows at variable rates and is subject to the risk that interest rates may increase over time. This risk is limited by the interest rate risk management policy that is operated via derivatives (*i.e.* swaps, floors and caps). The interest rate risk is analyzed and quantified in Note 5.11, together with an analysis of interest rate sensitivity.

4.6. Exchange rate risk

The Group conducts the majority of its business in the Eurozone and almost all its revenues, operating expenses, investments, assets and liabilities are denominated in euros. The Group is therefore only very marginally exposed to an exchange rate risk on its two subsidiaries in the logistics sector in Poland and Hungary.

5. Notes to the consolidated balance sheet

5.1. Property holdings

5.1.1. Statement of changes in property holdings

Property holdings € thousands	At 12/31/2008	At 12/31/2009	Acquisi- tions	Disposals	Deprecia- tion and impair- ment	Change of fair value	Change of scope	Transfers between items	At 12/31/2010
Investment properties	9,831,147	9,474,929	382,880	(2,077)	0	688,715	30,860	(459,088)	10,116,219
Properties under reconstruction	418,963	555,333	323,523	(2,342)	0	82,894	266,150	(392,666)	832,892
Operating properties	70,713	69,279	0	0	(1,434)	0	0	0	67,845
Properties for sale (current assets)	729,653	254,505	3,944	(428,051)	0	(39,468)	7,500	851,754	650,184
Properties in inventory (current assets)	7,205	0	0	0	0	0	0	0	0
PROPERTY HOLDINGS	11,025,854	10,354,046	710,347	(432,470)	(1,434)	732,141	304,510	0	11,667,140

In line with accounting principles defined in Note 3.1.1, five properties under reconstruction are recorded at historical cost for a total amount of €104.4 million.

5.1.2. Analysis of acquisitions (duties and costs included)

The acquisitions concerned:

€ thousands	12/31/2010
Anthos in Boulogne-Billancourt (offices)	79,141
3 buildings in Arcueil (offices)	250,165
ZAC Barbusse Péri in Gennevilliers (offices)	16,598
Park Azur in Montrouge (offices)	70,147
Eco-district - 20, rue de la Ronce in Ville-d'Avray (residential)	1,913
La Buire Le Vélum in LYONS (offices)	7,505
Clinic in Annemasse (Health)	11,324
49-53, rue Auguste-Lançon in Paris (student)	191
Résidence la Traverse in Boulogne (student)	278
Financial expenses capitalized on 2010 acquisitions	250
Property acquisitions	437,512
Reconstruction work	215,318
Renovation work	57,517
Works	272,835
TOTAL ACQUISITIONS	710,347

5.1.3. Breakdown of proceeds from disposal

The disposals represented:

€ thousands	12/31/2010	12/31/2009	12/31/2008
Block sales	272,410	608,101	481,057
Units sales	209,531	145,459	163,827
Disposal of inventory		2,850	4,330
Proceeds from disposal	481,941	756,410	649,214
Block sales	(263,708)	(640,476)	(492,884)
Units sales	(168,763)	(120,439)	(132,812)
Disposal of inventory		(2,950)	(3,167)
Net book value	(432,471)	(763,865)	(628,863)
Block sales	(3,427)	(6,725)	(6,343)
Units sales	(2,223)	(5,080)	(5,953)
Disposal of inventory		(217)	(249)
Cost of sales	(5,650)	(12,023)	(12,545)
Block sales	5,275	(39,100)	(18,170)
Units sales	38,545	19,940	25,062
Disposal of inventory	0	(317)	914
CAPITAL GAINS ON DISPOSAL	43,820	(19,478)	7,806
Corporate capital gains	151,436	124,938	244,417

5.1.4. Investment properties held under financial lease

The Group holds 25 financial lease contracts. These are fixed-or floating-rate contracts for periods of 12 years on average with leading institutions.

€ thousands	12/31/2010	12/31/2009	12/31/2008
Less than 1 year	57,616	53,695	53,695
1 to 5 years	205,133	227,735	215,383
Over 5 years	187,183	215,046	270,558
TOTAL	449,932	496,476	539,636

End of contract purchase options amounted to €120.4 million.

5.2. Financial investments

€ thousands	12/31/2010	12/31/2009	12/31/2008
Non-consolidated investments	109,421	34,942	34,942
Receivables related to equity investments securities	0	9,325	70,950
Advance to SCI Beaugrenelle	0	94,214	82,236
Convertible bonds	0	0	102,102
Advances on fixed asset acquisitions	65,569	65,519	65,406
Deposits and guarantees	2,213	2,225	721
Other financial investments	770	709	1,689
Total	177,973	206,934	358,046
Impairment ⁽¹⁾	(168,761)	(94,003)	
NET TOTAL	9,212	112,931	358,046
<i>(1) Impairment:</i>			
Advances on fixed asset acquisitions	(59,420)	(49,828)	
Equity investments and related receivables	(109,341)	(44,175)	
	(168,761)	(94,003)	

In 2009, the equity interest in Sanyres comprised €34.9 million investment securities and related receivables of €9.3 million after €44.2 million having been written off. This investment has been sold end 2010.

The €65.6 million advance on the property acquisition of land in Marbella (Spain) has been written down by €59.4 million to reduce it to the latest appraised land value.

Following the full consolidation of Beaugrenelle from July 1, 2010, the corresponding advance has been consolidated.

As from December 31, 2010, Bami Newco, which is 49% owned by Gecina, is no longer accounted for under the equity method. Since Gecina no longer has a significant influence on this company, the €109.3 million investment (fees included) was fully written down as of June 30, 2010.

5.3. Equity-accounted investments

This item reflects the percentage held by the Group in the companies over which the Group exercises significant influence. This item included until June 30, 2009, the Group share in Gecimed and until June 30, 2010 the equity interest in Beaugrenelle, which have been fully consolidated since these dates. The 49% equity interest acquired in Bami was recognized under the equity method from June 30, 2009 to December 31, 2010, as the Gecina Group no longer has a significant influence on this company as from that date.

The table below shows the main contributions to the balance sheet and to the consolidated income statement of these equity investments, as of June 30, 2010 for Bami (the only audited information available) and Beaugrenelle (consolidated from July 1, 2010) and at December 31, 2010 for the other companies:

€ thousands	BAMI	Beaugrenelle	Other companies	Total
Property holdings	604,559	304,559	0	
Other assets	67,547	4,431	18,740	
Total assets	672,106	308,990	18,740	
Equity	(20,041)	106,558	6,479	
External debt and borrowings to associates	673,458	194,952	0	
Other liabilities	18,688	7,480	12,263	
Total liabilities and equity	672,105	308,990	18,742	
Revenues	10,448	1,024	0	
Recurring income	(3,828)	(853)	214	
Net income	(40,875)	(2,779)	148	
% held	49.00%	50.00%		
SHARE IN NET INCOME	(20,029)	(1,390)	93	(21,326)
Shareholders' equity	0⁽¹⁾		6,479	
% held	49.00%			
EQUITY-ACCOUNTED INVESTMENTS	0	0	3,867	3,867

(1) Bami's shareholders' equity was valued at 0, as indicated above this table, Bami and Beaugrenelle are no longer equity accounted investments.

5.4. Deferred tax assets and liabilities

Deferred tax assets include loss carry-forwards and tax timing differences on assets of companies subject to income tax. Deferred tax attributable to the change in value of non-SIIC companies mainly concerns companies holding a finance lease contract not eligible for the SIIC treatment.

Change in value of properties of non-SIIC companies

€ thousands	12/31/2008	12/31/2009	Increases	Decreases	Changes in consolidation	12/31/2010
Asset	3,166	506	785	(66)		1,225
Liabilities	(47,093)	(33,373)	(1,120)	21,499	(10,140)	(23,134)
TOTAL	(43,927)	(32,867)	(335)	21,433	(10,140)	(21,909)

Deferred taxes include €17.0 million of reductions linked to three subsidiaries joining the SIIC regime.

5.5. Properties held for sale

Movements on properties for sale are included in the overall statement of changes in property holdings (see Note 5.1).

Properties for sale include:

€ thousands	12/31/2010	12/31/2009	12/31/2008
Properties for sale (block basis)	490,752	60,695	442,574
Properties for sale (units basis)	159,432	193,811	287,078
TOTAL	650,184	254,506	729,652

5.6. Trade receivables

The breakdown of net receivables by sector is set out in Note 7. At December 31, 2010, the amount of unaccrued overdue trade receivables was not material.

€ thousands	12/31/2010	12/31/2009	12/31/2008
Billed clients office business	6,064	5,694	4,166
Billed clients residential business	12,377	13,478	13,943
Billed clients student residence business	90	328	277
Billed clients logistics business	8,133	8,155	5,079
Billed clients hotel business	6	205	137
Billed clients healthcare business	154	0	0
Billed clients	638	425	670
Billed clients	27,462	28,285	24,272
Unbilled expenses payable	10,170	13,750	13,350
Balance of amortized rent holidays and stepped rents (IAS 17)	41,558	40,572	32,541
GROSS TOTAL	79,190	82,608	70,163
Impairment of receivables	(13,603)	(17,748)	(13,788)
TOTAL NET RECEIVABLES	65,587	64,860	56,375

5.7. Other current asset receivables

€ thousands	12/31/2010	12/31/2009	12/31/2008
Value added tax	26,597	25,500	34,444
Income tax	6,149	5,703	6,089
Other current asset receivables ⁽¹⁾	44,475	34,725	39,616
GROSS AMOUNTS	77,221	65,928	80,149
Impairment	(5,847)	(6,508)	(4,078)
NET AMOUNTS	71,374	59,420	76,071

(1) Of which:

Deposit on OPAC sales (Maison-Alfort)	15,300		
Advances and instalments paid on orders	2,113	612	485
Overdrawn staff accounts	422	390	249
Corporate debtors body	364	410	241
External agents and managers	3,760	4,388	6,077
Bami cash advances	2,685	2,342	
Labuire cash advances	3,307	6,382	6,382
Building buyers	1,960	3,946	1,204
Deposit on Montrouge	1,105		
Interest from convertible bonds (accrued 100%)	2,300	2,300	
Hines marketing expenses	2,708	1,226	

5.8. Cash and equivalents

€ thousands	12/31/2010	12/31/2009	12/31/2008
Money-market UCITS	16,329	88,411	32,333
Bank current accounts	8,298	14,852	7,430
GROSS CASH AND EQUIVALENTS	24,627	103,263	39,763
Bank overdrafts	(6,816)	(5)	(1,659)
NET CASH AND EQUIVALENTS	17,811	103,258	38,104

5.9. Consolidated shareholders' equity

See the accounting statement preceding this note.

5.10. Loans and debt

	Outstanding debt 12/31/2010	Repayments < 1 year	Outstanding debt 12/31/2011	Repayments 1 to 5 years	Outstanding debt 12/31/2015	Repayments More than 5 years
Outstanding debt						
Fixed-rate debt	1,517,355	(79,607)	1,437,748	(1,043,019)	394,729	(394,729)
Convertible bonds (Ornane)	320,000	0	320,000	0	320,000	(320,000)
Fair value impact of Ornane	2,738	0	2,738	0	2,738	(2,738)
Bonds due 2012	498,035	0	498,035	(498,035)	0	0
Bonds due 2014	491,096	0	491,096	(491,096)	0	0
Bank borrowings	1,072	(1,072)	0	0	0	0
Finance leases	105,250	(8,557)	96,693	(33,888)	62,805	(62,805)
Accrued interest and other liabilities	99,165	(69,978)	29,187	(20,000)	9,187	(9,187)
Floating-rate debt	3,681,739	(319,107)	3,362,632	(2,417,536)	945,096	(945,096)
Treasury notes	35,000	(35,000)	0	0	0	0
Floating-rate and variable-rate borrowing	2,151,069	(17,693)	2,133,376	(1,405,703)	727,673	(727,673)
Credit lines	1,210,987	(225,000)	985,987	(881,750)	104,237	(104,237)
Finance leases	277,867	(34,598)	243,269	(130,082)	113,186	(113,186)
Bank overdrafts	6,816	(6,816)	0	0	0	0
GROSS DEBT	5,199,095	(398,714)	4,800,381	(3,460,555)	1,339,826	(1,339,826)
Cash (floating rate)						
Open-end investment funds, deposits and income receivable	16,329	(16,329)	0	0	0	0
Liquid assets	8,298	(8,298)	0	0	0	0
TOTAL CASH AND EQUIVALENTS	24,627	(24,627)	0	0	0	0
Net debt						
Fixed rate	1,517,355	(79,607)	1,437,748	(1,043,019)	394,729	(394,729)
Floating rate	3,657,112	(294,480)	3,362,632	(2,417,536)	945,096	(945,096)
TOTAL NET DEBT	5,174,467	(374,087)	4,800,381	(3,460,555)	1,339,826	(1,339,826)
Available credit lines	850,000	-	850,000	(850,000)	-	-

This statement highlights the outstanding notional amount of the Ornane type convertible bond as well as the impact of its fair value. Furthermore, the debt is detailed at its balance sheet value.

Type of bond	EMTN	Ornane	EMTN
Issue date	June 1, 2004	April 9, 2010	September 17, 2010
Issue amount (€M)	498.3	320.0	500.0
Issue/conversion price	€996.56	€1111.05	€49,803.50
Redemption price	€1,000	N/A	€50,000
Conversion rate	N/A	1.06	N/A
Number of bonds issued	500,000	2,881,586	10,000
Nominal rate	4.88%	2.125%	4.50%
Maturity date	January 25, 2012	January 1, 2016	September 19, 2014

Estimated on the basis of the interest rate curve at December 31, 2010, the interest that will be paid until maturity of the entire debt comes to €696 million.

The breakdown of the €399 million repayment of gross debt maturing in less than one year is as follows:

€ thousands	1 st quarter 2011	2 nd quarter 2011	3 rd quarter 2011	4 th quarter 2011	TOTAL
	106	31	47	215	399

The fair value of the gross debt used for the calculation of the NAV is €5,208 million at December 31, 2010.

Covenants

The Group's principal loans are subject to contractual provisions requiring compliance with certain financial ratios determining the interest terms and early repayment clauses, the most significant of which are summarized below.

	Benchmark standard ⁽¹⁾	Balance at 12/31/2010	Balance at 12/31/2009	Balance at 12/31/2008
Net financial debt / Revalued block value of property holding	maximum 50%	44.35%	45.67%	41.74%
EBITDA (excluding disposals) / Financial expenses	minimum 2.25/2.50	3.12	3.24	2.55
Value of guarantees/Block value of property holding	maximum 20%	16.94%	18.55%	14.67%
Minimum block value of property holding	minimum €8,000 million	11,662	10,552	11,467

(1) Excluding temporary exceptions.

Change of control clauses

- Bond of €494 million maturing in January 2012: a change of control prompting a downgrade to "Non Investment Grade" category, not upgraded to "Investment Grade" within 270 days can trigger the early repayment clause of the loan.
- Bond of €500 million maturing in September 2014: a change of control leading to rating below "BB", which is not raised to "BB+" within 120 days can trigger the early repayment clause of the loan.

5.11. Financial instruments

Since the sale of Eiffage shares on November 15, 2010 (see Note 6.8), the only financial instruments held by the Group are hedging instruments. Financial instruments owned by the Group are exchanged over the counter and valued based on market data and appraisal models.

€ millions	Outstanding debt 12/31/2010	Maturity or effective date < 1 year	Outstanding debt 12/31/2011	Maturity or effective date 1 to 5 years	Outstanding debt 12/31/2015	Maturity or effective date more than 5 years
Portfolio of outstanding derivatives at December 31, 2010						
Fixed-floating rate swaps	1,156,964	(557,660)	599,304	(599,304)	0	0
Caps, floors, collars	2,394,400	(1,394,400)	1,000,000	(613,000)	387,000	(387,000)
Fixed-floating rate swaps	498,000	0	498,000	(498,000)	0	0
Floating-floating rate swaps	0	0	0	0	0	0
Total	4,049,364	(1,952,060)	2,097,304	(1,710,304)	387,000	(387,000)
Portfolio of derivatives with deferred effect						
Fixed-floating rate swaps	0	1,683,000	1,683,000	(333,000)	1,350,000	(1,350,000)
Swaptions	0	0	0	0	0	0
Caps, floors, collars	0	388,000	388,000	525,000	913,000	(913,000)
Fixed-floating rate swaps	0	0	0	0	0	0
Floating-floating rate swaps	0	250,000	250,000	(250,000)	0	0
Total	0	2,321,000	2,321,000	(58,000)	2,263,000	(2,263,000)
Total portfolio of derivatives						
Fixed-floating rate swaps	1,156,964	1,125,340	2,282,304	(932,304)	1,350,000	(1,350,000)
Swaptions	0	0	0	0	0	0
Caps, floors, collars	2,394,400	(1,006,400)	1,388,000	(88,000)	1,300,000	(1,300,000)
Fixed-floating rate swaps	498,000	0	498,000	(498,000)	0	0
Floating-floating rate swaps	0	250,000	250,000	(250,000)	0	0
TOTAL	4,049,364	368,940	4,418,304	(1,768,304)	2,650,000	(2,650,000)

Hedging of gross debt (€ thousands)	12/31/2010
Fixed-rate gross debt	1,517,355
Fixed-rate debt converted to floating rate	(498,000)
Residual debt at fixed rate	1,019,355
Gross debt at floating rate	3,681,739
Fixed-rate debt converted to floating rate	498,000
Gross debt at floating rate after conversion of debt to floating rate	4,179,739
Fixed-rate swaps	(1,156,964)
Gross debt at floating rate not swapped	3,022,775
Options	(2,394,400)
UNHEDGED FLOATING-RATE DEBT	628,375

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

€ thousands	12/31/2010	12/31/2009	12/31/2008
Non-current assets	43,361	25,604	27,546
Current assets	0	449	0
Non-current liabilities	(171,378)	(166,515)	(85,381)
Current liabilities	(4,984)	(8,324)	(27,300)
TOTAL	(133,001)	(148,786)	(85,135)

The €15.8 million decrease in the value of derivative instruments can be explained by the €100.7 million restructuring of derivative instruments (representing a notional amount of €3,713 million and having generated a loss of €40.3 million) and by the €84.9 million change in negative value linked to the change in interest rates since year end 2009.

5.12. Provisions for risks and charges

€ thousands	12/31/2008	12/31/2009	Allocations	Write-backs	Utilizations	12/31/2010
Tax reassessment	63,896	64,372	1,015	(21,512)	(31,584)	12,291
Employee benefit commitments	8,277	8,703	1,457			10,160
Spain commitments			25,000			25,000
Other disputes	4,368	2,039	88	(563)	(100)	1,464
Acquisition commitments	0	33,037		(24,544)	(8,493)	0
TOTAL	76,541	108,151	27,560	(46,619)	(40,177)	48,915

Employee benefits (see Note 3.11) concern supplementary pensions, lump-sum retirement payments, and anniversary premiums. They are valued by independent experts applying a discount rate of 4.5% for pensions and 3.5% for anniversary premiums respectively, an annual inflation rate of 2.8%, and an annual increase in payroll costs of 3.5%. The provision of €10.2 million represents the Group's unfunded liability (€13.7 million) in relation to the valuation of payments made to external organizations (€3.5 million).

The provision for acquisitions commitments included the risk of estimated loss on the firm purchase commitment for properties in Boulogne-Billancourt (92).

Gecina's €20 million guarantee, which counter guarantees the €20 million guarantee provided by SIF Espagne in connection

with the restructured loan (for which Eurohypo bank is the lead manager) for its 49% stake in Bami Newco, and the joint security of €5 million granted to FCC Construcción in connection with the development by Bami Newco of a head office in Madrid were written down to zero due to the difficult financial situation of Bami Newco.

Within the consolidation, some companies have been the subject of tax audits leading to notifications of tax reassessments; the majority of which are contested. The Group has also, directly or indirectly, been the subject of liability actions and court proceedings instigated by third parties. Based on the assessments of the Group and its advisers, there are to date no unaccrued risks, the impact of which would be likely to significantly affect the Group's income or financial situation.

5.13. Tax and social security payables

€ thousands	12/31/2010	12/31/2009	12/31/2008
Social security liabilities	21,238	20,845	23,309
Exit tax	11,136	12,763	26,397
Other tax liabilities (VAT payable and local taxes)	31,273	18,978	13,726
TAX AND SOCIAL SECURITY PAYABLES	63,648	52,586	63,432
<i>of which non-current liabilities</i>	<i>5,991</i>	<i>3,148</i>	<i>12,763</i>
<i>of which current liabilities</i>	<i>57,656</i>	<i>49,439</i>	<i>50,669</i>
	63,648	52,586	63,432

5.14. Other payables

€ thousands	12/31/2010	12/31/2009	12/31/2008
Client credit balances	30,694	36,823	31,589
Other payables ⁽¹⁾	21,237	26,723	200,435
Deferred income	1,577	818	764
OTHER PAYABLES	53,508	64,364	232,788

(1) Of which:

Sanyres acquisition payables			34,850
Beaugrenelle advance	0	4,606	
Payment received on work billed Gien & Le Havreà GDS	125	6,890	4,581
Disputed receipt Amar / rue de Flandres	2,438		
Blocked account of absorbed companies (Simco, Sefimeg)	3,848	4,533	4,394
External agents and managers	1,611	625	
Receivership Arnas & Ernst Belgie	0	1,955	1,639
Receipt of claim Vinci	3,259	3,259	
Dividends payable	877	1,016	149,643
Tenants indemnities (Beaugrenelle)	2,491		

5.15. Off balance sheet commitments

€ thousands	Retail	12/31/2010	12/31/2009	12/31/2008
Commitments given				
Off-balance sheet commitments related to financing				
Swaps	Note 5.11	3,853,963	2,593,895	1,448,155
Floors	Note 5.11	2,269,400	3,725,800	2,850,000
Swaptions	Note 5.11	150,000	1,550,000	1,950,000
Off balance sheet commitments related to operational activities				
Deposits and guarantees (in favor of subsidiaries and equity investments)		52,495	93,488	587,476
Payables secured by collateral ⁽¹⁾		1,592,956	1,542,380	1,292,269
Promises or options for acquisition of properties (including pre-sales)		877,407	747,624	521,751
TOTAL COMMITMENTS GIVEN		8,796,221	10,253,187	8,649,651
Commitments received				
Off balance sheet commitments received related to financing				
Swaps	Note 5.11	3,853,963	2,593,895	1,448,155
Caps	Note 5.11	3,632,400	4,885,800	3,150,000
Swaptions	Note 5.11	150,000	1,550,000	1,950,000
Unused lines of credit	Note 5.10	850,000	676,000	401,000
Off balance sheet commitments received related to operational activities				
Promises or options for acquisition of properties (including pre-sales)		877,407	747,624	521,751
Mortgage-backed receivable		6,098	15,691	62,720
Financial guarantees for management and transactions activities		7,030	7,030	2,110
Other		4,000	10,530	6,530
TOTAL COMMITMENTS RECEIVED		9,380,898	10,486,570	7,542,266

(1) List of main mortgaged properties:

29 clinics in the healthcare business;
 3-5, rue Paul Dautier – 78 Velizy;
 4-16, avenue Léon Gaumont – 93 Montreuil;
 418-432, rue Estienne d'Orves et 25-27 et 33, rue de Metz – 92 Colombes;
 ZAC Charles-de-Gaulle – 92 Colombes;
 148-152, rue de Lourmel – 75015 Paris;
 101, avenue des Champs-Élysées – 75008 Paris;
 2-4, quai Michelet – 92 Levallois Perret;
 334-342, rue de Vaugirard and 159, rue Blomet – 75015 Paris;
 4, cours de l'Île Seguin – 92 Boulogne Billancourt;
 ZAC Seguin, Rives-de-Seine, 65, quai Georges Gorse – 92 Boulogne Billancourt;

Gecina's guarantees granted to Bami Newco were fully written down (see Note 5.12).

The face value of financial instruments (swaps, swaptions, caps, floors and collars) is disclosed. They are stated on the balance sheet at fair value.

In conjunction with the law on employees' entitlement to training [*droit individuel à la formation* (DIF)], at December 31, 2010, the Group's employees have earned 59,691 aggregate hours (after deduction of hours used since the introduction of the DIF), which is a potential maximum estimated cost of €6.0 million.

5.16. Accounting for financial assets and liabilities

€ thousands	Assets valued at fair value through the income statement	Assets / liabilities held to maturity	Assets available for sale	Loans and receivables	Liabilities at amortized cost	Historic cost	Fair value through shareholders' equity	TOTAL	Fair value
Financial investments		3,022		6,098			92	9,212	9,212
Equity-accounted investments						3,867		3,867	6,484
Liquid assets	24,627							24,627	24,627
Financial instruments	43,361							43,361	43,361
Other assets						136,961		136,961	136,961
TOTAL FINANCIAL ASSETS	67,988	3,022	0	6,098	0	140,828	92	218,028	220,645
Non-current debt	322,738	3,513,139			989,131			4,825,008	4,833,913
Financial instruments	171,659						4,703	176,362	176,362
Current debt		374,087						374,087	374,087
Other liabilities						317,232		317,232	317,232
TOTAL FINANCIAL LIABILITIES	494,397	3,887,226	0	0	989,131	317,232	4,703	5,692,689	5,701,594

6. Notes to the consolidated income statement

6.1. Rental revenues

In its revenues, Gecina distinguishes rental revenues by nature while the analysis by sector (Note 7) is based on the Group's internal management.

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

€ thousands	12/31/2010	12/31/2009	12/31/2008
Less than 1 year	387,744	425,765	344,391
1 to 5 years	1,337,689	1,123,469	809,759
More than 5 years	581,422	407,122	126,734
TOTAL	2,306,855	1,956,356	1,280,884

6.2. Direct operating expenses

These are composed of:

- rental charges that are payable by the owner, charges related to construction work, cost of disputes and property management fees;

- the portion of rechargeable rental charges by nature, which remains at the Group's expense, mainly on vacant premises.

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

6.3. Services and other income

These largely comprise the following items:

€ thousands	12/31/2010	12/31/2009	12/31/2008
Income from service activities	4,131	3,128	4,624
Insurance claims	1,235	1,243	985
Returns of investment subsidies	201	302	189
Other	2,074	2,277	992
TOTAL	7,641	6,950	6,790
Charges	(1,406)	(1,677)	(2,061)
TOTAL NET	6,235	5,273	4,729

6.4. Overheads

Overheads break down as follows:

€ thousands	12/31/2010	12/31/2009	12/31/2008
Salaries and fringe benefits	(53,657)	(54,024)	(56,960)
Net management costs	(26,160)	(34,431)	(31,795)
TOTAL	(79,817)	(88,455)	(88,755)

6.5. Gains or losses on disposals

See Note 5.1.3.

6.6. Change in value of properties

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

€ millions	12/31/2010	12/31/2009	Change	In %
Offices	5,300	4,897	403	8.2%
Logistics	341	457	(116)	-25.4%
Hotels	275	265	10	4.0%
Residential	3,277	2,916	361	12.4%
Health	627	583	44	7.6%
Like-for-like basis	9,820	9,119	702	7.6%
Change in value of 2010 projects delivered and acquisitions			(22.2)	
Change in value of projects in progress			83.2	
Change in value of acquisition commitments			33.0	
Change in value of assets for sale			29.0	
Other			(2.6)	
Change in value before work and other			822.2	
Capitalized work			(53.2)	
Acquisition costs, translation differentials and other			(5.9)	
CHANGE IN VALUE AS RECORDED IN 2010 INCOME STATEMENT			763.2	

An unfavorable situation on the real estate market could have a negative impact on the valuation of Gecina's property holdings, as well as its operating income. For instance, a downturn on the real estate market, resulting in a fall of 50 basis points (0.5%) in capitalization rates, could bring about a decrease of around 10% of the appraised value of the whole of Gecina's property holdings (on the assumption that such a downturn would affect

all of the different segments of Gecina's real estate business), representing roughly €1.16 billion based on the appraised block value of assets as of December 31, 2010 and would have an unfavorable impact of around €1.14 billion on Gecina's consolidated earnings (as certain assets are not posted to the Consolidated Financial Statements at fair value).

6.7. Net financial expenses

Net financial expenses specifically include (i) interest, coupons or dividends received or paid on financial assets and liabilities and (ii) net gains and losses on assets held for trading (UCITS and other securities held for the short term):

€ thousands	12/31/2010	12/31/2009	12/31/2008
Net +/- Liabilities	(157,872)	(161,887)	(205,512)
Gains or losses from translation differentials	(309)	(324)	(1,542)
Financial income	2,010	7,364	14,247
Other income (expenses)	1,153	1,178	1,063
TOTAL	(155 018)	(153,669)	(191,744)

The average cost of debt amounted to 3.62% in 2010.

Based on the existing portfolio of hedges and taking account of the contractual conditions at December 31, 2010, a 1% increase in the interest rate would generate an additional expense in 2010 of €10 million. A 1% fall in interest rates would result in a reduction in interest expense in 2010 of €10 million.

6.8. Change in value of financial instruments

The decrease in fair value of financial instruments at December 31, 2010 includes:

- the loss on the sale of Eiffage shares, these investment securities, purchased for €155.7 million and whose value on the balance sheet, based on the stock market closing price was €66.1 million, were sold through a private placement on November 15, 2010 for €59.0 million, leading to a loss of €7.1 million for the year;
- the €40.3 million loss generated by the restructuring of 11 hedging transactions, representing a notional amount of €3,713 million and a value of €100.7 million at disposal;

- the €10.1 million decrease in the value of the Orname bond issued on April 9, 2010, as Gecina had opted for recognition at fair value;
- the €46.8 million decrease in value of non asset-backed derivative instruments (€37.3 million for fixed rate payer instruments and €9.4 million for variable rate payer instruments).

The increase in the fair value of asset-backed derivative instruments of €1.1 million is recorded in shareholders' equity, just as that of equity-method companies. The purpose of all these financial instruments is to hedge the Group's debt; none of them are held for speculative purposes.

On the basis of the portfolios as of December 31, 2010 and compared to that of December 31, 2009, a 0,5% increase in interest rates would lead to an increase of +€87 million to earnings and +€0.3 million to shareholders' equity via adjustments to the fair value of the derivatives portfolio. The change in fair value following a 0,5% interest rate reduction would be a -€89 million loss posted to income and a -€0,3 million loss posted to shareholders' equity.

6.9. Tax

€ thousands	12/31/2010	12/31/2009	12/31/2008
Income tax ⁽¹⁾	28,390	(3,567)	(1,890)
Exit tax	(7,988)	0	0
Deferred taxes	21,118	13,513	9,357
TOTAL	41,520	9,946	7,467

(1) Including €2.4 million of current tax expense and write-backs of provisions (net of expenses) for tax reassessments (see Note 5.12) for €30.8 million.

The exit tax represents the income tax of companies that elected for the SIIC tax treatment on the first day of the year.

A deferred tax charge is recognized for changes in fair value of investment properties and derivative instruments for companies not subject to the SIIC regime.

The French 2010 Finance law voted on December 30, 2009 cancelled the French business tax as from 2010 and replaced it with a territorial economic levy (*Contribution Économique Territoriale* - CET) which comprises two new levies: The business

real estate tax: *Cotisation Foncière des Entreprises* (CFE) based on the real estate rental value of the business tax and the tax on wealth generated by businesses [*Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE)], based on the wealth generated according to the Annual Financial Statements. The Group recognizes business tax (mainly pertaining to head office) in operating charges and will continue to do so for the CFE. Concerning CVAE, the Group is recording it as income tax. Due to the CVAE's capping and sliding procedures, the deferred tax is not material at year-end 2010.

€ thousands	12/31/2010	12/31/2009	12/31/2008
Income before tax	995,639	(783,490)	(894,028)
Theoretical tax rate of 34.43%	342,828	(269,779)	(307,841)
Impact of tax rate differences between France and other countries	1,730	241	413
Impact of permanent and timing differences	(9,728)	26,961	3,807
Companies accounted for by the equity method	(7,343)	20,605	3,885
Impact of the SIIC regime	(337,703)	211,703	280,972
Tax disputes	(31,303)	324	87
TOTAL	(384,347)	259,833	289,165
Effective tax charge per income statement	(41,519)	(9,946)	(18,676)
EFFECTIVE TAX RATE	-4.17%	1.27%	2.09%

6.10. Earnings per share

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year. Diluted earnings

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

	12/31/2010	12/31/2009	12/31/2008
Net income Group share (€ thousands)	998,245	(773,724)	(875,352)
Weighted average number of shares before dilution	60,911,312	60,302,852	59,692,060
UNDILUTED EARNINGS PER SHARE, GROUP SHARE (in €)	16.39	(12.83)	(14.66)
Net income Group share after effect of dilutive securities (€ thousands)	998,987	(770,579)	(871,484)
Weighted average number of shares after dilution	61,481,701	61,521,731	61,018,176
DILUTED EARNINGS PER SHARE, GROUP SHARE (in €)	16.25	(12.53)	(14.28)

6.11. Note on consolidated cash flow statement

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

€ thousands	12/31/2010	12/31/2009	12/31/2008
Acquisition price of shares	78,154	9,869	73,287
Cash acquired	1,572		(6,467)
NET CASH ACQUIRED	79,726	9,869	66,820
Net sales price of shares			
Cash transferred	0	(11,410)	18,806
NET DISPOSALS OF TRANSFERRED CASH	0	(11,410)	18,806
IMPACT OF CHANGES IN CONSOLIDATION	79,726	(1,541)	85,626

6.12. Net Asset Value - block

The Net Asset Value is calculated from consolidated shareholders' equity, which includes the fair value by block of investment properties, properties under reconstruction and properties held for sale, as well as derivative instruments.

To this is added:

- unrealized capital gains on properties valued on the balance sheet at historic cost such as operating property, properties in inventory calculated from the block valuations determined by independent appraisers;

- allowance for tax on companies not subject to the SIIC regime;
- the fair value of debt.

The Net Asset Value per share is calculated by dividing the NAV by the number of shares at the end of the year, excluding treasury shares.

The diluted Net Asset Value per share reflects the impact of the dilution resulting from equity instruments to be issued when the issue conditions are met. The potential number of shares that could be issued by the exercise of these instruments is then factored in.

€ millions	12/31/2010	12/31/2009	12/31/2008
Share capital and consolidated reserves	6,101.8	5,371.1	6,259.1
Interim dividend January 2009			148.6
Unrealized capital gains	32.7	21.4	196.4
Unrealized capital gains (or loss) on debt	(9.4)	(0.5)	286.2
Tax and other	(1.9)	(0.8)	(0.8)
= UNDILUTED NAV – BLOCK	6,123.2	5,391.2	6,889.4
Number of shares (excluding treasury shares)	60,988,537	60,872,534	59,197,041
= UNDILUTED NAV PER SHARE – BLOCK (in €)	100.40	88.56	116.38
NAV (undiluted)	6,123.2	5,391.2	6,889.4
+ Impact of stock options ⁽¹⁾	37.4	94.0	96.4
= DILUTED NAV – BLOCK	6,160.6	5,485.2	6,985.8
Stock options ⁽¹⁾	822,302	1,218,879	1,326,116
Diluted number of shares (excluding treasury shares)	61,810,839	62,091,413	60,523,157
DILUTED NAV PER SHARE - BLOCK (in €)	99.67	88.34	115.42

(1) This calculation does not include the amortization of benefits granted to employees, which would have been a favourable €0.14 per share, providing a NAV per share of €99.81.

7. Segment reporting

The Group only operates in France (except for minimal operations in other European countries). It is structured into two main sectors (comprising six major segments) and one ancillary segment:

- economic sector comprising the commercial segment (offices and retail outlets), the portfolio of logistics properties and the portfolio of hotel buildings;
- demographic sector comprising traditional residential units (housing units property holding), portfolio of students residences and the portfolio of healthcare facilities (consolidated under the equity method until June 30, 2009 (see Note 5.3);
- ancillary segment of real estate services (Locare and CFG).

Résultat au 31 décembre 2010

€ thousands	Economic sector			Demographic sector				Total
	Commercial	Logistics	Hotels	Residential	Health	Student Residences	Services	
Operating income								
Rental revenues on commercial properties	329,787			15,047				344,834
Rental revenues on residential properties	5,204			162,955				168,159
Logistics rents		32,055						32,055
Hotels rents			19,405					19,405
Healthcare rents					47,031			47,031
Student residences rents						5,286		5,286
Gross rental income	334,991	32,055	19,405	178,002	47,031	5,286	0	616,770
Operating expenses	72,164	13,666	924	60,252	6,878	1,587	1,408	156,878
Recharges to tenants	(53,602)	(5,988)	(507)	(27,922)	(6,100)	(553)	0	(94,671)
Total net direct operating expenses	18,562	7,678	417	32,329	779	1,034	1,408	62,207
Net rental income	316,429	24,377	18,988	145,673	46,252	4,253	(1,408)	554,563
Other transferred expenses	38	0	0	0	0	0	0	38
Other income	1,350	720	254	740	128	280	4,133	7,605
Net income from properties and services	317,817	25,097	19,242	146,413	46,380	4,533	2,725	562,206
Margin on rents	94.46%	76.05%	97.85%	81.84%	98.34%	80.45%		89.91%
Operating margin	94.87%	78.29%	99.16%	82.25%	98.62%	85.75%	65.93%	91.15%
Salaries and fringe benefits								(53,657)
Net management costs								(26,160)
EBITDA								482,389
Gains from inventory disposals								0
Net gains on sale of properties	4,817	(1,526)	570	39,530	(86)	0		43,820
Change in value of properties	470,474	(136,141)	10,228	372,800	38,914	6,903		763,178
Depreciation								(4,148)
Net impairments								4,206
Operating income								1,289,445
Net financial expenses								(155,018)
Financial provisions and amortization								(34,560)
Change in value of financial instruments								(104,226)
Net income from equity-accounted investments								(21,327)
Pre-tax income and minority interests								974,314
Tax								41,520
Minority interests								(17,589)
CONSOLIDATED NET INCOME (GROUP SHARE)								998,245
Assets and liabilities by segments as of December 31, 2010								
Investment properties	6,507,403	440,542	275,400	3,527,088	737,066	111,795		11,599,294
of which acquisitions	423,734			2,399	11,379			437,512
of which properties for sale	125,566	119,163		405,455				650,184
Amounts due from tenants	49,806	10,726	9	15,892	2,027	90	640	79,190
Security deposits received from tenants	41,453	4,224	0	19,646	13	644		65,979

Résultat au 31 décembre 2009

€ thousands	Economic sector			Demographic sector				Total
	Commercial	Logistics	Hotels	Residential	Health	Student Residences	Services	
Operating income								
Rental revenues on commercial properties	368,777			15,765				384,542
Rental revenues on residential properties	5,189			175,251				180,440
Logistics rents		36,544						36,544
Hotels rents			20,091					20,091
Healthcare rents					21,573			21,573
Student residences rents						4,006		4,006
Gross rental income	373,966	36,544	20,091	191,016	21,573	4,006	0	647,196
Operating expenses	69,762	11,460	824	66,993	2,932	1,515	1,677	155,164
Recharges to tenants	(49,742)	(6,864)	(570)	(31,100)	(2,321)	(648)	0	(91,246)
Total net direct operating expenses	20,020	4,596	254	35,893	611	867	1,677	63,918
Net rental income	353,946	31,948	19,837	155,123	20,962	3,139	(1,677)	583,278
Other transferred expenses	105	0	252	0	0	0	0	357
Other income	1,149	705	247	1,155	(77)	286	3,128	6,593
Net income from properties and services	355,200	32,653	20,336	156,278	20,885	3,425	1,451	590,228
Margin on rents	94.65%	87.42%	98.73%	81.21%	97.17%	78.37%		90.12%
Operating margin	94.98%	89.35%	101.22%	81.81%	96.81%	85.51%	46.39%	91.20%
Salaries and fringe benefits								(54,024)
Net management costs								(34,431)
EBITDA								501,773
Gains from inventory disposals		(317)						(317)
Net gains on sale of properties	(23,286)	(7,009)	0	11,213	(79)	0	0	(19,161)
Change in value of properties	(596,506)	(53,306)	(20,693)	(214,180)	12,174	1,195		(871,316)
Depreciation								(3,285)
Net impairments								(11,575)
Operating income								(403,881)
Net financial expenses								(153,699)
Financial provisions and amortization								(94,003)
Change in value of financial instruments								(72,067)
Net income from equity-accounted investments								(59,839)
Pre-tax income and minority interests								(783,489)
Tax								9,946
Minority interests								(181)
CONSOLIDATED NET INCOME (GROUP SHARE)								(773,724)
Assets and liabilities by segments as of December 31, 2009								
Investment properties	5,392,358	557,760	274,920	3,290,641	683,077	86,009		10,284,766
of which acquisitions	17,405	57,442		17,799		11,522		104,168
of which properties for sale	25,788	3,565	4,800	220,353	0	0		254,506
Amounts due from tenants	49,501	9,928	213	20,013	2,202	328	425	82,609
Security deposits received from tenants	41,718	3,986	211	21,863	13	478		68,269

Résultat au 31 décembre 2008

€ thousands	Economic sector			Demographic sector			Total
	Commercial	Logistics	Hotels	Residential	Health	Student Residences	
Operating income							
Rental revenues on commercial properties	364,823			15,120			379,943
Rental revenues on residential properties	5,385			188,537			193,922
Logistics rents		42,313					42,313
Hotels rents			18,313				18,313
Healthcare rents							0
Student residences rents						2,549	2,549
Gross rental income	370,208	42,313	18,313	203,657	0	2,549	637,040
Operating expenses	73,242	10,284	670	68,976		917	156,151
Recharges to tenants	(49,012)	(6,977)	(573)	(33,733)		(517)	(90,811)
Total net direct operating expenses	24,231	3,307	98	35,243	0	400	65,340
Net rental income	345,977	39,006	18,215	168,414	0	2,149	571,700
Other transferred expenses	0	0	0	0		0	0
Other income	724	391	37	915		99	6,790
Net income from properties and services	346,701	39,397	18,252	169,329	0	2,248	578,491
Margin on rents	93.45%	92.18%	99.47%	82.69%		84.32%	89.74%
Operating margin	93.65%	93.11%	99.67%	83.14%		88.20%	90.81%
Salaries and fringe benefits							(56,960)
Net management costs							(31,795)
EBITDA							489,736
Gains from inventory disposals				913			913
Net gains on sale of properties	(8,161)	(141)		15,190			6,892
Change in value of properties	(687,628)	(56,127)	1,084	(249,203)		2,118	(989,756)
Depreciation							(2,984)
Net impairments							(9,155)
Operating income							(504,354)
Net financial expenses							(191,744)
Financial provisions and amortization							0
Change in value of financial instruments							(186,648)
Net income from equity-accounted investments							(11,282)
Pre-tax income and minority interests							(894,028)
Tax							18,676
Minority interests							0
CONSOLIDATED NET INCOME (GROUP SHARE)							(875,352)
Assets and liabilities by segments as of December 31, 2008							
Investment properties	6,310,108	547,655	284,670	3,736,946	7,649	60,908	10,947,936
of which acquisitions	358,699	93,880		20,432	7,649	3,079	483,739
of which properties for sale	417,210			312,442			729,652
Amounts due from tenants	42,866	5,695	139	20,515		277	70,163
Security deposits received from tenants	42,427	5,148	199	25,490		339	73,603

8. Other information

8.1. Shareholding structure of the Group

At December 31, 2010, the shareholding structure of Gecina was as follows:

	Number of shares	%
Metrovacesa	16,809,610	26.85%
Mr Rivero	10,084,735	16.11%
Mr Soler	9,568,641	15.28%
Predica	5,145,738	8.22%
Non-resident shareholders	13,738,033	21.94%
Individual shareholders	3,084,202	4.93%
Other resident institutional shareholders	2,557,578	4.08%
Treasury shares	1,626,831	2.60%
TOTAL	62,615,368	100.00%

Since January 1, 2009, Metrovacesa, a company incorporated under Spanish law, uses the equity method to consolidate the financial statements of Gecina in which it holds 26.86% of the capital and 27.61% of the voting rights.

8.2. Dividends distributed during the year

For 2009, the Group distributed a single dividend of €4.40 for a total amount of €267,858,000 paid out on May 19, 2010.

8.3. Related parties

On December 14, 2007, Gecina advanced €9,850,000 to Bami, a Spanish company consolidated under the equity method, for Gecina's acquisition of a plot of land in Madrid. This agreement was approved by the Shareholders' General Meeting of April 22, 2008. Following repayments made, the balance of this loan was €2,685,000 at December 31, 2010. Furthermore, Bami invoiced €65,000 under the operational and administrative management contract for SIF Espagne, a subsidiary. Lastly, the Board of Directors approved in March 2010, the grant of a first demand guarantee of €20 million, fully written down as of December 31, 2010 (see Note 5.12).

The attendance allowances paid to directors and disclosures about the Executive Committee appear in Note 8.6.

8.4. Group employees

Average headcount	12/31/2010	12/31/2009	12/31/2008
Managers	201	213	217
Employees	184	202	217
Building staff	202	216	245
TOTAL	587	631	679

8.5. Stock options and bonus shares

Grant date	Start date of exercise of options	Number of options advanced	Subscription or purchase price (€)	Total to exercise at 12/31/2009	Plan adjustments	Options granted	Options exercised	Options cancelled, expired or transformed	Total to exercise at 12/31/2010	Residual life (in years)
09/26/01	09/27/05	129,460	36.81	2,589	119		2,708		0	0.7
11/25/03	11/25/05	278,168	48.70	24,781	1,031		10,925		14,887	0.9
10/12/04	12/12/06	316,763	61.02	57,378	2,548		7,506		52,420	3.8
03/14/06	03/14/08	251,249	96.48	226,381	10,368				236,749	5.2
12/12/06	12/12/08	272,608	104.04	242,900	11,108				254,008	6.0
12/13/07	12/13/09	230,260	104.72	221,500	8,760			30,000	200,260	7.0
12/18/08	12/18/10	331,875	37.23	317,350	14,525		2,418		329,457	8.0
04/16/10	04/16/12	241,100	78.98	0	11,023	241,100		210	251,913	9.3
12/27/10	12/27/12	210,650	84.51	0		210,650			210,650	10.0

Grant date	Acquisition date	Number of options advanced	Stock price when granted (€)	Total at 12/31/2009	Shares obtained	Shares cancelled	Total at 12/31/2010
12/13/07	12/13/09	74,650	118.99	17,000			17,000
12/18/08	12/18/10	109,000	47.50	109,000	62,000		47,000
04/16/10	04/16/12	48,875	83.17	0		100	48,775
12/27/10	12/28/12	60,850	82.48	0			60,850

8.6. Compensation for executive and management bodies

Mr. Bernard Michel has been Chairman of the Board of Directors since February 16, 2010, when Mr. Joaquín Rivero resigned from his duties as Chairman and CEO from January 1, 2009 to May 5, 2009 then non executive Chairman from May 5, 2009 to February 16, 2010.

Mr. Christophe Clamageran has been CEO since November 16, 2009, when Mr. Antonio Truan resigned from his duties as Deputy CEO from January 1, 2009 to May 5, 2009 then as CEO from May 5, 2009 to November 16, 2009.

Compensation

Compensation paid (€ thousands)	B. Michel		C. Clamageran		J. Rivero		A. Truan
	2010	2010	2009	2010	2009	2009	
Fixed compensation	260	500	63	50	575	590	
Fixed compensation (as a policy officer)	0	0	0	0	0	90	
Variable compensation for 2008	0	0	0	0	625	618	
Variable compensation for 2009	0	0	0	0	0	500	
Variable compensation for 2010	0	see below	0	0	0	0	
Contractual indemnity	0	0	300	0	0	0	
Severance benefits	0	0	0	0	0	2,269	
Directors' fees	115	0	0	109	88	183	
Value of benefits in kind (company car)	0	6	0	0	0	7	
TOTAL	375	506	363	159	1,288	4,257	

Variable compensations

The compensation of Mr. Bernard Michel does not include a variable portion. The performance criteria used to set the variable compensation of Mr. Christophe Clamageran were set on March 22, 2010 by the Board of Directors:

The variable compensation is capped at 100% of the fixed compensation. 35% of this compensation is subject to qualitative criteria and 65% to two quantitative criteria, namely:

- the increase in current cash flow in relation to the budget (up to 25% of the variable compensation likely to be paid to the CEO); and
- the increase in EBITDA in relation to the budget (up to 40% of the variable compensation likely to be paid to the CEO).

Current cash flow (actual/budget)	Variable compensation
> 105	25%
> 100	20%
> 95	15%
> 90	10%
< 90	0%

EBITDA (actual/budget)	Variable compensation
> 101	40%
> 99	32%
> 98	25%
> 97	15%
< 97	0%

It is recalled that exceptionally, the Board of Directors had decided at its Meeting of November 16, 2009 that, for 2010, the variable compensation would be guaranteed up to the amount of €300,000.

The variable compensation paid by Gecina in 2009 to Mr. Rivero was decided by Gecina's Board of Directors on the basis of the recommendations of its Appointments and Compensations Committee. The 2008 variable compensation was supposed to correspond to 25 times the EBITDA progression rate over the previous two years, multiplied by the gross fixed compensation, *i.e.* on the basis of these objectives, a fixed compensation of €825,000. Mr. Rivero accepted the recommendations designed to reduce this amount to €625,000 and to waive all 2009 variable compensation.

Share-based compensation

Share-based compensation comprises stock options and bonus shares whose exercise is contingent on performance conditions fixed by the Board of Directors on recommendations from the corporate governance committee.

The value at the end of the period is determined based on the closing Gecina share price.

€ thousands	B. Michel		C. Clamageran		J. Rivero		A. Truan
	2010	2010	2009	2010	2009	2009	
Value of stock options on allocation	0	712	0	0	0	0	
Value of bonus shares on allocation	0	464	0	0	0	0	
Closing value of stock options	0	105	0	0			
Closing value of bonus shares	0	988	0	0			

Severance benefits

Mr. Bernard Michel, just as his predecessor, Mr. Rivero, will not receive any compensation for severance. In the event of severance of Mr. Christophe Clamageran, the conditions for compensation will be as follows:

- between 1 and 2 years of service: once the gross total fixed and variable compensation for his duties as CEO, for the previous calendar year;
- more than 2 years of service: twice the gross total fixed and variable compensation for his duties as CEO, for the previous calendar year;

- in the event of departure at the CEO's initiative: no severance benefit.

The benefit will only be paid if the operating income, excluding value changes in the previous fiscal year (N) closed prior to the severance is greater than the average of the 2 previous years (N-1 and N-2) operating income excluding value change prior to the severance. The comparison of operating incomes will be made by taking account of changes to the property holding structure during the years under review.

Performance conditions	Severance benefit
Operating income year N excluding value change > average of operating income (N-1+N-2)	100%
Operating income year N excluding value change < 4% of the average operating income (N-1+N-2)	80%
Operating income year N excluding value change < 8% of the average operating income (N-1+N-2)	50%
Operating income year N excluding value change < 12% of the average operating income (N-1+N-2)	No severance benefit

Messrs Bernard Michel and Christophe Clamageran, as their respective predecessors, do not benefit from a supplementary pension plan in the Group.

Other information

The total attendance allowances granted to members of Gecina's Board of Directors for 2010 amounted to €1,750,000.

Gross total compensation paid in 2010 to members of the Executive Committee, excluding company officers, amounted to €2,347,000. There is no specific pension for members of the Executive Committee. During the year, 268,000 stock options or bonus shares were awarded to members of the Executive

Committee. At December 31, 2010, the members of the Executive Committee received 551,695 stock options and 42,500 bonus shares.

No material transactions were entered into, no loans and guarantees granted or arranged for members of the executive or management boards.

8.7. Post-balance sheet events

With no impact on Financial statements for 2010, Gecina issued, on February 2, 2011, a new €500 million bond at 4.25%, maturing on February 3, 2016.

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5.1. Activity and earnings

2010 rental revenues totaled €294 million, down from €323 million in 2009. The decline in residential sector rents from €174 million in 2009 to €161 million in 2010 and those of the commercial sector, which fall from €149 million to €133 million in 2010, were due to disposals occurring in 2009 and 2010.

Write-backs on provisions for risks and charges in 2010 totaled €86 million (see additional comments in 5.2. Financial position), with €7 million in write-backs on impairment of receivables.

Operating revenues include €53 million of recharges to tenants and, under other income, recharges of inter-company services amounting to €24 million.

2010 operating expenses amounted to €236 million, versus €272 million the previous year. In 2009 they included €36 million in provisions for risks and charges, while in 2010 this item accounted for only €5 million.

Operating income amounted to €233 million compared with €163 million the previous year.

The financial result for the year amounted to a net expense of €68 million, compared with a net expense of €231 million the previous year. This reflects:

- interest and related charges (net of cash revenues) totalling €201 million (of which €101 million related to the issuance of balancing payments following the cancellation of 11 transactions on financial hedging instruments);

- dividends received from subsidiaries and income from equity investments of €287 million (including an extraordinary €141 million dividend from Parigest), representing a total of €86 million in 2009;
- write-backs on provisions of €78 million, of which €6 million concerned treasury shares and €72 million concerned shares in subsidiaries;
- financial provisions of €238 million, of which €125 million concerned investment securities (including €62 million for GEC 4, €40 million for Parigest, and €16 million for Anthos) and €112 million of receivables from equity investments (including €66 million for GEC 4, €35 million for SIF Espagne and €10 million for the advance on a property acquisition in Marbella).

A net expense of €134 million was recorded under extraordinary items, €123 million of which concerned capital gains on the disposal of properties, €6 million concerned capital losses linked to the exchange of securities and €2 million concerned losses on share buyback programs.

A net profit of €275 million was recorded in 2010 compared with a net loss of €160 million in 2009.

2010 income from SIIC (French listed real estate investment trusts) operations determined in line with the French tax regulations came to €182 million, resulting in a distribution obligation under the SIIC system of €182 million in light of the “ceiling on tax income” rule.

5.2. Financial position

The company's total assets at December 31, 2010 came to €8,055 million, compared with €7,917 million at December 31, 2009.

Fixed assets include intangible assets largely consisting of €180 million of unrealized capital gains on the merger of SIF's property holdings (taken over in 2007) and its subsidiaries.

Property holdings directly held by Gecina of €4,112 million net at the end of 2010 were up €220 million from €3,892 million at year end 2009.

The changes were as follows:

• Capitalized expenditures	436
• Net book value of assets sold	(182)
• Net depreciation and provisions	(34)
	<u>220</u>

Investments in subsidiaries, equity interests and related receivables represented a total net amount of €3,341 million at December 31, 2010 compared with €3,416 million at the end of 2009.

The main changes were as follows:

• Capital increase of the subsidiary H 15	6
• Increased equity investment in Beaugrenelle	9
• Acquisition of shares in Anthos	16
• Dividends received in kind	152
• Liquidation of the subsidiary PSM	(23)
• Decrease in related receivables	(78)
• Net change in provisions	(156)
	<u>(75)</u>

At December 31, 2010, the most significant equity investments were, in gross value: Geciter (€782 million of shares and €356 million of receivables), Parigest (€415 million of shares), GEC 4 (€200 million of shares and €426 million of receivables), Gecimed (€247 million of shares) and SIF Espagne (€33 million of shares and €223 million of receivables and loans).

Other financial investments consisted of 475,050 treasury shares held by the company amounting to €37 million, plus 1,151,781 shares recorded as transferable securities held for stock option and bonus share plans granted to employees and company officers, amounting to €81 million (gross value). Total treasury shares represented 2.6% of share capital.

Current assets totaled €220 million at December 31, 2010 compared with €373 million at December 31, 2009. They include:

- "other receivables" (€93 million) mainly constituted of inter-company receivables (€60 million) and receivables on sale of fixed assets (€16 million);

- investment securities and liquidities of €86 million, which include the €77 million of treasury shares (net of provisions) mentioned above.

Asset accruals represent prepaid expenses of €32 million while liability accruals comprise deferred income of €9 million, both mainly representing premiums paid or received on derivative financial instruments.

Shareholders' equity increased by €10 million as presented below:

<i>€ millions</i>	
Shareholders' equity at December 31, 2009	3,686
Capital increase resulting from the exercise of stock options and subscriptions to the company savings scheme ("PEE")	2
Dividends paid in 2010	(267)
2010 earnings	275
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2010	3,696

Financial debt at December 31, 2010 totaled €4,186 million compared with €3,975 million at the end of 2009, of which €479 million represented inter-company liabilities.

During the year, the company redeemed two bond issuances in February 2010 for €533 million, and issued an "Ornane" convertible bond in April 2010 for €320 million, as well as a new bond issuance of €500 million in September 2010.

Provisions for risks and charges amounted to €21 million, compared with €102 million the previous year.

Changes largely concerned the following:

- write-backs on provisions for tax disputes totalling €53 million, consisting of €23 million in tax relief obtained through the favorable resolution of tax disputes, and €30 million from the decision to pay the amounts claimed by the authorities while continuing to pursue legal proceedings,
- write-backs on provisions for risk of unrealized capital loss on commitments to acquire two properties at Boulogne (92) totalling €33 million. These write-backs resulted partly from the acquisition of Anthos, and partly from the appreciation in value of the second property.

The provision balances largely consist of provisions for retirement commitments totalling €10 million, and provisions for future expenses in view of the allocation of bonus shares and stock options to employees, totalling €7 million.

5.3. Five-year financial summary

	2006	2007	2008	2009	2010
I - CLOSING SHARE CAPITAL					
Share capital (€ thousands)	467,023	468,184	468,335	469,367	469,615
Number of ordinary shares outstanding	62,269,670	62,424,545	62,444,652	62,582,240	62,615,368
Maximum number of new shares to be issued through conversion of bonds and exercise of subscriptions	44,497	11,852	12,059	2,589	572,188
II - OPERATIONS AND EARNINGS FOR THE YEAR (€ thousands)					
Net revenues	281,357	288,458	324,233	323,217	294,411
Pre-tax income, and depreciation, impairment and provisions	369,419	677,149	460,302	243,032	407,970
Income tax	6,290		(1,636)	(153)	24,656
Earnings after tax, depreciation, impairment and provisions	322,104	579,663	196,618	(160,072)	275,037
Distributed profits (*)	261,533	312,477	355,935	275,362	275,508
III - EARNINGS PER SHARE (€)					
Earnings after tax but before depreciation, impairment and provisions	5.83	10.87	7.35	3.88	6.12
Earnings after tax, depreciation, impairment and provisions	5.17	9.31	3.15	(2.56)	4.39
Total net dividend per share	4.20	5.01	5.70	4.40	4.40
IV - WORKFORCE					
Average headcount during the year	641	607	610	563	519
Annual payroll (€ thousands)	28,037	31,537	35,116	35,870	36,311
Annual employee benefits, including social security and other social charges (€ thousands)	13,366	15,137	18,924	15,825	18,394

(*) For 2010, subject to approval by the Shareholders' General Meeting.

5.4 Financial statements for the year ended December 31, 2010

Balance sheet

Assets	12/31/2010			12/31/2009	12/31/2008
	Gross	Depreciation and impairment	Net	Net	Net
€ thousands					
Fixed assets					
Intangible fixed assets	185,929	1,826	184,103	182,144	183,052
Concessions, patents, licenses	5,645	1,826	3,819	2,941	1,591
Intangible assets	180,284		180,284	179,203	181,461
Tangible fixed assets	4,555,140	442,877	4,112,263	3,892,698	4,198,455
Land	2,660,618	106,212	2,554,406	2,474,572	2,733,422
Buildings	1,671,063	321,837	1,349,226	1,219,217	1,348,231
Buildings on third party land	41,269	12,836	28,433	38,069	44,626
Other	4,291	1,992	2,299	2,846	1,165
Construction in progress	177,802		177,802	157,897	70,914
Advances and instalments	97		97	97	97
Financial investments	4,136,627	600,679	3,535,948	3,469,121	3,737,924
Equity investments and related receivables	3,881,650	541,105	3,340,545	3,415,767	3,587,904
Other equity investments	37,351		37,351	35,920	82,880
Loans	150,800		150,800	726	617
Other financial investments	1,306	153	1,153	1,016	1,117
Advances on property acquisitions	65,520	59,421	6,099	15,692	65,406
TOTAL I	8,877,696	1,045,382	7,832,314	7,543,963	8,119,431
Current assets					
Advances and instalments	95		95	81	82
Receivables					
Rent due	17,864	9,583	8,281	11,140	11,215
Other	104,753	11,356	93,397	171,037	156,837
Investment securities	89,148	2,902	86,246	135,352	82,600
Liquid assets	263		263	10,361	12,266
Asset accruals					
Prepaid expenses	32,212		32,212	44,932	57,460
TOTAL II	244,335	23,841	220,494	372,903	320,460
Bond redemption premiums	2,067		2,067	535	1,298
TOTAL III	2,067	0	2,067	535	1,298
GRAND TOTAL (I+II+III)	9,124,098	1,069,223	8,054,875	7,917,401	8,441,189

Liabilities

<i>En milliers d'euros</i>	Before appropriation of earnings		
	12/31/2010	12/31/2009	12/31/2008
Shareholders' equity			
Capital	469,615	469,367	468,335
Issue, merger and contribution premiums	1,868,106	1,866,334	1,864,153
Revaluation gain	656,661	712,508	745,692
Reserves:			
Legal reserve	45,666	45,641	45,536
Legal reserve from long-term capital gains	1,296	1,296	1,296
Regulatory reserves	24,220	24,220	24,220
Distributable reserves	354,092	518,809	485,625
Retained earnings	0	207,365	350,267
Interim dividends			(148,565)
Net income for the year	275,037	(160,072)	196,618
Investment subsidies	973	764	764
TOTAL I	3,695,666	3,686,232	4,033,941
Provisions			
Provisions for contingencies	914	20,374	28,870
Provisions for liabilities	19,907	82,052	46,811
TOTAL II	20,821	102,426	75,681
Payables and debt			
Bonds	1,343,447	1,072,822	1,085,724
Loans and debt	2,843,104	2,901,815	2,951,217
Security deposits	33,598	35,631	41,476
Advances and instalments received	14,477	13,704	16,269
Trade payables	13,927	18,382	19,578
Tax and social security payables	39,231	23,748	25,625
Fixed asset payables	32,120	29,970	22,505
Other payables	9,084	7,579	155,708
Accruals			
Deferred income	9,400	25,092	13,465
TOTAL III	4,338,388	4,128,743	4,331,567
GRAND TOTAL (I+II+III)	8,054,875	7,917,401	8,441,189

Income statement at December 31, 2010

€ thousands	2010	2009	2008
Operating revenues			
Rental income	294,411	323,217	324,233
Net gains on sale of properties		122,915	138,670
Miscellaneous subsidies			9
Write-backs on property impairment		1,685	3,853
Write-backs on impairment and provisions	93,083	32,725	5,441
Recharges to tenants	53,082	52,576	51,855
Other transferred expenses	4,217	2,714	4,895
Other income	24,897	23,722	17,016
Total	469,690	559,554	545,972
Operating expenses			
Purchases	13,849	15,402	12,950
Other external expenses	73,104	77,007	78,538
Taxes and duties	31,187	28,245	31,449
Payroll expenses	54,705	51,695	54,040
Depreciation	53,106	55,672	59,576
Property impairment		123,896	9,047
Impairment on current assets	2,636	2,411	27,335
Provisions	4,636	36,000	6,600
Other charges	3,183	5,462	5,400
Total	236,406	395,790	284,935
OPERATING INCOME	233,284	163,764	261,037
Financial income			
Interest and related income	86,968	70,708	97,012
Net gains on sale of marketable securities	342	656	2,534
Write-backs on impairment and provisions, transferred expenses	77,716	95,044	2,435
Income from investment securities and receivables	287,003	85,870	162,941
Income from equity investments	6,682	9,331	39,954
Total	458,711	261,609	304,876
Financial costs			
Interest and related expenses	288,541	178,289	198,599
Impairment and provisions	237,939	314,424	171,218
Total	526,480	492,713	369,817
NET FINANCIAL ITEMS	(67,769)	(231,104)	(64,941)
INCOME BEFORE TAX AND EXCEPTIONAL ITEMS	165,515	(67,340)	196,096
Exceptional items			
Capital gains on mergers, disposals and exchange of securities	(5,632)	(64,096)	804
Net gains on sale of properties	122,761	122,915	138,670
Impairment and provisions on properties	19,242	(122,211)	(5,194)
Subsidies	199	285	147
Exceptional income and expenses	(2,392)	(28,767)	1,841
EXCEPTIONAL ITEMS	134,178	(92,578)	2,792
INCOME BEFORE TAX	299,693	(159,918)	198,888
Income tax	(24,656)	(154)	(1,636)
Employee profit sharing			(634)
INCOME	275,037	(160,072)	196,618

Notes to the Financial statements – year ended December 31, 2010

1. Highlights

Fiscal year 2010

In 2010, Gecina acquired the shares of Anthos, owner of an office property located in Boulogne (92), and delivered in March 2010.

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

Foncigef, SGIL, Paris Saint Michel, GEC 3 were liquidated and taken over by Gecina, while Gecimed and Geciter, wholly-owned subsidiaries of Gecina, merged with GEC 6 and SP1 respectively.

On December 31, 2010, Parigest distributed a dividend in the form of Geciter shares for a value of €141.5 million. These Geciter shares represent the consideration for Parigest's contribution to Geciter of its three office properties worth €141.5 million.

After repaying the two bonds totalling €533 million in February 2010, Gecina issued €320 million of Orname bonds (redeemable in cash and/or in new and/or existing shares) in April 2010 and in September 2010, another €500 million bond (see Note 4.8).

Gecina also extensively restructured its financial instruments portfolio by canceling 11 transactions for a nominal amount of €3,713 million and paying off the €100.7 million balance in cash. In return, new transactions were subscribed amounting to a nominal value of €1,350 million.

Fiscal year 2009

Gecina successfully completed the alternative public takeover bid and exchange offer for the shares of its Gecimed equity investment. 356,176 Gecimed shares were tendered in the takeover bid leading to the payment of €0.5 million and 28,805,740 Gecimed shares were tendered in the exchange offer leading to the exit of 1,440,287 treasury shares. Gecina subscribed

for shares worth a total of €99 million in the Gecimed capital increase carried out from June 29 to July 10, €70 million of which through the capitalization of its current account advance. Subsequent to these transactions, at the end of July 2009, Gecina owned 98.51% of the share capital of Gecimed.

On February 26, 2009, Gecina's Board of Directors approved the acquisition by SIF Espagne, a wholly-owned subsidiary of Gecina, of a 49% equity stake in Bami Newco, a company based in Madrid with a large number of office property holdings, for a total of €109.3 million (including expenses).

Internal restructuring operations were organized during the year between Gecina's wholly-owned subsidiaries. Geciter merged with "77-81 Bd St Germain" and "SP2" while Hôtel d'Albe merged with "PB Îlot 1-4". The impacts of these mergers on Gecina's earnings are described in Note 5.5.

On April 7, 2009, the implementation of the Separation Agreement was definitively abandoned by the Board of Directors and Metrovacesa confirmed on June 10, 2009.

Fiscal year 2008

During the year, Gecina acquired the shares of two companies, Angle and Khapa, both owners of commercial properties, for €58.1 million. Gecina founded a subsidiary in Spain, "Société des immeubles de France (Espagne)" which acquired an office property and two plots of land in Madrid. Gecilog and GEC5 were both absorbed by Gecina during the year.

Implementation of the Separation Agreement resumed on September 24, 2008 and was suspended on December 18, 2008.

On December 18, 2008, the Board of Directors decided to distribute an interim dividend totaling €148.5 million, which was paid out on January 30, 2009.

On December 30, 2008, Gecina increased its equity interest in Gecimed to 48%, following the exit of ISM (General Electric Group), at a price of €0.70 per share.

2. Accounting rules and principles

The Financial statements have been established in accordance with the rules and basic principles of the French General Chart of Accounts:

- going concern concept;
- consistency of accounting principles between fiscal years;
- accruals concept;
- prudence principle.

As other real estate companies, Gecina can decide to sell certain properties depending on the established strategy. Gecina has decided to recognize these asset sales under exceptional items, considering that provisions and write-backs for impairment on these properties are also recognized in exceptional items.

3. Valuation methods

The method used for valuing items recorded in the Financial statements is the historical cost method.

Note that the balance sheet was subject to a voluntary revaluation as of January 1, 2003 after Gecina opted for the French listed real estate investment trust (SIIC) tax regime.

The table below gives the depreciation periods for each component:

	Asset depreciation percentage		Depreciation period (in years)	
	Residential	Commercial	Residential	Commercial
Framework structure	60%	50%	80	60
Roofing and walls	20%	20%	40	30
Technical equipment	15%	25%	25	20
Fixtures and fittings	5%	5%	15	10

New assets are recorded at acquisition cost comprised of the purchase price and all the directly related costs including transfer duties, fees and commissions linked to the acquisition or at cost if they are buildings.

3.1.2. Property impairment and value adjustments

Any impairment in the value of properties is determined as follows:

Long-term property holdings

Impairment is recognized on a line-by-line basis if there is an indication of a loss of value, especially if the block valuation of the property determined by one of the independent appraisers (at December 31, 2010: BNPP Real Estate, CB Richard Ellis Bourdais, Foncier Expertise, Jones Lang LaSalle, Catella Valuation), is more than 15% below the property's net carrying amount. In this case the impairment amount recorded is then calculated in relation to the valuation amount. In case of an overall unrealized capital loss on the property holding, an impairment is recognized for each property. This impairment is primarily assigned to non-depreciated assets and adjusted each year based on subsequent appraisals.

Property for sale or to be sold in the short term

Properties for sale or due to be sold in the short term are valued in relation to their independent block valuation or their realizable market value and are written down if this value is lower than the book value.

Valuations are conducted in accordance with industry practices using valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. These valuation methods are described in detail in the notes to the Consolidated Financial Statements.

The provision for impairment of a tangible asset is recorded under exceptional items, in the same way as a write-back stemming from appreciation in the asset's value.

3.1. Fixed assets

3.1.1. Gross value of fixed assets and depreciation

Pursuant to the French accounting regulation CRC 2002-10, Gecina instituted the component approach as of January 1, 2005.

3.2. Financial investments

Equity investments are stated on the balance sheet at subscription or acquisition cost, except for those held at January 1, 2003 that were revalued.

Since the application of French accounting regulation CRC 2004-06, the acquisition costs of investments previously recorded under deferred expenses have been recorded under expenses and not included in the acquisition cost of financial investments.

This heading notably includes Gecina's equity investment in companies with rental property holdings (including equity interests and non-capitalized advances).

Treasury shares held by the company are recorded in "Other financial investments", except for those specifically assigned to cover stock options or bonus shares granted to employees and company officers, which are recorded under investment securities.

Where there is an indication of long-term impairment of securities, receivables and other equity investments, an allowance for impairment determined on the basis of several criteria (Net Asset Value, profitability, strategic value, in particular) is recorded in income.

3.3. Operating receivables

Receivables are recognized at par value. Rent receivables are always written down based on the receivables' aging and the situation of the tenants.

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

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

Impairment thus determined is adjusted to take account of particular situations.

3.4. Investment securities

Investment securities are stated on the balance sheet at cost. An allowance for impairment is recorded when realizable value is lower than the net carrying amount.

Shares specifically assigned to cover stock options awarded to employees and corporate officers are included in this item. Where applicable, they are written down to the lower of (i) the exercise price of the options and (ii) the average stock market price in the last month of the year.

3.5. Accrued assets and related amounts

This item mainly includes the following prepaid expenses:

- renovation costs for properties up for sale (in addition to disposal costs). They are recognized in income after completion of asset sales;
- premiums paid on hedging derivatives, which are spread over the term of the contracts;
- bond redemption or share premiums together with loan issue expenses, which are amortized under the straight-line method over the term of the debt.

3.6. Bonds

Bonds issued by the company are recorded at their redemption value. The redemption premium is recorded in conjunction with the asset on the balance sheet and amortized under the straight-line method over the term of the bonds.

3.7. Financial instruments

The company uses interest rate swaps and caps, swaptions and floors to hedge lines of credit and borrowings. The corresponding expenses and income are posted on an accruals basis to the income statement.

3.8. Employee benefit commitments

Retirement benefit commitments

Retirement benefit commitments arising from the application of collective bargaining agreements or company level agreements are valued on the basis of an independent valuation made with actuarial methods factoring in mortality tables. They are covered by an insurance policy or by provisions for the portion not covered by the insurance fund in the event of a shortfall in the funds paid out.

Supplementary retirement commitments to certain employees

Supplementary retirement commitments to certain employees are valued under actuarial methods factoring in mortality tables. They are managed by external organizations and payments are made to these organizations. Additional provisions are constituted in the event that the insurance fund is underfunded for the liabilities. The valuation of these retirement commitments assumes the employee's voluntary departure.

Long-service awards

Commitments for long-service awards (anniversary premiums paid to personnel) are accrued on the basis of an independent estimate made at each year end.

4. Notes to balance sheet items

4.1. Fixed assets

Gross value of assets

€ thousands	Gross brought forward	Transfers between items	Acquisitions	Decreases	Gross carried forward
Intangible fixed assets	183,984	0	1,952	7	185,929
Concessions, licenses	3,700		1,952	7	5,645
Intangible asset	180,284				180,284
Tangible fixed assets	4,326,664	0	435,227	206,751	4,555,140
Land	2,593,407	8,985	158,728	100,502	2,660,618
Buildings	1,519,088	62,281	184,480	94,786	1,671,063
Buildings on third party land	51,817	16	108	10,672	41,269
Other tangible fixed assets	4,358		724	791	4,291
Fixed assets in progress	157,897	(71,282)	91,187		177,802
Advances and installments	97				97
Financial investments	3,906,727	0	683,441	453,541	4,136,627
Equity investments	2,274,135		192,466	33,862	2,432,739
Receivables related to equity investments	1,526,840		298,942	376,871	1,448,911
Other financial investments ⁽¹⁾	38,337			986	37,351
Loans	726		150,289	215	150,800
Other financial investments	1,169		41,744	41,607	1,306
Advances on property acquisitions	65,520				65,520
TOTAL	8,417,375	0	1,120,620	660,299	8,877,696

(1) Including treasury shares (see Note 4.4).

Following the merger with the subsidiary SIF in 2007, an intangible asset of €181.5 million was recognized. It is written down if it is higher than the sum of unrealized capital gains from the property holdings contributed by SIF and its subsidiaries.

Changes in equity investments mainly concern:

- €16.4 million from the acquisition of "Anthos";
- €9,4 million from the further acquisition of a 25% stake in Beaugrenelle;
- A €141.5 million special distribution of dividends by Parigest in Geciter shares;
- other movements, acquisitions and disposals concerning exchanges of the securities of subsidiaries following mergers between them (cf. Note 1).

Receivables related to equity investments mainly cover stable financing set up by Gecina with its subsidiaries, in the form of long term advances.

The largest advances involve GEC 4 for €426 million, Geciter for €355.7 million, Beaugrenelle €169.1 million and the subsidiary SIF Espagne for €83.2 million of receivables and €150 million equity loan arranged in 2010.

Receivables resulting from centralized cash management are recorded as current account advances (operating receivables). Changes in "Other financial investments" concern cash advances to the financial provider for the Gecina share liquidity contract.

Depreciation

€ thousands	Balance brought forward	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	759	1,072	5	1,836
Concessions, licenses	759	1,072	5	1,826
Tangible fixed assets	303,481	52,034	24,961	330,554
Buildings	288,221	49,252	21,747	315,726
Buildings on third party land	13,748	1,869	2,781	12,836
Other tangible fixed assets	1,512	913	433	1,992
TOTAL	304,240	53,106	24,966	332,380

Impairments

€ thousands	Balance brought forward	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	1,081	0	1,081	0
Intangible assets	1,081	0	1,081	0
Tangible fixed assets	130,485	158	18,320	112,323
Land	118,835	108	12,731	106,212
Buildings	11,650	50	5,589	6,111
Financial investments	437,606	237,506	74,433	600,679
Equity investments and related receivables	385,208	227,913	72,016	541,105
Other equity investments	2,417		2,417	0
Other financial investments	153			153
Advances on property acquisitions	49,828	9,593		59,421
TOTAL	569,172	237,664	93,834	713,002

Impairments of investments and receivables mainly concern shares in Colvel Windsor for €20.8 million, those of Parigest for €40.5 million (allocation for the year subsequent to the special dividend payout) as well as the shares and receivables of SIF Espagne for €185.1 million and GEC 4 for €265.8 million.

Impairments of other equity investments solely concern treasury shares.

4.2. Operating receivables**Net receivables**

€ thousands	12/31/2010	12/31/2009	12/31/2008
Rent due	17,864	21,153	20,963
Impairment of rent due	(9,583)	(10,014)	(9,747)
TOTAL RENT DUE AND RELATED RECEIVABLES	8,281	11,139	11,216
Receivables on fixed asset disposals	16,243	4,321	1,597
Group receivables (interest-bearing cash advances) ⁽¹⁾	60,247	152,293	136,548
Accrued income	3,818	3,818	3,818
Group income due	6,560	6,299	4,126
Equity swap dividends due			1,529
Miscellaneous income due	589	6	2,859
Deposit on property acquisition		4,000	4,000
French government – income tax receivables	6,906	6,820	6,797
French government – VAT	3,227	1,115	
Equity swap receivable			22,700
Management agencies, co-ownerships and external managers	3,008	3,533	5,260
Miscellaneous other receivables	4,155	3,526	3,606
Impairment of Group receivables			(239)
Impairment of other receivables	(11,356)	(14,694)	(35,765)
TOTAL OTHER RECEIVABLES	93,397	171,037	156,836

(1) See Note 4.1 on receivables related to equity investments.

All receivables mature within one year.

4.3. Investment securities

Gross amounts

€ thousands	12/31/2010	12/31/2009	12/31/2008
Investment securities (money market UCITS) ⁽¹⁾	8,379	57,590	10,788
Purchase of partial shares in merged companies		604	604
Treasury shares reserved for employees ⁽²⁾	80,769	83,343	90,517
Treasury shares (liquidity contract)			6,300
TOTAL	89,148	141,537	108,209

(1) The transferable securities portfolio is composed of units of money market UCITS.

(2) There are 1,151,781 treasury shares with a gross value of €80,769,000, Gecina shares held to cover the bonus shares and stock options awarded to employees and company officers.

4.4. Changes in treasury shares

	Number of shares	€ thousands
Balance at 01/01/2010	493,416	38,337
Transfers of "investment securities" from treasury shares reserved for awarding to employees and company officers	(18,366)	(986)
BALANCE AT 12/31/2010 ⁽¹⁾	475,050	37,351

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

4.5. Bond redemption premiums

At December 31, 2010 this line comprised premiums related to non-convertible bonds issued in 2004 and 2010 and amortized on a straight line over the term of the debts (€0.4 million amortized in 2010).

4.6. Change in share capital and shareholders' equity

At year end 2010, share capital was composed of 62,615,368 shares with a par value of €7.50:

€ thousands	Capital	Issue, merger and conversion premiums	Reserves	Revaluation difference	Retained earnings	Shareholders' equity excluding earnings for the year and subsidies
12/31/2007	468,184	1,862,896	456,332	846,023	69,204	3,702,639
Capital increase (employees)	151	1,256	15			1,422
Account transfers			100,331	(100,331)		0
2007 Income appropriation					281,063	281,063
Interim dividends					(148,565)	(148,565)
12/31/2008	468,335	1,864,152	556,678	745,692	201,702	3,836,559
Capital increase (employees)	1,032	2,182	104			3,318
Account transfers			33,184	(33,184)		0
2008 Income appropriation					5,663	5,663
12/31/2009	469,367	1,866,334	589,966	712,508	207,365	3,845,540
Capital increase (employees)	248	1,772	25			2,045
Account transfers			55,847	(55,847)		0
2009 Income appropriation			(220,564)		(207,365)	(427,929)
12/31/2010	469,615	1,868,106	425,274	656,661	0	3,419,656

4.7. Provisions for risks and charges

Provisions

€ thousands	Values 12/31/2008	Values 12/31/2009	Allocations	Write-backs	12/31/2010
Provisions for tax audits ⁽¹⁾	59,776	54,192	1,015	52,936	2,271
Provision for employee benefits ⁽²⁾	8,277	8,703	1,457		10,160
Provision for share buyback plans for employees	3,740	5,392	2,084		7,476
Provisions for risks/projects in progress ⁽³⁾		33,037		33,037	0
Other provisions for risks and charges	3,888	1,103	80	269	914
TOTAL	75,681	102,427	4,936	86,242	20,821

(1) Write-backs result from €22.8 million of tax rebates granted to Gecina following tax litigation (€19.3 million) and €30.1 million from Gecina's decision to pay the amounts claimed by the administration while maintaining the litigation proceedings.

(2) These provisions include €6.1 million for provisions recorded to supplement payments to insurance companies for complementary pension commitments totaling €7.1 million discounted at a rate of 4.75%.

(3) These provisions concerned the risks of unrealized capital losses on acquisition commitments for two properties in Boulogne-Billancourt (92). They were written back following the acquisition of Anthos and the increase in value.

4.8. Loans and debt

Remaining term to run

€ thousands	Less than 1 year	1 to 5 years	Over 5 years	Total 12/31/2010	Total 12/31/2009	Total 12/31/2008
Bonds	28,811	994,636		1,023,447	1,072,822	1,085,724
Emprunt obligataire Ornane			320,000	320,000		
Loans and debt (excluding Group)	285,753	1,654,952	423,325	2,364,030	2,475,376	2,630,448
Group debt	479,074			479,074	426,439	320,767
TOTAL	793,638	2,649,588	743,325	4,186,551	3,974,637	4,036,939

During the year, the company redeemed 2 bonds for €533 million, issued another €500 million bond maturing in September 2014 at 4.5% and issued a €320 million "Ornane" bond (redeemable

in cash and/or new shares and/or existing shares) maturing in 2016 at €2.125%.

Bank covenants

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

	Limit	At 12/31/2010	At 12/31/2009	At 12/31/2008
Net debt/Revalued block value of property holding	maximum 50% ⁽¹⁾	44.35%	45.67%	41.74%
EBITDA (excluding disposals) /Financial expenses	minimum 2.25/2.50 ⁽¹⁾	3.09	3.24	2.55
Value of guarantees/Block value of property holding	maximum 20%	16.94%	18.55%	14.67%
Minimum value of property holding (block) in € million	minimum €8,000 million	11,662	10,552	11,467

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

Change of control clauses

- Bond of €494 million maturing in January 2012: a change of control prompting a downgrade to "Non Investment Grade" category, not upgraded to "Investment Grade" within 270 days can trigger the early repayment clause of the loan.

- Bond of €500 million maturing in September 2014: a change of control leading to rating below "BB", which is not raised to "BB+" within 120 days can trigger the early repayment clause of the loan.

4.9. Exposure to interest rate risks

€ thousands	Debt before hedging at 12/31/2010	Hedging effect at 12/31/2010	Debt after hedging at 12/31/2010	Debt after hedging at 12/31/2009	Debt after hedging at 12/31/2008
Floating rate financial debt	2,340,317	(3,085,642)	498,000 (247,325)	(700,201)	(736,134)
Fixed rate financial debt	1,315,826	3,085,642	(498,000)	3,903,468	4,185,587
INTEREST-BEARING FINANCIAL DEBT ⁽¹⁾	3,656,143	0	0	3,656,143	3,485,386
				3,485,386	3,663,573

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

Derivatives portfolio

€ thousands	12/31/2010	12/31/2009	12/31/2008
Derivatives in effect at year-end			
Fixed-floating rate swaps	985,642	603,455	804,268
Caps, floors, and collars	2,100,000	3,150,000	3,150,000
Fixed-floating rate swaps	498,000	598,000	598,000
Subtotal	3,583,642	4,351,455	4,552,268
Derivatives with deferred impact ⁽¹⁾			
Fixed-floating rate swaps	1,683,000	1,215,000	
Caps, floors, and collars	1,163,000	1,300,000	
Floating rate swaps versus floating rates	250,000		
Swaptions		1,400,000	1,950,000
Subtotal	3,096,000	3,915,000	1,950,000
TOTAL	6,679,642	8,266,455	6,502,268

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

The fair value of the derivatives portfolio at December 31, 2010 includes an unrealized termination loss of €109.8 million.

Eleven financial instruments transactions were restructured during the year, leading to termination financial charges of €100.7 million (see Note 1).

Based on the existing portfolio of hedges and taking account of the contractual conditions at December 31, 2010, a 1% interest rate hike would generate an additional expense of €0.3 million against income for the year. A 1% fall in interest rates would lead to a reduction in interest expense of €0.3 million.

4.10. Accrued Expenses and income, deferred income and prepaid expenses

These are included in the following balance sheet items:

€ thousands	12/31/2010	12/31/2009	12/31/2008
Bonds	28,811	44,898	45,436
Financial debt	15,706	17,910	5,505
Trade payables	9,897	15,385	17,326
Tax and social security payables	16,872	15,393	17,934
Fixed asset payables	26,133	27,157	19,344
Miscellaneous	578	643	546
Total accrued liabilities	97,997	121,386	106,091
Deferred income	9,400	25,092	13,466
TOTAL LIABILITIES	107,397	146,478	119,557
Financial investments	6,303	6,303	3,504
Trade receivables	3,871	5,671	6,623
Other receivables	11,057	10,207	12,442
Total accrued income	21,231	22,181	22,569
Prepaid expenses	32,212	44,932	57,459
TOTAL ASSETS	53,443	67,113	80,028

The change in deferred income is primarily due to the termination or failure to exercise matured swaptions.

Prepaid expenses primarily concern premiums paid on options for €12 million *versus* €40 million in 2009 and deferred loan issue charges for €18 million. Premiums on swaptions due (and not exercised) and loan issue charges generated a financial expense of €19 million and €17.4 million, respectively. Deferred income in "Other assets" concern intercompany income for €7 million and tax receivables for €4 million.

4.13. Off-balance sheet commitments

€ thousands	12/31/2010	12/31/2009	12/31/2008
Commitments received			
Unused lines of credit	850,000	565,000	350,000
Swaps	3,682,642	2,416,455	1,402,268
Caps	3,263,000	4,450,000	3,150,000
Swaptions	0	1,400,000	1,950,000
Equity-linked swap	0	0	30,974
Property acquisition commitments or options (including pre-sale agreements)	529,902	547,954	484,202
Mortgage-backed receivable	6,099	15,691	56,190
Other	0	6,530	6,530
TOTAL	8,331,643	9,401,630	7,430,164
Commitments given			
Guarantees granted ⁽¹⁾	828,508	783,539	871,530
Guarantees given on subsidiaries' swap transactions differentials (notional amounts)	34,321	40,440	45,846
Swaps	3,682,642	2,416,455	1,402,268
Floors	1,900,000	3,350,000	2,850,000
Swaptions	0	1,400,000	1,950,000
Equity-linked swap	0	0	27,303
Payables secured by collateral	542,450	592,450	592,269
Property acquisition commitments or options (including pre-sale agreements)	529,902	547,954	484,202
TOTAL	7,517,823	9,130,838	8,223,418

(1) Including guarantees granted on December 31, 2010 by Gecina to the Group's companies for €793.1 million.

The comfort letter issued by Gecina in 2009 to Eurohypo AG, counter-guaranteeing the commitments made by SIF Espagne to this bank (in connection with the restructuring of financing for its 49% interest in Bami Newco), was replaced by an independent first demand guarantee for 20 million euros in March 2010.

This commitment has been provisioned in SIF Espagne's accounts.

4.11. Deposits and guarantees received

This €33.6 million item primarily represents deposits paid by lessees to guarantee their rents.

4.12. Other liabilities

All other liabilities fall due in less than one year.

In connection with the law on individual right to training [*Droit individuel à la formation* (DIF)], at December 31, 2010, the company's employees had acquired a combined total of 52,774 hours (after deducting the hours used since the DIF was introduced), representing a potential maximum cost of €5.3 million.

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

5. Notes to the income statement

5.1. Operating income

€ thousands	2010	2009	2008
Rental revenues:			
Rental revenues on residential properties	160,990	173,692	183,584
Rental revenues on commercial properties	133,421	149,525	140,649
Total rental revenues	294,411	323,217	324,233

To help comparison, items indicated in Note 2 have been reclassified in exceptional income.

5.2. Operating expenses

Operating expenses (excluding depreciation and provisions) primarily include €53.4 million of rental charges of properties recharged to tenants.

5.3. Increases and write-backs for depreciation and impairment

€ thousands	2010		2009		2008	
	Allocations	Write-backs	Allocations	Write-backs	Allocations	Write-backs
Fixed asset depreciation ⁽¹⁾	53,106		55,672		59,576	
Intangible fixed assets impairment ⁽¹⁾		1,080	1,080			
Tangible fixed assets impairment ⁽¹⁾	158	18,319	122,816	1,685	9,046	3,854
Impairment of financial investments and investment securities ⁽³⁾	237,506	77,716	313,662	95,044	170,286	2,435
Receivables impairment ⁽²⁾	2,636	6,841	2,411	23,472	27,336	2,615
Provisions for risks and charges ⁽³⁾	4,636	86,243	36,000	9,253	6,600	2,826
Amortization of bond redemption premiums ⁽⁴⁾	433		763		932	
TOTAL	298,475	190,199	532,404	129,454	273,776	11,730
Including:						
operating	60,378	93,083	94,084	32,725	93,511	5,441
financial	237,939	77,716	314,424	95,044	171,218	2,435
non-recurring and tax	158	19,400	123,896	1,685	9,047	3,854

(1) See Note 4.1.

(2) See Note 4.2.

(3) See Note 4.7.

(4) See Note 4.5.

To help comparison, items indicated in Note 2 have been reclassified in exceptional income.

5.4. Net financial items

€ thousands	2010		2009		2008	
	Expenses	Income	Expenses	Income	Expenses	Income
Interest and related expenses or income	288,541	86,968	178,289	70,708	198,599	97,012
Net gains on sale of marketable securities		342		656		2,534
Income from equity investments and other financial investments ⁽¹⁾		293,685		95,201		202,895
Depreciation, impairment and provision charges and write-backs						
– Amortization of bond redemption premiums ⁽¹⁾	433		763		932	
– Impairment of investments in subsidiaries, related receivables or treasury shares ⁽²⁾	237,506	77,716	313,661	95,044	170,286	2,435
TOTAL	526,480	458,711	492,713	261,609	369,817	304,876

(1) Including in 2010 an exceptional dividend from Parigest for €141.5 million (see Note 1).

(2) See Note 4.1. Including €3.3 million of income from impairment reversal on Gecina shares recorded as investment securities.

5.5. Exceptional items

€ thousands	2010	2009	2008
Net gains on sale of properties	122,761	122,915	138,670
Provisions for impairment of properties	19,242	(122,211)	(5,194)
Capital gains or losses on disposals of securities or mergers	(5,632)	(64,096)	804
Gains on bond redemptions		2,272	7,850
Loss on purchase of treasury shares	(2,392)	(31,039)	(6,009)
Other non-recurring income and expenses	199	285	147
EXCEPTIONAL ITEMS	134,178	(91,874)	136,268

To help comparison, items indicated in Note 2 have been reclassified in exceptional income.

Block sales of eleven properties in 2010 generated a capital gain of €35 million and the balance of €88 million was derived from unit sales.

During 2009, block sales of twenty-one properties generated a capital gain of €73.6 million and sales of twelve properties in 2008 yielded €77 million.

Losses on equity investment sales are related to the liquidations of SGIL, PSM and Foncigef, compensated by impairment write-backs for €5.7 million.

2009 capital losses on disposals included €29.6 million on the exchange of Gecina/Gecimed shares following the takeover bid, while €20.2 million was related to the exchange of Société Hôtel d'Albe/PB Ilot 1-4 shares and €13.9 million on the exchange of Geciter/St Germain shares.

5.6. Transactions with related companies

€ thousands

Assets (gross values)		Liabilities		Financial result	
Financial investments	4,031,573	Financial debt	479,074	Financial costs	217,281
Trade receivables	0	Trade payables	579		
Other receivables	66,807	Other payables	0	Financial income	426,358
Securities granted by Gecina on behalf of related companies			793,090		

At December 31, 2010, there were no significant transactions with the major shareholders.

Transactions with companies in which Gecina has a significant equity interest are limited to billing of services rendered and operating means (€23.4 million in 2010) as well as loans subject to agreements.

6. Other information

6.1. Exceptional events and disputes

Gecina has undergone tax audits that have resulted in tax reassessment notices, the bulk of which are being contested. The company is also directly or indirectly the subject of liability

actions and judicial processes instigated by third parties. Based on the assessments of the company and its advisers, there are to date no unaccrued risks, which would be likely to significantly impact Gecina's earnings or financial situation.

6.2. Workforce

Average headcount	2010	2009	2008
Managers	184	195	196
Employees	165	177	193
Operatives and building staff	170	191	221
TOTAL	519	563	610

6.3. Compensation for members of executive and management bodies

Attendance allowances paid to members of Gecina's Board of Directors in 2010 amounted to €1.7 million. There are no loans and guarantees granted or arranged for members of the executive or management boards.

6.4. Consolidating company

At December 31, 2010, the Spanish company Metrovacesa reports Gecina as an equity-accounted investment as it holds 26.85% of Gecina's share capital and 27.56% of its voting rights.

6.5. Stock options and bonus shares

(Data adjusted for the 2-for-1 split of Gecina shares on January 2, 2004)

(2)

(2)

	(1)		(2)		Bonus shares	Bonus shares	Bonus shares	Bonus shares	Bonus shares
Date of Meeting	06/07/2000	Date of Meeting	06/19/2007	06/19/2007	06/19/2007	06/19/2007	06/15/2009	06/15/2009	
Date of Board of Directors' Meeting	09/26/2001	Date of Board of Directors' Meeting	10/23/2007	12/13/2007	12/18/2008	03/22/2010	12/09/2010		
Effective allocation date	09/26/2001	Effective allocation date				04/16/2010	12/27/2010		
Start date for exercise of options	09/27/2005	Acquisition date	10/23/2009	12/13/2009	12/18/2008	04/16/2012	12/28/2012		
Expiration date	09/26/2011	Number of rights	18,610	74,650	109,000	48,875	60,850		
Number of rights	129,460	Withdrawal of rights (HR Department) (critères)	2,336	400	0	100			
Withdrawal of rights		Cancellation (HR Department)	26						
Subscription or purchase price (after adjustment)	€36.81	Stock price on allocation date (after adjustment)	€117.20	€118.99	€47.50	€83.17	€82.48		
Number of shares bought or subscribed (after adjustment)	129,460	Number of shares registered (after adjustment)	16,352	57,250	62,000	0			
No. of shares to be exercised	0	No. of shares to be allocated	0	17,000	47,000	48,775	60,850		
Performance conditions	no	Performance conditions	no	yes	yes	yes	yes		
Internal		Internal		Improvement in consolidated current income	Change in rate of operating margin	no	no		
External		External		Gecina share performance/ Euronext IEIF SIC France index	Gecina share performance/ Euronext IEIF SIC France index	Gecina share performance/ Euronext IEIF SIC France index	Gecina share performance/ Euronext IEIF SIC France index		
Date of Meeting	06/06/2001	06/02/2004	06/02/2004	06/02/2004	06/19/2007	06/19/2007	06/19/2007	06/15/2009	
Date of Board of Directors' Meeting	11/25/2003	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	03/22/2010	12/09/2010	
Effective allocation date	11/25/2003	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	04/16/2010	12/27/2010	
Start date for exercise of options	11/25/2005	12/12/2006	03/14/2008	12/12/2008	12/13/2009	12/18/2010	04/16/2012	12/27/2012	
Expiration date	11/24/2011	10/11/2014	03/15/2016	12/13/2016	12/14/2017	12/19/2018	04/17/2020	12/28/2020	
Number of rights	278,168	316,763	251,249	272,608	230,260	331,875	252,123	210,650	
Withdrawal of rights			14,500	18,600	30,000	0	210		
Subscription or purchase price (after adjustment)	€48.70	€61.02	€96.48	€104.04	€104.72	€37.23	€78.98	€84.51	
Number of shares bought or subscribed (after adjustment)	263,281	264,343	0	0	0	2,418	0		
No. of shares to be exercised	14,887	52,420	236,749	254,008	200,260	329,457	251,913	210,650	
Performance conditions	no	no	no	no	no	no	yes	yes	
Internal							no	no	
External							Gecina share performance/ Euronext IEIF SIC France index	Gecina share performance/ Euronext IEIF SIC France index	

(1) In connections with the write-back of commitments for stock options and share purchases allocated by SIMCO.

(2) Stock option plans.

6.6. Post year end events

On February 2, 2011, Gecina issued a new bond of €500 million, at a rate of 4.25%, maturing on February 3, 2016 (this event has no impact on 2010 Financial statements).

6.7. Statement of cash flows

<i>€ thousands</i>	12/31/2010	12/31/2009	12/31/2008
Operating cash flows			
Net income	275,037		
Elimination of income and expenses with no cash impact:			
• Depreciation, impairment and provisions	115,765		
• Investment subsidies account for as income	(198)		
• Capital gains on disposals	(125,022)		
Free cash flow	265,582		
Change in operating working capital:			
• Operating receivables	13,080		
• Operating payables excluding SIIC option liabilities	(2,386)		
Non recurring or operating flows (financing)	100,676		
Net cash flow from operations	376,952	151,824	432,373
Cash flows from investment activities			
Purchases of fixed assets	(1,111,759)		
Disposals of fixed assets	303,109		
Reductions in financial investments	419,680		
Impact of changes in consolidation	19,624		
Net cash flow from investment activities	(369,346)	170,553	103,468
Cash flows from financing activities			
Dividends paid	(267,857)		
Interim dividend	0		
Capital increase in cash	2,045		
Loan issues	1,522,748		
Repayment of loans	(1,374,567)		
Other cash flows from financing activities	(100,676)		
Net cash flow from financing activities	(218,307)	(359,805)	(701,740)
CHANGE IN CASH AND EQUIVALENTS	(210,696)	(37,428)	(165,899)
Opening cash and equivalents	(128,437)		
Closing cash and cash equivalents	(339,133)		

6.8. List of subsidiaries and equity investments

Financial information	Share capital	Shareholders' equity other than share capital	Equity interest held	Book value of shares held	
€ thousands			(%)	Gross	Net
Subsidiaries and equity interests					
A - Detailed information on subsidiaries and equity investments					
1- Subsidiaries					
SAS GECITER	17,476	815,617	100.00%	782,018	782,018
SAS PARIGEST	14,469	247,958	100.00%	414,800	373,195
SA GECIMED	169,036	98,282	98.59%	246,797	246,797
SAS HOTEL D'ALBE	2,261	90,644	100.00%	216,056	216,056
SAS GEC 4	191,819	(260,207)	100.00%	200,121	
SCI CAPUCINES	93,818	1,977	100.00%	105,734	105,734
SNC MICHELET LEVALLOIS	50,000	23,849	100.00%	70,965	70,965
SAS GECIOTEL	50,038	(6,973)	100.00%	50,038	50,038
SCI MONTESSUY	19,508	779	100.00%	49,236	49,236
SAS KHAPA	37	29,141	100.00%	36,659	36,659
SCI 55 RUE D'AMSTERDAM	18,015	2,772	100.00%	36,420	36,420
SAS GEC 7	926	33,417	100.00%	34,003	34,003
SIF Espagne	32,961	(153,313)	100.00%	33,161	
SARL COLVEL WINDSOR	2,000	5,197	100.00%	28,016	7,199
SAS SPIPM	1,226	25,259	100.00%	26,890	26,890
SAS SPL	22,898	2,285	100.00%	25,435	25,435
SAS SADIA	90	20,747	100.00%	24,928	24,928
SCI ST AUGUSTIN MARSOLLIER	10,515	1,153	100.00%	23,204	23,204
SAS LE PYRAMIDION COURBEVOIE	37	18,120	100.00%	22,363	22,363
SAS L'ANGLE	37	15,664	100.00%	21,434	21,434
SCI 5 BD MONTMARTRE	10,515	5,687	100.00%	18,697	18,697
SAS ANTHOS	37	(2,773)	100.00%	16,453	
SAS INVESTIBAIL TRANSACTIONS	16,515	2,162	100.00%	15,900	15,900
SCI BEAUGRENELLE	22	(24,406)	75.00%	15,048	15,048
SAS TOUR H15	6,038	(3,490)	100.00%	8,261	2,547
SA CFG	763	1,497	100.00%	6,715	2,259
B - General information on other subsidiaries or equity investments for which gross value does not exceed 1% of Gecina's share capital					
a. French subsidiaries (Total)				9,381	9,049
b. Foreign subsidiaries (Total)				–	–
c. Equity investmentst in French companies (Total)				95	95
d. Equity investments in foreign companies (Total)				–	–

(1) Amount of technical losses on merger assigned to shares contributed by SIF (unrealized capital gains).

(2) total provisions on loans and advances.

Outstanding loans and advances granted by the company	Total guarantees given by the company	Net revenues of the most recent fiscal year	Net income or loss of the most recent fiscal year	Dividends distributed by the company during the fiscal year	Comments
358,966	224,366	84,676	85,966	78,117	
2,760		27,669	79,767	156,974	
1,748		41,280	46,198	10,966	
	224,000	19,286	12,556	18,497 ⁽¹⁾	69,873
432,193		26,319	(120,533)	⁽²⁾	65,741
		3,878	1,977	⁽¹⁾	4,702
		12,610	7,518	8,500	
61,273		18,981	4,364		
25,231		3,911	779	⁽¹⁾	9,392
17,695	110,000	10,803	12,678		
21,190		4,957	2,772	⁽¹⁾	4,255
58,348		3,426	321	315	
233,256		3,448	(3,781)	⁽²⁾	151,924
27,900	73,500	5,116	4,576		
286		1,857	1,473	1,667 ⁽¹⁾	4,075
20		3,654	1,412	1,099	
11,336		2,602	1,775	3,597 ⁽¹⁾	5,870
12,336		2,834	1,153	⁽¹⁾	4,537
7	51,000	5,067	3,037		
5,070	60,000	3,762	5,242		
21,173		3,133	1,342	1,402 ⁽¹⁾	3,462
60,389			(1,982)	⁽²⁾	1,842
		246	363	263	
157,695		2,448	(2,027)		
325		1,019	(1,221)		
		223	107	2,800	
29,346	50,000	24,166	2,244	1,058	
-	-	-	-	-	
75		1,469	150		
-	-	-	-	-	

06

GROUP AND SUBSIDIARIES

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6.1. Group structure and organization chart

6.1.1. Group structure

The Group conducts its business in two areas of the real estate sector: the economic sector which encompasses office properties, logistics properties and hotels and the demographic business which includes residential properties (with student residences) and healthcare properties.

Therefore, as of December 31, 2010, the Gecina Group comprised 57 separate legal entities including (i) 55 real estate companies, holders of property assets or real estate rights, and (ii) two service companies.

The organization chart below shows that most subsidiaries are wholly owned by the Group with the exception of:

- SCI Beaugrenelle, in which Gecina holds a 75% equity stake;
- SAS Labuire, in which Gecina holds a 59.77% equity stake;
- Bami Newco, a company incorporated in Spain, in which Gecina has a 49% equity stake;
- SARL Montbrossol in which Gecina holds a 10% equity stake.

Gecina holds directly 54% of the Group's assets by value, 90% of the residential properties and 39% of the commercial properties.

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

On March 11, 2010, Gecina acquired 100% of SAS Anthos, which owns an office building in Boulogne-Billancourt (92).

On October 6, 2010, GEC 9, subsidiary of Gecimed, acquired 98% of the SCI Hôpital privé d'Annemasse and Gecina 2%. This company builds a healthcare facility in Annemasse (74).

On October 28, 2010, Gecina acquired a 10% stake in SARL Al-Rayyan Montrouge, which was wholly owned by SNC Montbrossol. On the same day, SNC Montbrossol was taken over by its parent company which changed its name to SARL Montbrossol. This company builds an office building in Montrouge (92).

Furthermore, the following operations were carried out to streamline the Group's structure, (i) Foncigef and SGIL were

liquidated, as they no longer had any business operations, (ii) GEC 6 and Parisienne Immobilière d'Investissement 1 were taken over respectively by Gecimed and Geciter, (iii) the entire assets and liabilities of SCI Bazincourt and Pierre-Curie were transferred to Gecimed and (iv) the entire assets and liabilities of SCI Paris Saint-Michel were transferred to Gecina.

At year end 2010, the Parigest subsidiary transferred its last three office properties to Geciter, another subsidiary, to consolidate its property holding into exclusively residential properties. Geciter's shares, obtained as consideration for the contribution for a total of €141.5 million, were transferred to Gecina on December 31, 2010 in the context of an exceptional distribution of €141.5 million.

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

N/A.



6.2. Business and earnings for the main subsidiaries

Gecina's transactions with related companies were as follows (€ thousands):

Assets		Liabilities	
Financial investments	4,031,573	Financial debt	479,074
Trade receivables	0	Trade payables	579
Other receivables	66,807	Other payables	0
Securities granted by Gecina on behalf of related companies			743,090

Key details of the Group's principal subsidiaries based on their individual Financial statements are as follows:

Parigest

Parigest, a wholly-owned Gecina subsidiary, owns residential properties consisting of ten Paris and Paris region-based buildings. The total appraised value of its buildings in use, exclusive of duties, amounted to €299.6 million as of December 31, 2010.

2010 rental revenues billed came in at €27.7 million compared to €32.6 million in 2009. 2010 net income amounted to €79.8 million, up from €24.4 million in 2009.

In 2010, Parigest paid out an ordinary dividend of €16 per share and an exceptional dividend of €141.5 million following the contribution to Geciter of three office properties valued at €141.5 million that had remained in Parigest's holdings after the divestments in 2010.

Prior to the €141.5 million exceptional distribution, Parigest decreased the nominal value of each of its shares, resulting in a capital reduction of €82 million.

Geciter

Geciter, a wholly-owned Gecina subsidiary, owns 38 commercial buildings with an appraised value in total, exclusive of duties, of €1,551.8 million as of December 31, 2010.

In 2010, Geciter continued to restructure its commercial asset in avenue Charles-de-Gaulle in Neuilly-sur-Seine (92), which it acquired in 2005, and seven properties were sold in 2010 generating a capital gain of €37.8 million.

Rents billed in 2010 generated revenues of €84.7 million compared to €78.2 million in 2009. Net income for the year amounted to €86.0 million, up from €76.1 million in 2009.

In 2010, Geciter paid out a net dividend of €530 per share.

Locare

Locare is a wholly-owned real estate services subsidiary of Gecina. It primarily markets residential real estate, by renting out or selling individual apartment units. Locare also provides commercial property consulting services and is developing a business selling properties prior to construction and renting out new assets for the first time, which is aimed at developers and investors.

Fees billed in 2010 amounted to €12.1 million compared to €8.1 million in 2009. Intercompany revenues accounted for 80% of total revenues.

2010 net income for the year amounted to €3.4 million compared to €0.8 million in 2009. In 2010, Locare paid out a net dividend of €400 per share.

GEC4

GEC4, a wholly-owned Gecina subsidiary, owns 47 logistics assets with an appraised total value, exclusive of duties, of €397.3 million as of December 31, 2010.

The Group's logistics real estate business, operated *via* GEC4 and its subsidiaries under the brand Gecilog, is described in the Chapter "Business and Markets".

In 2010, revenues came in at €26.3 million *versus* €30.3 million in 2009 and a net loss of €120.6 million was recorded (due to the vacancy of the largest warehouses and property impairment provisions) compared to a loss of €71.0 million in 2009 (due to declining rents caused by the vacancy of certain warehouses and provisions for tax reassessments).

Gecimed

Gecimed's business in 2010 is described in the Chapter "Revenues and Markets".

This 98.6%-held Gecina subsidiary as of December 31, 2010, owns 38 healthcare properties with an appraised value in total, exclusive of duties, of €664.4 million as of December 31, 2010.

Rents billed in 2010 generated revenue of €41.3 million up from €36.6 million in 2009. Net income for the year amounted to €46.2 million (due to reversals on asset impairments) *versus* a loss of €25.9 million for 2009 (due to asset impairments).

In 2010, Gecimed distributed a dividend of €0.07 per share for 2009, amounting to a total of €11.1 million. €52,700 was paid out in cash and €11 million through the issue of 9,014,512 new shares.

In 2010, Gecimed simplified its structure by merging with SCI GEC6 and receiving all the assets and liabilities of SCI Bazicourt et Pierre Curie.

Following the merger with GEC6, Gecimed raised its capital by €1 million.

Geciotel

Geciotel, a wholly-owned Gecina subsidiary, owns buildings in four Club Méditerranée villages, which it acquired in 2005 and which are located at Peisey-Vallandry, La Plagne, Val-d'Isère and Opio.

The appraised value exclusive of duties of the properties of Geciotel, a wholly-owned Gecina subsidiary, was €272.9 million as of December 31, 2010.

Rental income changed to €19.0 million from €19.3 million in 2009 following the reduction in the French Cost of Construction (ICC) index. Net income for 2010 shows a profit of €4.4 million *versus* a profit of €4.7 million in 2009.

6.3. Transactions with related parties

6.3.1. Transactions between Gecina Group and its shareholders

As of December 31, 2010, there were no significant transactions with the company's major shareholders, other than those described in Note 8.3 in the Notes to the Consolidated Financial Statements.

6.3.2. Transactions between Group companies

The Group structure is highly centralized. Gecina is the direct employer of most of the administrative staff, with the exception of Locare's sales teams and the property personnel, consisting mainly of superintendant staff, who remain employees of the companies owning the properties.

All the Group's financing requirements are organized by Gecina (with the exception of some financing specific to certain assets held by subsidiaries).

Cash pooling agreements and loan agreements of associates and shareholders provide for optimized management of cash flow based on the various subsidiaries' excess funds and cash requirements.

Values in consolidation (excluding dividends)	Gecina	Gecimed and subsidiaries	GEC 4 and subsidiaries	Geciter	Parigest	Other subsidiaries	Consolidated total
Fixed assets (including goodwill)	5,892,696	737,066	440,548	1,524,722	299,502	2,780,583	11,675,117
Third party debt	3,696,067	437,191	66,627	222,884	0	751,699	5,174,468
Net cash and equivalents	1,827	4,692	723	1,996	(60)	8,633	17,811
Operating cash flows	241,195	37,550	(22,947)	59,793	13,355	122,348	451,289
Dividends paid out at the year end to the listed company		10,966	0	219,657	15,434	49,816	295,873

07

DISTRIBUTION, SHARE CAPITAL AND SHARES

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7.1. Distribution

7.1.1. Distribution and appropriation of earnings

Pursuant to the provisions concerning the French real estate investment trust regime (SIIC) opted by Gecina, a 2011 dividend of €4.40 per share under the SIIC regime has been proposed.

For individual investors, this €4.40 dividend is eligible to the 40% tax allowance stipulated in Article 158-3-2 of the French General Tax Code. However, under Article 117 *quater* of the French General Tax Code, individual investors may elect for a withholding rate of 19%. In addition, the 20% withholding rate introduced by Article 208C II ter of the French General Tax Code is described in Section 1.2 below.

Consequently, a proposal will be put to the General Meeting of Shareholders to appropriate 2010 net income for the year as follows, and to decide, after taking into account:

- earnings for the year of €275,037,481.27;
- plus retained earnings of €0;

- representing distributable earnings of €275,037,481.27;
- increased by transfer from distributable reserves of €470,137.93;
- to distribute a dividend per share of €4.40 under the SIIC regime, representing a maximum amount of €275,507,619.20.

When the dividend is paid out, the treasury shares owned by the company, which are not legally entitled to a dividend distribution, will be taken into account and the total dividend payout and the amount deducted from the premium will be adjusted accordingly.

This dividend of €4.40 per share will be paid out on May 30, 2011.

As required by law, details of dividends distributed in the previous three fiscal years are set out below:

Year	Total distribution	Dividend per share *
2007	€312,746,970	€5.01
2008	€355,934,516	€5.70
2009	€275,361,856	€4.40

*Dividends eligible for the 40% tax allowance for individual investors.

The Shareholders' General Meeting will also be asked to decide on the transfer to a specific reserve account of the revaluation difference

on assets sold during the year and the additional impairment resulting from the revaluation totaling €35,669,330.62.

7.1.2. Composition of profits (article 23 of the by-laws)

As required by law, the appropriation of the profit for the year is decided by the General Meeting of Shareholders.

Distributable earnings are composed of the year's profit, minus losses from previous years and the sums required by law to be taken to reserves, plus retained earnings.

After approval of the Financial statements and recognition of the distributable earnings, the General Meeting of Shareholders determines the portion to be distributed to Shareholders in the form of a dividend.

The General Meeting of Shareholders ruling on the Financial statements for the year may grant every Shareholder an option between payment of the dividend or interim dividends either in cash or in shares of the company, for some or all of the dividend or interim dividends payable, pursuant to the legal and regulatory provisions in force.

All Shareholders, other than individual investors:

- owning, directly or indirectly, at the time of payment of any distribution of dividends, reserves, premiums or income deemed distributed as defined in the French General Tax Code (a "Distribution"), at least 10% of the rights to the company's dividends; and
- whose own situation or that of their associates owning, directly or indirectly, at the time of payment of any Distribution, 10% or more of the dividend entitlement, renders the company liable to a 20% withholding tax specified in Article 208-C-II ter of the French General Tax Code (the "Deduction") (such shareholder being hereinafter called a "Deduction Shareholder"), will be a debtor with regard to the company at the time payment is made of any distribution, the amount of which will be determined so as to fully offset the cost of the Deduction payable by the company for the Distribution.

In the event that the company holds, directly or indirectly, 10% or more of one or more SIICs specified in Article 208-C of the French General Tax Code (a "Daughter SIIC Trust"), the Deduction Shareholder will be a further debtor of the company, on the date payment is made of any Distribution by the company, for an amount (the "Daughter SIIC Trust Deduction") equal, depending on the case:

- either to the amount for which the company has become liable to the Daughter SIIC Trust since the previous Distribution by the company, in respect of the Deduction that the Daughter SIIC Trust has to pay due to the company's equity interest;
- or, in the absence of any payment to the Daughter SIIC Trust by the company, to the Deduction for which the Daughter SIIC Trust has become liable, since the previous Distribution by the company, at the rate of a Distribution to the company multiplied by the percentage of the company's dividend rights in the Daughter SIIC Trust.

Such that the other Shareholders do not have to bear any part whatsoever of the Deduction paid by any of the SIICs in the chain of equity investments as a result of the Deduction Shareholder.

If there are several Deduction Shareholders, each Deduction Shareholder will be liable to the company for the portion of the Deduction and the Daughter SIIC Trust Deduction resulting from his direct or indirect interest. The status of Deduction Shareholder is recognized on the date of payment of the Distribution.

Unless information to the contrary is provided, as required by Article 9 of the bylaws, any Shareholder other than an individual investor holding or coming to hold directly or indirectly at least 10% of the rights to the company dividend will be presumed to be a Deduction Shareholder.

The amount of any debt owned by a Deduction Shareholder will be calculated in such a way that the company is placed, after payment of the Deduction and taking account of any tax that may apply to it, in the same situation as if the Deduction had not been required.

Payment of any Distribution to a Deduction Shareholder will be made by registration in an individual (non-interest-bearing) current account for that Shareholder, the repayment of the current account being made within five business days of the registration after payment with the sums payable by the Deduction Shareholder to the company, pursuant to the above provisions. If the Distribution is made in a form other than cash, the amount must be paid by the Deduction Shareholder before the payment of the Distribution.

In the event that:

- it turns out, after a Distribution by the company or a Daughter SIIC Trust, that a Shareholder was a Deduction Shareholder on the date of payment of the Distribution; and if
- the company or the Daughter SIIC Trust had to make the payment of the Deduction for the Distribution thus paid to that Shareholder, without the said amounts having been paid as specified above, that Deduction Shareholder will be required to repay the company not only the sum that he owed the company under the provisions of this article but also an amount equal to any late payment penalties and interest that may be owed by the company or a Daughter SIIC Trust as a result of the late payment of the Deduction.

If necessary, the company will be entitled to offset the full amount between its receivable in this respect and any sums that may be subsequently payable to the Deduction Shareholder.

The General Meeting of Shareholders shall decide on the allocation of the balance which may either be carried forward as retained earnings or transferred to one or more reserve accounts.

The time, method and place of dividend payments are set by the Annual General Meeting of Shareholders, and failing this, by the Board of Directors.

7.1.3. Dividends in the last five years

The dividend is paid on the dates and at the places determined by the General Meeting of Shareholders, or failing this, by the Board of Directors, in a maximum of nine months after the close of the year. If payment of the dividend in shares is offered to Shareholders, the option must be selected within a maximum period of three months after the date of the General Meeting of Shareholders.

Year		Distribution	Number of shares	Dividend
2005	Dividend under the SIIC system	€161,747,165	€62,210,448	€2.60
2005	Dividend under the common law system	€80,873,582	€62,210,448	€1.30
Total 2005	Dividend under the SIIC and common law systems	€242,620,747	€62,210,448	€3.90
2006	Dividend under the SIIC system	€261,532,614	€62,269,670	€4.20
2007	Dividend under the SIIC system	€312,746,970	€62,424,545	€5.01
2008	Dividend under the SIIC system	€355,934,516	€62,444,652	€5.70
2009	Dividend under the SIIC system	€275,361,856	€62,582,240	€4.40
2010 ⁽¹⁾	Dividend under the SIIC system	€275,507,619	€62,615,368	€4.40

(1) Proposal submitted for approval by the General Meeting called to approve the Financial statements for 2010.

Dividends not claimed at the end of a period of five years are time-barred and paid to the French tax authorities.

7.1.4. Resolutions submitted to the General Meeting

The Combined General Meeting of Gecina Shareholders is called to approve the resolutions that will be sent to Shareholders within the legally specified time before the General Meeting and are

also available on the company's website in the Section "Finance Publications".

7.2. Share capital

Share capital, composed of 62,615,368 shares at a par value of €7.50, totaled €469,615,260 at the end of fiscal year 2010.

7.2.1. Breakdown of share capital and voting rights

No shares carry a double voting right. However, the number of voting rights is adjusted to take account of treasury shares that do not carry voting rights. Accordingly, at December 31, 2010, the breakdown of share capital and voting rights, to the company's knowledge, is as follows:

Shareholders	Number of shares	% of capital	% of voting rights
Metrovacesa	16,809,610	26.85%	27.56%
Mr. Rivero	10,084,735	16.11%	16.54%
Mr. Soler	9,568,641	15.28%	15.69%
Predica	5,145,738	8.22%	8.44%
Other resident institutional shareholders	2,557,578	4.08%	4.19%
Non-resident shareholders	13,738,033	21.94%	22.53%
Individual shareholders	3,084,202	4.93%	5.06%
Treasury shares	1,626,831	2.60%	
TOTAL	62,615,368	100.00%	100.00%

To the company's knowledge, no other shareholder owns more than 5% of the capital or voting rights. There are no shareholders' pacts.

The percentages of capital and voting rights held by the members of the Board of Directors and the Executive Committee as a whole are respectively 51.93% and 53.32%.

At December 31, 2010, Group employees held 295,186 Gecina shares directly and 196,142 Gecina shares indirectly via the Gecina shareholding mutual fund ("FCPE Gecina actionnariat"), representing a total of 0.78% of the capital.

To the best of the company's knowledge, 8,839 shares held on a pure registered basis by Mr. Rivero, 9,778,531 shares held by Alteco Gestion y Promocion de Marcas S.L. and 150,000 shares

held by Inmopark 92 Alicante S.L., companies controlled by Mr. Rivero, 40 shares held by Mrs. Helena Rivero Lopez de Carrizosa and 9,561,699 shares held by Mag Import S.L., company controlled by the Soler family, were subject to a sequestration order in February 2010 at the request of Mr. Van Ruymbeke in connection with the judicial inquiry mentioned in Section 11.2 hereafter.

The shares held by Alteco Gestion y Promocion de Marcas S.L. and Mag Import S.L. are pledged to various financial institutions.

16,809,610 shares held by Metrovacesa are pledged.

The company has no pledges on its treasury shares.

7.2.2. Securities giving access to share capital

- Convertible bonds: Gecina launched on March 31, 2010 an issuance of Orname bonds redeemable in cash and/in new and/or existing shares, maturing on January 1, 2016, for an amount of €320 million.
- Stock options: at December 31, 2010 the potential number of shares to be created by the exercise of stock options was 572,188.
- The company has not issued any founder shares or voting right certificates.
- There are no other securities giving access to the company's share capital.

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

By %	12/31/2008	12/31/2009	12/31/2010
Metrovacesa	26.92%	26.86%	26.85%
Mr. Rivero	16.15%	16.11%	16.11%
Mr. Soler	15.32%	15.29%	15.28%
Crédit Agricole-Predica Group	8.24%	8.22%	8.22%
Non-resident shareholders	19.86%	22.65%	21.94%
Individual shareholders	5.07%	5.03%	4.08%
Other resident institutional shareholders	3.24%	3.11%	4.92%
Treasury shares	5.20%	2.73%	2.60%
TOTAL	100.00%	100.00%	100.00%

7.2.4. Change in share capital over the last five years

Year	Transactions	Number of shares	Capital (in €)	Share issue or merger premium (in €)
2006	Balance at January 1, 2006	62,210,448	466,578,360	
	Subscription under the company savings plan ("PEE")	21,775	163,313	1,718,701
	Exercise of stock options	37,447	280,853	1,190,451
	Balance at December 31, 2006	62,269,670	467,022,525	
2007	Balance at January 1, 2007	62,269,670	467,022,525	
	Subscription under the company savings plan ("PEE")	7,651	57,383	811,618
	Merger absorption of Société des Immeubles de France	126,405	948,038	4,560,294
	Exercise of stock options	20,819	156,143	662,588
	Balance at December 31, 2007	62,424,545	468,184,087	
2008	Balance at January 1, 2008	62,424,545	468,184,087	
	Adjustment for stock option plans	1,019	7,642	
	Subscription under the company savings plan ("PEE")	19,088	143,160	1,239,193
	Balance at December 31, 2008	62,444,652	468,334,890	
2009	Balance at January 1, 2009	62,444,652	468,334,890	
	Exercise of stock options	9,470	71,025	286,372
	Subscription under the company savings plan ("PEE")	128,118	960,885	1,896,146
	Balance at December 31, 2009	62,582,240	469,366,800	
2010	Balance at January 1, 2010	62,582,240	469,366,800	
	Exercise of stock options	2,708	20,310	77,340
	Subscription under the company savings plan ("PEE")	30,420	228,150	1,694,698
	Balance at December 31, 2010	62,615,368	469,615,260	

In 2010, 33,128 shares in the company were created with entitlement to dividends from January 1, 2010, resulting from:

- exercise of stock options 2,708 shares
- subscription under the company savings plan (PEE) 30,420 shares

Making a total of:

33,128 shares

7.2.5. Conditions for changes to share capital and the respective rights of various classes of shares

The Extraordinary General Meeting of Shareholders is able to delegate to the Board of Directors the powers or authority necessary to change the company's share capital and number of shares, especially in the event of a capital increase or reduction.

7.2.6. Amount of authorized share capital not issued

1. The Combined General Meeting of June 15, 2009 delegated its power to the Board of Directors to issue, in one or more installments, in the proportions and at the times of its choosing, in France and/or abroad, either in euros or another currency, company shares and any other marketable securities of any kind, giving access immediately and/or in the future, at any time or on a fixed date, to company shares; the marketable securities thus issued could consist of bonds or be related to the issue of bonds, or could enable their issue as intermediary securities. The total amount of share capital increases that could be conducted immediately and/or in the future by virtue of the above delegation, may not be greater than €200 million in par value, to which amount can be added the par value of additional shares that may be issued to preserve the rights (in accordance with the law) of holders of marketable securities that give entitlement to shares.

These issues may be conducted with or without a pre-emptive subscription right.

These authorizations were valid for twenty-six months from the General Meeting of Shareholders of June 15, 2009.

Pursuant to the 18th and 19th resolutions of the General Meeting of Shareholders of March 22, 2010, the Board of Directors has delegated to the Chief Executive Officer, the powers to issue Orname bonds redeemable in cash and/or in new and/or existing shares.
2. The same Meeting delegated power to the Board of Directors to conduct a capital increase:
 - to pay for contributions in kind, up to a limit of 10% of share capital;
 - by capitalization of premiums, reserves or profits, up to a limit of €500 million;
 - by the issue of shares, at a freely set price, up to a limit of 10% of share capital *per annum*;
 - for the benefit of employees, up to a limit of €15 million.

These authorizations, valid for twenty-six months from the General Meeting of Shareholders of June 15, 2009, have not been used.
3. The Meeting of June 15, 2009 gave the Board of Directors authorization to grant to members of staff and officers of the company and companies in the Group, stock options for the purchase of new and/or existing shares, up to a limit of 3% of share capital.

The Board of Directors' Meetings of March 22, 2010 and December 9, 2010 used this authorization for the purpose of granting respectively 241,100 stock options at a price of €82.59^(a) and 210,650 stock options at a price of €84.51.
4. The General Meeting of Shareholders of June 15, 2009 delegated to the Board of Directors its power to award bonus shares of existing or new shares to Group employees or officers, up to a limit of 3% of share capital.

The Boards of Directors' Meetings of March 22, 2010 and December 9, 2010 used this authorization for the purpose of granting respectively 48,775 shares and 60,850 shares.

These four grants to Group employees and officers represent 0.9% of Gecina's share capital.

(a) This stock options plan was adjusted as indicated in paragraph 7.4.1.

7.2.7. 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 issue of transferable securities giving entitlement to the allocation of debt securities (A) General Meeting of June 15, 2009 – 17th resolution (up to 26 months, ending August 16, 2011)	Maximum amount of capital increase (A) + (C) limited to €200 million (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	None
Capital increase by incorporation of reserves, profits or premiums (B) General Meeting of June 15, 2009 – 21st resolution (up to 26 months, ending August 16, 2011)	Maximum amount of capital increase €500 million (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	None
2. Issue without pre-emptive subscription right		
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or issue of transferable securities giving entitlement to the allocation of debt securities (C) General Meeting of June 15, 2009 – 18th resolution (up to 26 months, ending August 16, 2011)	Maximum amount of capital increase (A) + (C) limited to €200 million (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	Issuance of Orname for an amount of €320 million
Capital increase as remuneration for contributions in kind (D) General Meeting of June 15, 2009 – 20th resolution (up to 26 months, ending August 16, 2011)	Maximum amount of capital increase 10% of adjusted share capital (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	None
Issue of shares at a freely set price (E) General Meeting of June 15, 2009 – 22nd resolution (up to 26 months, ending August 16, 2011)	Maximum amount of capital increase 10% of adjusted share capital per annum (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	None
Capital increase by issues reserved for members of company savings plans ("PEE") (F) General Meeting of June 15, 2009 – 23rd resolution (up to 26 months, ending August 16, 2011)	Maximum amount of capital increase €15 million (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	30,420 shares issued in 2010
Stock options (G)	Maximum amount of shares that could result from exercise of the options	Award of 241,100 stock options on March 22, 2010 and 210,650 stock options on December 9, 2010
• Stock options for new shares (G1) General Meeting of June 15, 2009 – 24th resolution (up to 26 months, ending August 16, 2011)	3% of share capital on the day of the decision by the Board of Directors (G1) + (G2) limited to 3% of share capital on the day of the decision by the Board of Directors	
• Options to purchase existing shares (G2) General Meeting of June 15, 2009 – 24th resolution (up to 26 months, ending August 16, 2011)	Maximum amount of shares that could result from exercise of the options 3% of share capital on the day of the decision by the Board of Directors (G1) + (G2) limited to 3% of share capital on the day of the decision by the Board of Directors Maximum amount of capital increase (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	none
Bonus shares (H) General Meeting of June 15, 2009 – 25th resolution (up to 26 months, ending August 16, 2011)	Maximum number of existing or newly issued bonus shares 3% of share capital on the day of the decision by the Board of Directors Maximum amount of capital increase (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	Award of 48,775 shares on March 22, 2010 and 60,850 shares on December 9, 2010

Securities concerned Date of General Meeting (Term of authorization and expiry date)	Restrictions	Use of authorizations
3. Issue with or without pre-emptive subscription right		
Increase in the number of shares to be issued in the event of a capital increase (I) General Meeting June 15, 2009 – 19th resolution (up to 26 months, ending August 16, 2011)	Maximum amount of capital increase 15% of the initial issue (A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) limited to €550 million	None
4. Buyback of shares		
Share buybacks General Meeting of May 10, 2010 – 22nd resolution (up to 18 months, ending November 10, 2011)	Number of shares that may be bought back 10% of adjusted share capital or 5% in the case of share buybacks for external growth acquisitions Maximum number of shares that may be held by the company 10% of share capital Maximum price for buyback of shares: €100 per share Maximum total amount of the share buyback program €625,822,400	In 2010, 325,492 shares acquired at the average price of €77.02 and 325,492 shares sold at the average price of €77.26 in the context of a liquidity agreement
Capital reduction by cancellation of treasury shares General Meeting of June 15, 2009 – 26th resolution (up to 26 months, ending August 16, 2011)	Maximum number of shares that may be cancelled in a 24-month period 10% of shares comprising the adjusted share capital	None

These authorizations will be renewed at the Annual General Meeting of Shareholders in 2011.

7.3. Operations on share capital

7.3.1. Company transactions on treasury shares

The General Meeting of Shareholders of May 10, 2010 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 €100. 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 purchases in connection with mergers and acquisitions at the time of the transaction. The maximum number of shares that may be held, at any time whatsoever, is set at 10% of the shares comprising the share capital. As the authorization was given by the General Meeting of Shareholders of May 10, 2010 for a period of 18 months, a proposal has been made to renew this authorization, which will be submitted to the approval of the General Meeting called to approve the Financial statements for 2010.

In 2010, Gecina used the authorization given to the Board of Directors by the Shareholders' General Meeting of June 15, 2009,

then by the Shareholders' General Meeting of May 10, 2010, to purchase treasury shares.

Liquidity agreement

Under the liquidity agreement granted to Rothschild & Cie Banque, Gecina purchased 325,492 shares for an amount of €25,068,487.81 and sold 325,492 shares for an amount of €25,147,616.99.

At December 31, 2010, the liquidity account held a balance of €8,403,396.00 and no Gecina securities.

In 2010, there were no share buy-backs other than for liquidity reasons.

At December 31, 2010, 1,626,831 treasury shares were held, *i.e.* 2.60% of share capital. These represent a total investment of €118.1 million, at an average price per share of €72.61.

2010 Aggregate data		% of capital
Number of shares comprising the issuer's capital at December 31, 2010	62,615,368	
Number of treasury shares at December 31, 2009	1,709,706	2.73%
Options exercised during the year	(20,849)	
Shares transferred to allocation plans	(62,026)	
Liquidity agreement		
Number of shares purchased	325,492	
Number of shares sold	(325,492)	
Average purchase price including transaction costs	€77.02	
Average sales price including transaction costs	€77.26	
Number of treasury shares at December 31, 2010	1,626,831	2.60%

The conditions for implementing the buyback program subject to authorization are detailed in the program description and are regulated, specifically, by the provisions set out by Articles L. 225-209 *et seq.* of the French Commercial Code, amended by Order 2009-105 of January 30, 2009; European Regulation No. 2273/2003 of December 22, 2003 taken in application of Directive 2003/6/EC of January 28, 2003, known as the "Market

abuse" directive, which came into force on October 13, 2004; Article L. 451-3 of the Monetary and Financial Code and Articles 241-1 to 241-6 of the AMF's General Regulation (last amended by the orders of April 2 and July 10, 2009); by AMF instruction 2005-06 of February 22, 2005 (last amended on July 20, 2009) and by two AMF decisions of March 22, 2005 and October 1, 2008.

7.3.2. Change of control agreement

After the definitive termination of the Separation Agreement dated April 7, 2009 reached between its two major shareholder groups, the Sanahuja family on the one hand, and Mr. Rivero and

Mr. Soler on the other hand, there is no longer any shareholders' pact or covenant.

7.3.3. Factors that could have an influence in the event of a takeover bid for the company

Under Article L. 225-100-3 of the French Commercial Code, the company is required to identify factors that could have an influence in the event of a takeover bid. Among these factors are agreements made by the company that would be amended

or terminated in the event of a change in control of the company. In this respect, the company has mentioned the clauses of change of control contained in the financing contracts (see "Financial Resources" Section).

7.3.4. Transactions in company shares conducted by directors, senior managers or persons to whom they are closely connected

In 2010, the declarations made by directors and by the persons covered by Article L. 621-18-2 of the French Monetary and Finance Code to the AMF pursuant to the provisions of Articles

223-24 *et seq.* of the AMF's General Regulations are as follows:

Summary of transactions performed

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit	Amount of transaction
Predica, Director	Shares	Acquisition	January 14, 2010	January 15, 2010	Euronext Paris	€74.0464	€996,220.00
Jacques-Yves Nicol, Director	Shares	Acquisition	March 9, 2010	March 12, 2010	NYSE Euronext	€77.6175	€3,104.70
Bernard Michel, Chairman of the Board of Directors	Shares	Acquisition	March 8, 2010	March 12, 2010	NYSE Euronext	€77.2445	€3,089.78
Philippe Donnet, Director	Shares	Acquisition	March 9, 2010	March 12, 2010	NYSE Euronext	€77.6175	€3,104.70
Antonio Trueba, Director	Shares	Acquisition	March 11, 2010	March 22, 2010	NYSE Euronext	€79.40	€100,044.00
Helena Rivero Lopez de Carrizosa, Director	Shares	Acquisition	April 7, 2010	April 12, 2010	NYSE Euronext Paris	€82.96	€3,318.40
Gramano Francise Development Europe BV, legal entity linked to Joaquín Rivero Valcarce, Director, Member of the Strategic Committee.	Shares	Disposal	April 19, 2010	May 26, 2010	Euronext Paris	€81.36	€741,779.17
Yves Dieulesaint, Executive Committee Member	Shares	Exercise of stock options	November 15, 2010	November 18, 2010	Euronext Paris	€48.70	€293,368.80
Yves Dieulesaint, Executive Committee Member	Shares	Exercise of stock options	November 15, 2010	November 18, 2010	Euronext Paris	€36.81	€99,681.48
Crédit Agricole Assurances, legal entity linked to Predica, Director	Shares	Acquisition	November 29, 2010	December 3, 2010	Euronext Paris	€80.3631	€496,724.32
Jean-Jacques Dayries, Director	Shares	Acquisition	December 15, 2010	December 20, 2010	NYSE Euronext Paris	€86.65	€13,864.00
Person linked to Jean-Jacques Dayries, Director	Shares	Acquisition	December 15, 2010	December 20, 2010	NYSE Euronext Paris	€86.43	€6,914.40

7.4. Stock options and bonus shares

7.4.1. Stock options

The company has set up various stock option plans for the purchase of new and existing shares, the allocation of which are reserved for officers or employees of the company and of companies associated with it as defined in Article L. 225-180 of

the French Commercial Code. Some employees and corporate officers of the Group were allocated stock options or bonus shares under stock option plans launched by Gecina on March 22 and December 9, 2010.

The following report shows the number and main terms of the stock options awarded between 2001 and 2010 by Gecina to its staff:

Special report on stock options granted to corporate officers and employees

To the Shareholders,

Pursuant to the provisions of Article L. 225-184 of the French Commercial Code, the purpose of this report is to inform you of the award of stock options during 2010 for the purchase or subscription of new or existing shares to members of staff of the company or affiliated companies or groups as specified in Articles L. 225-177 to L. 225-186 of the French Commercial Code.

Date of Shareholders' Meeting	06/07/2000 ^(1,2)	06/06/2001	06/02/2004	06/02/2004	06/02/2004	06/19/2007	06/19/2007	06/15/2009	06/15/2009
Date of Board of Directors' Meeting	09/26/2001	11/25/2003	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	03/22/2010 ⁽²⁾	12/09/2010 ⁽²⁾
Date of options allocation	09/26/2001	11/25/2003	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	04/16/2010	12/27/2010
Expiry date	09/26/2011	11/24/2011	10/11/2014	03/15/2016	12/13/2016	12/14/2017	12/19/2018	04/17/2020	12/28/2020
Number of options awarded	129,460	278,168	316,763	236,749	254,008	200,260	331,875	251,913	210,650
including number of options awarded to company officers	47,863	60,650	66,466	57,450	60,648	31,370	73,198	31,368	30,000
including number of options awarded to the top 10 employee beneficiaries	77,925	128,957	143,665	130,336	123,393	110,320	157,376	144,293	117,000
Subscription or purchase price (€)	36.81	48.7	61.02	96.48	104.04	104.72	37.23	78.98	84.51
Number of shares subscribed or purchased to date	129,460	263,281	264,343	0	0	0	2,418	0	0
including number of options awarded to company officers	47,863	60,650	66,466	0	0	0	0	0	0
including number of options awarded to the top 10 employee beneficiaries	77,925	121,945	108,100	0	0	0	0	0	0
Number of options that may be exercised	0	14,887	52,420	236,749	254,008	200,260	329,457	251,913	210,650
including number of options awarded to company officers	0	0	0	57,450	60,648	31,370	73,198	31,368	30,000
including number of options awarded to the top 10 employee beneficiaries	0	7,012	35,565	130,336	123,393	110,320	157,376	144,293	117,000

1) In the framework of agreements relative to the options for subscription and buying of shares attributed by SIMCO.

2) Stock subscription options plan.

Options awarded and exercised in 2010

The Combined Shareholders' General Meeting of June 19, 2007 authorized the Board of Directors, under Articles L. 225-177 *et seq.* of the French Commercial Code, to award, to persons of its choosing who are employees and officers of the company or any companies related to it as defined in Article L. 225-180 of the French Commercial Code, on one or more occasions during the maximum legal period from that date, options giving entitlement to new shares in the company to be issued under a capital increase or to existing shares of the company.

On March 22, 2010 and December 9, 2010, by virtue of the authorization conferred on it by the Combined Shareholders' General Meeting of June 15, 2009 (24th and 25th resolutions) and on the recommendation of the Remuneration Committee, the Board of Directors awarded 241,100 stock options ^(a) at a price of €82.59 ^(a) and 210,650 options at a price of €84.51 to the Chief Executive Officer of Gecina (named below) and to employees of the Gecina Group.

Date of Board of Directors' Meeting	Start date for exercising options	Maturity date	Number of options granted	Subscription or purchase price	Number of shares subscribed or bought	Number of shares that can be exercised	Number of beneficiaries
03/22/2010	04/16/2010	04/17/2020	241,100 ^(a)	82.59 ^(a)	0	241,100	66
12/09/2010	12/27/2010	12/28/2020	210,650	84.51	0	210,650	59

The exercise price for the stock options is set in relation to the average price on the twenty stock market trading days preceding the Board of Directors' Meeting. These options may be exercised during a period of ten years from their allocation date, provided

the performance of the share price of Gecina relative to the SIIC Index over a 24-month period complies with a performance criterion.

Options granted to officers of Gecina

Corporate officers, employee directors	Company that awarded options	Date of allocation	Number of options	Exercise price of the options
Christophe Clamageran	Gecina	04/16/2010	30,000 ^(a)	€82.59 ^(a)
	Gecina	12/28/2010	30,000	€84.51

Options granted to the ten employees (not corporate officers) of Gecina who received the greatest number of options in 2010

On March 22, 2010, the Board of Directors awarded 138,000 stock options for existing shares at a price of €82.59 per option ^(a).

On December 9, 2010, the Board of Directors awarded 117,000 stock options for existing shares at a price of €84.51 per option.

Options exercised by Corporate Officers and employees of Gecina in 2010

The Gecina options exercised by all Group employees in 2010 were as follows:

Plans	Exercise price of the options	Number of options exercised in 2010
Former SIMCO stock options, 2001	€36.81	2,708
Options to purchase existing shares, November 25, 2003	€48.70	10,925
Options to purchase existing shares, October 2004	€61.02	7,506
Options to purchase existing shares, December 2008	€37.23	2,418
TOTAL		23,557

Information concerning options exercised by the ten employee stock option holders who exercised the greatest number of options during 2010

Plans	Exercise price of the options	Number of options exercised in 2010
Former SIMCO stock options, 2001	€36.81	2,708
Options to purchase existing shares, November 25, 2003	€48.70	10,925
Options to purchase existing shares, October 2004	€61.02	7,506
Options to purchase existing shares, December 2008	€37.23	2,418
TOTAL		23,557

(a) This stock options plan was adjusted as indicated in paragraph 7.4.1.

No option was exercised by corporate officers and employee directors of Gecina during 2010. However, Mr. Antonio Truan forfeited 30,000 stock options allocated in 2007.

Adjustment to stock option plans by the Board of Directors on November 4, 2010

The distribution of issue premiums by Gecina in May 2010 required an adjustment to the conditions of awarding the options that had not been exercised as of the distribution date, *i.e.*, May 20, 2010.

Pursuant to Article R. 228-91 of the French Commercial Code, applicable by cross-referencing from Article R. 225-137 of the

same Code, and Article R. 225-140 of the Commercial Code, the rights of stock options holders are amended as follows:

- the price of shares under option must be reduced by a sum equal to the product of this price times the ratio between the amount of the premium distributed and the value of the share before distribution;
- the number of shares under option must be adjusted such that the total purchase or subscription price remains constant.

After allowing for these adjustments, the prices and numbers of options were as follows:

Adjustments to Gecina plans

Stock option plans for new or existing shares	Former price	New price	Former number of options or shares	New number of options or shares	Number of additional options or shares
September 26, 2001	38.49	36.81	2,589	2,708	119
November 25, 2003	50.93	48.70	22,441	23,472	1,031
October 16, 2004	63.81	61.02	55,628	58,176	2,548
March 14, 2006	100.89	96.48	226,381	236,749	10,368
December 12, 2006	108.80	104.04	242,900	254,008	11,108
December 13, 2007	109.51	104.72	191,500	200,260	8,760
December 18, 2008	38.93	37.23	317,350	331,875	14,525
April 16, 2010	82.59	78.98	241,100	252,123	11,023
TOTAL			1,299,889	1,359,371	59,482

Adjustments to the number of shares were made per beneficiary and resulted in a total of 59,482 additional stock options.

7.4.2. Award of bonus shares

By virtue of the authorization conferred by the 25th resolution of Gecina's Ordinary Shareholders' General Meeting dated June 15, 2009, Gecina's Boards of Directors adopted on March 22, 2009 and December 9, 2010 two regulations for Gecina's bonus share plan. These plans provide for the allocation of Gecina bonus shares to beneficiaries designated from among the corporate officers and employees most directly connected with the development of the Gecina Group, for up to 3% of share capital.

The term for the bonus shares vesting period was set by the plan's regulation at two years starting from the Meeting of the Gecina's Board of Directors that had decided on the allocation

of the said shares, except in the event of departure or dismissal for gross misconduct as defined under legal precedents of the French Court of Cassation and provided the meeting of performance criterion linked to Gecina's stock performance compared to the SIC Index over a 24-month period.

At the end of a period of two years from the date of the Gecina's Board of Directors' Meeting deciding on the award of the bonus shares, and subject to satisfying the above conditions, the beneficiaries will become owners of the bonus shares awarded to them and enjoy all the rights of a shareholder. However, they may not sell their bonus shares for two years from their vesting date.

The following table shows the number and main terms of the bonus shares awarded on the basis of the above delegations:

Date of Board of Directors' Meeting	March 22, 2010	December 9, 2010
Start date of vesting period	April 16, 2010	December 27, 2010
Vesting date	April 16, 2012	December 27, 2012
Number of shares awarded	48,775	60,850
of which, number of shares awarded to corporate officers		12,000
of which, number of shares awarded to the top 10 employee beneficiaries	25,200	25,400
Number of shares subscribed, purchased or cancelled	0	0
of which, number of shares subscribed, purchased or cancelled by corporate officers	0	0
of which, number of shares subscribed, purchased or cancelled by the top 10 employee beneficiaries	0	0
Number of shares that may be awarded	48,775	60,850
of which, number of shares that may be awarded to corporate officers	0	12,000
of which, number of shares that may be awarded to the top 10 employee beneficiaries	25,200	25,400

They are also described in the following report:

Special report on allocations of bonus shares to corporate officers and employees

To the Shareholders,

Pursuant to the provisions of Article L. 225-197-4 of the French Commercial Code, the purpose of this report is to inform you of the award of new or existing free shares during 2010 to members of staff of the company or affiliated companies or groups as specified in article L. 225-197-2 of the French Commercial Code and corporate officers defined in Article L. 225-197-1-II of the French Commercial Code.

Bonus share plans awarded to the Board of Directors on March 22, 2010

By virtue of the authorization conferred by the 25th resolution of the June 15, 2009 Combined General Meeting and on the recommendation of the Remuneration Committee, the Board of Directors on April 16, 2010 carried out a bonus issue of a total number of 48,775 company shares with a value of €47.50⁽¹⁾ per share to beneficiaries from among the employees and corporate officers most directly connected with the Group's development.

Pursuant to Article L. 225-197-1 of the French Commercial Code and the conditions specified in the Gecina bonus share plan in April 2010, the above-described shares awarded by the Board of Directors will be definitively vested at the end of a two-year period from their award date (the "Vesting Date") and subject to the achievement of the performance conditions.

From the Vesting Date and subject to the satisfaction of the above-mentioned conditions, the beneficiaries will become owners

of the shares awarded to them as bonus shares and enjoy all the rights of a shareholder. However, they may not sell the bonus shares that have been definitively awarded to them for two years from the Vesting Date.

Bonus share plans awarded to the Board of Directors on December 9, 2010

By virtue of the authorization conferred by the seventeenth resolution of the Combined Shareholders' General Meeting of June 15, 2009 and on the recommendation of the Remuneration Committee, the Board of Directors on December 27, 2010 carried out a bonus issue of a total of 60,850 company shares with a value of €82.48⁽¹⁾ per share to beneficiaries from among the employees and corporate officers most directly connected with the Group's development.

Pursuant to Article L. 225-197-1 of the French Commercial Code and the conditions specified in the Gecina bonus share plan in December 2010, the above-described shares awarded by the Board of Directors will be definitively vested at the end of a two-year period from their award date (the "Vesting Date") and subject to the achievement of the performance conditions.

From the Vesting Date and subject to the satisfaction of the above-mentioned conditions, the beneficiaries will become owners of the shares awarded to them as bonus shares and enjoy all the rights of a shareholder. However, they may not sell the bonus shares that have been definitively awarded to them for two years from the Vesting Date.

1) Stock price the day of allocation.

Bonus shares granted to Gecina Corporate Officers

Company officers employee board members	Company that awarded shares	Date of award	Number of shares
Christophe Clamageran	Gecina	12/27/2010	12,000

Bonus shares that became available during the year

Bonus shares granted to the ten employees (not corporate officers) of Gecina who received the greatest number of shares in 2010

The Board of Directors' Meeting of March 22, 2010 awarded 25,200 bonus shares.

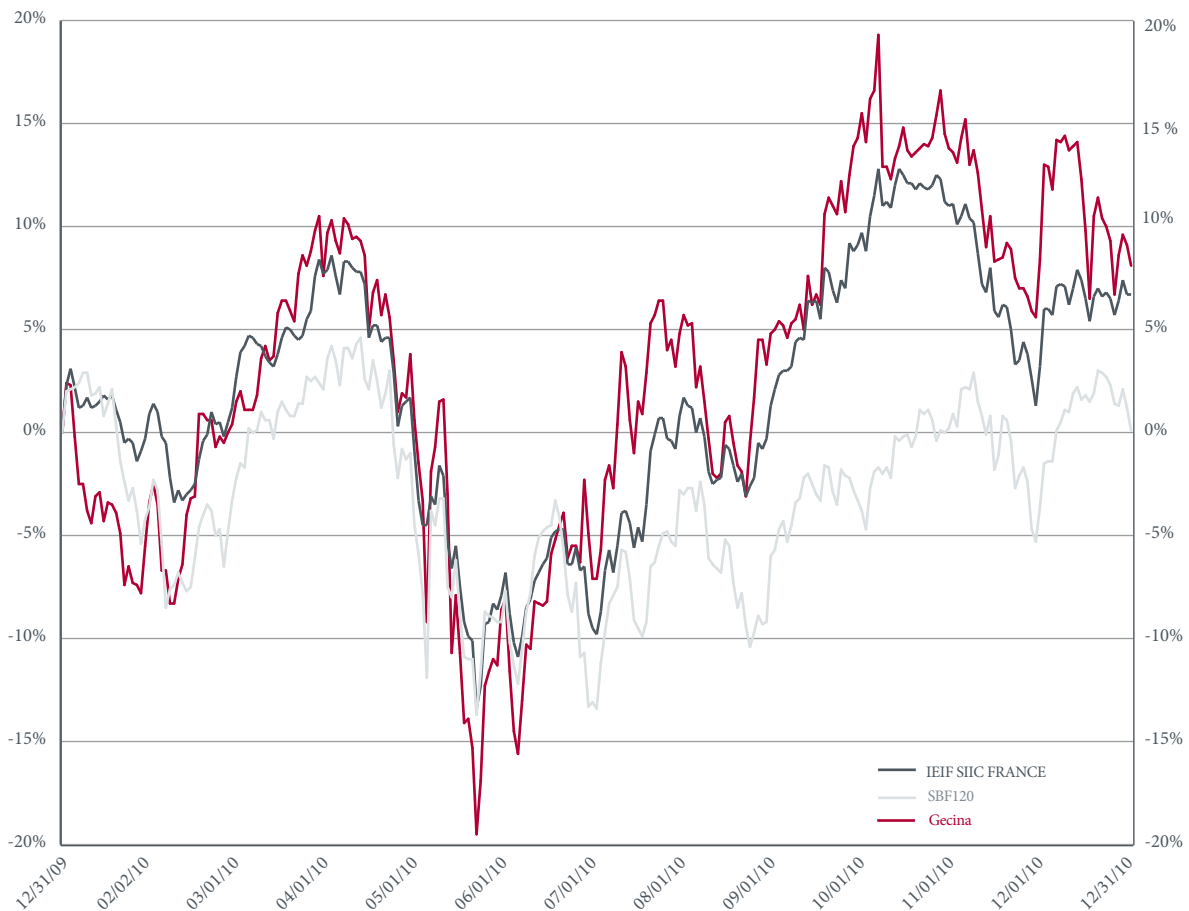
The Board of Directors' Meeting of December 9, 2010 awarded 25,400 bonus shares.

7.5. The Gecina share

7.5.1. The share price in 2010

The Gecina share rose by 8.10% on the stock market in 2010, from €76.14 as of December 31, 2009 to €82.31 as of December 31, 2010.

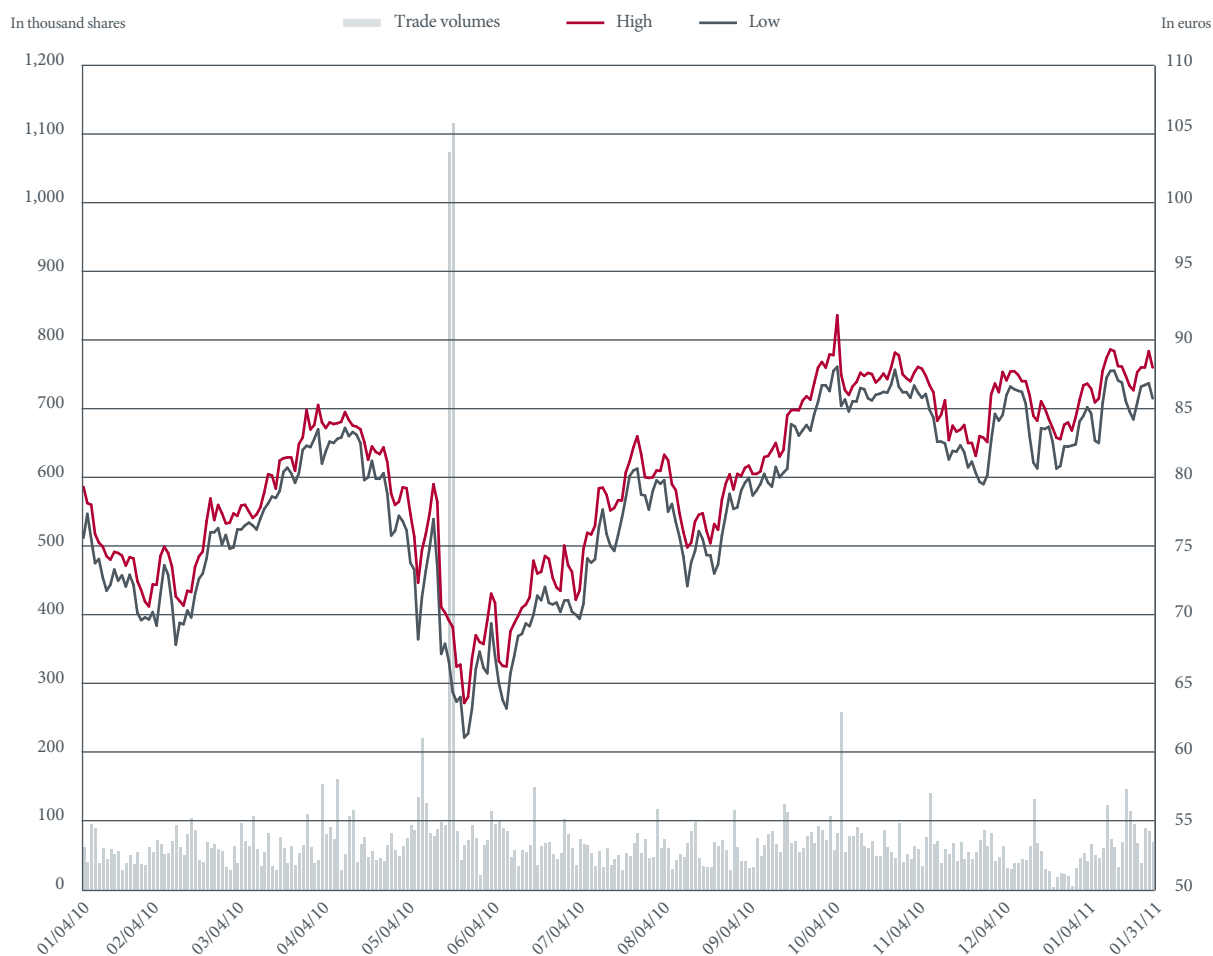
This price ranged between a low of €61.06 on May 25 and a high of €91.80 on October 7.



The table presented in paragraph 5.3 below provides a summary of statistics on the share's movements in 2010. A total 18,830,390 shares were traded in 2010 with a total value of €1,462 million.

At year end 2010, the company's market capitalization amounted to €5,154 million.

Gecina 2010 – Share price extremes in euros



7.5.2. Equity market

Stock exchange listing

Gecina’s shares are listed on Euronext Paris – Eurolist Compartment A (Blue Chips) under ISIN code FR0010040865. The shares are eligible for the deferred settlement system (“SRD”) and are included in the CAC Mid 100, SBF 120 and SBF 80 indexes.

ICB (Industry Classification Benchmark): 8671 Industrial & Office Real Estate Investment Trusts.

Other issues and stock exchange listings

Stock exchange listing	Euronext Paris	Euronext Paris	Luxembourg Stock Exchange
Name and type of issue	Gecina 2.125% 0116 bonds redeemable in cash and/or in new and/or existing shares (Ornane)	Gecina 4.50% SEP14 Euro Medium Term Notes	Gecina 4.875% 04-12 01/25/12 pe Euro Medium Term Notes
Issue date	April 9, 2010	September 20, 2010	June 25, 2004
Issue amount	€500 million	€500 million	€500 million
Issue price	€111.05	99.607% in respect of €500 million	99.656% in respect of €500 million
Maturity date	January 1, 2016	September 19, 2014	January 25, 2012
Annual interest	2.12%	4.50%	4.875%
ISIN code	FR0010881573	FR0010943316	FR0010095422

7.5.3. Trading volumes in number of shares and values

Shares (ISIN code FR0010040865).

Trading volume and price trends

Month	Number of shares traded monthly	Average value traded per month (€ million)	Price extremes High (in €)	Price extremes Low (in €)
July 2009	2,018,718	103.38	57.82	44.30
August 2009	1,856,274	118.09	71.95	56.20
September 2009	2,403,876	182.44	83.50	63.40
October 2009	2,521,929	198.15	85.88	68.31
November 2009	1,322,299	100.65	80.80	70.19
December 2009	1,134,576	82.49	76.39	68.66
January 2010	1,094,479	80.46	79.30	69.20
February 2010	1,249,365	91.78	78.46	67.81
March 2010	1,477,363	118.18	85.27	76.20
April 2010	1,387,668	113.50	84.75	75.76
May 2010	3,893,718	279.56	79.50	61.06
June 2010	1,600,753	111.51	75.03	63.17
July 2010	1,208,409	92.63	82.99	69.70
August 2010	1,343,572	103.88	81.64	72.08
September 2010	1,508,554	124.40	88.00	77.81
October 2010	1,716,526	149.39	91.80	84.80
November 2010	1,346,127	113.01	88.04	79.50
December 2010	1,003,856	84.66	87.73	80.14

Trading volume and price trends over five years

Years	Number of shares traded	Number of trading days	Price extremes Record high	Price extremes Record low	Latest prices
2006	10,934,518	255	145.00	87.05	145.00
2007	20,524,026	251	150.50	101.56	107.32
2008	25,750,713	256	113.87	35.88	49.64
2009	30,367,941	256	85.88	25.85	76.14
2010	18,830,390	258	91.80	61.06	82.31

DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

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8.1. Directors and Officers

As of December 31, 2010, the composition of the Board of Directors was as follows:

- Mr. Bernard Michel (Chairman of the Board of Directors);
- Mr. Arcadi Calzada;
- Mr. Aldo Cardoso;
- Mr. Jean-Jacques Dayries;
- Mr. Nicolas Diaz;
- Mr. Philippe Donnet;
- Mr. Vicente Fons;
- Mr. Philippe Geslin;
- Mr. José Gracia;
- Mr. Sixto Jimenez;
- Metrovacesa, represented by Mr. Eduardo Paraja;
- Mr. Pierre-Marie Meynadier;
- Mr. Jacques-Yves Nicol;
- Predica, represented by Mr. Jean-Jacques Duchamp;
- Ms. Helena Rivero;
- Mr. Joaquín Rivero;
- Mrs. Victoria Soler;
- Mr. Antonio Trueba.

The Board of Directors has undergone the following changes during 2010:

- on February 8, 2010 the Board of Directors appointed Ms. Rivero and Messrs. Nicol and Donnet;
- on February 16, 2010 the Board of Directors (i) appointed Mr. Bernard Michel (previously permanent representative of Predica) as director, to replace Mr. Duchamp (previously director) appointed as permanent representative of Predica, and (ii) appointed Mr. Michel as Chairman of the Board of Directors to replace Mr. Rivero.

Following the appointment of Mr. Bernard Michel (previously independent director) as Chairman. The Board of Directors, which consequently includes seven independent directors: Messrs. Aldo Cardoso, Jean-Jacques Dayries, Philippe Donnet, Philippe Geslin, Pierre-Marie Meynadier, Jacques-Yves Nicol and Predica, represented by Mr. Jean-Jacques Duchamp.

During fiscal year 2010, the Board of Directors met 12 times and the different Committees held 34 meetings in total, which demonstrates the importance of the work accomplished and the subjects covered.

8.2. Compensation and benefits

Company officers

The Compensation details of the company officers (Mr. Bernard Michel taking over from Mr. Rivero on February 16, 2010 and Mr. Christophe Clamageran taking over from Mr. Antonio Truan as from November 16, 2009) are presented in Note 8.6 of the Consolidated Financial Statements (and in the Distribution, Capital and Shares section as regards the details of payments in shares); they were approved by the Board of Directors on the recommendation of the Compensation Committee.

The Company accrued a provision of €500,000 for officers' compensation and benefits.

Mr. Michel and Mr. Clamageran do not have an employment contract in the Group.

Directors' Compensation

Directors receive no other forms of payment than allowances paid for attendance at each Board of Directors' Meeting or the various committees on which they may sit (see chapter on "Corporate Governance and Internal Control").

The General Meeting of May 10, 2010 set the overall annual attendance allowances allotted to members of the Board at €1,750,000.

The table below details the number of shares held and the attendance allowance paid out to each Director in 2010.

Directors	Number of shares held	Amounts paid out in 2010 Gross	Amounts paid out in 2009 Gross
Arcadi Calzada	40	51,187	7,600
Aldo Cardoso	100	127,555	124,000
Jean-Jacques Dayries	429	123,214	43,000
Nicolas Diaz	40	131,246	89,600
Philippe Donnet	40	75,066	0
Vicente Fons	400	90,001	80,000
Philippe Geslin	400	75,646	131,000
José Gracia	475,706	111,274	136,000
Sixto Jimenez	60	106,933	50,600
Metrovacesa	16,809,610	99,118	68,400
Pierre-Marie Meynadier	41	109,104	138,000
Bernard Michel	40	114,748	150,000
Jacques-Yves Nicol	40	59,870	0
Predica, represented by Jean-Jacques Duchamp	5,145,738	103,460	89,400
Helena Rivero	40	57,699	0
Joaquín Rivero	10,084,735	109,104	76,000
Victoria Soler	400	134,719	76,000
Antonio Trueba	1,560	66,556	7,600
Former directors	n/a	3,500	654,200
TOTAL	n/a	1,750,000	1,921,400

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

8.3. Detailed information on the Board of Directors

8.3.1. List of offices held by members of the Board of Directors during fiscal year 2010

The table below lists the members of the Company's Board of Directors and their offices and functions as well as those of the Chief Executive Officer as of December 31, 2010.

Name of the director	Age	Position held in the Company	Term of office	Other positions and functions held outside the Company	Business address
Chairman					
Bernard Michel	62	Chairman of the Board of Directors	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Chairman of: <ul style="list-style-type: none"> - CA Assurances Italia Holding SpA - CA Grands crus SAS - Dolcea Vie SA • Vice-Chairman of Emporiki Life Insurance • Member of the Supervisory Board of Korian SA (*) • Chairman of the Provisional Management Commission of the Caisse Régionale de la Corse • Observer of SOPRA Group • Member of the Board of Directors of CALI Japan Ltd 	14-16, rue des Capucines 75002 Paris
Chief Executive Officer					
Christophe Clamageran	47	Chief Executive Officer	Appointed by the Board of Directors on November 16, 2009	<ul style="list-style-type: none"> • Chief Executive Officer of Gecina (*) • Chairman and Chief Executive Officer of Gecimed (*) • Chairman of Gecina Company Foundation • Company officer of most of Gecina's subsidiaries • Director of: <ul style="list-style-type: none"> - Listed Real Estate Companies Association (Fédération des Sociétés Immobilières et Foncières) - Regional Commercial Real Estate Association (Observatoire Régional de l'Immobilier d'Entreprise) 	14-16, rue des Capucines 75002 Paris
Directors					
Aldo Cardoso	54	Director	First appointed at the General Meeting of April 22, 2008 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Director of: <ul style="list-style-type: none"> - Mobistar (Belgium) - GDF Suez (*) - Imerys (*) - Rhodia (*) - Bureau Veritas (*) • Observer of Axa Investment Managers 	45, bd de Beauséjour 75016 Paris

(*) Listed company.

Name of the director	Age	Position held in the Company	Term of office	Other positions and functions held outside the Company	Business address
Arcadi Calzada	63	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Chief Executive Officer of the Prince de Girone Foundation • Director of: <ul style="list-style-type: none"> - Josep Carreras International Foundation - Catalane Sports Foundation - Catalane Research Foundation - Open Catalonia Foundation - Vila Casas Foundation - Wasf Foundation • Member of the Catalan Saint George Royal Academy of Fine Arts 	Carrer Còrsega 288, 2ndo 1 ^a 08008 Barcelona
Jean-Jacques Dayries	64	Director	First appointed at the General Meeting of June 15, 2009 Term of office expiring at the General Meeting convened to approve the 2011 Financial statements	<ul style="list-style-type: none"> • Mediator (Paris Mediation and Arbitration Center) • Chairman of the Rivoli Avenir Patrimoine Supervisory Board • Chairman of Photofort 2009 SAS • Chairman of Photofort 2010 SAS 	52, rue de Varenne 75007 Paris
Nicolas Diaz	47	Director	First appointed at the General Meeting of June 15, 2009 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Chief Executive Officer of Metrovacesa France • Chief Executive Officer of Metrovacesa Méditerranée 	9-15, avenue Matignon 75008 Paris
Philippe Donnet	50	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2011 Financial statements	<ul style="list-style-type: none"> • Member of the Supervisory Board of: <ul style="list-style-type: none"> - Vivendi (*) - Financière Miro • Director of Pastel et Associés 	164 Mount Pleasant Road 298355 Singapore
Vicente Fons	56	Director	First appointed at the General Meeting of April 22, 2008 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Chairman of the Board of Directors of: <ul style="list-style-type: none"> - Residencial Golf Mar, S.L. - Peñíscola Resort, S.L. - Spiros Residencial, S.L. - Ensanche Urbano S.L. - Nuespri S.L. - Promofein S.L. • CEO of Planea Gestion de Suelo, S.L. • Director of: <ul style="list-style-type: none"> - Comercio de Amarres, S.L. - Acinelav Inversiones 2006, S.L. - Noubiourbanisme, S.A. - Bami Newco S.A. - Kalite Desarrollo SA - Arraimat Inversiones, S.L. 	Calle Colón 23-3 ^a 46004 Valencia

(*) Listed company.

Name of the director	Age	Position held in the Company	Term of office	Other positions and functions held outside the Company	Business address
Philippe Geslin	70	Director	First appointed at the General Meeting of December 20, 2002 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Director of: <ul style="list-style-type: none"> - Crédit Agricole CIB - Crédit Foncier de Monaco - Union Financière de France Banque • Member of the Supervisory Board of Eurodisney • Observer at Invelios Capital • Permanent representative of Invelios Capital: <ul style="list-style-type: none"> - on Supervisory Board of the Société Vermandoise de Services - on the Supervisory Board of the Société Vermandoise Industrie - on the Board of Directors of Société Sucrière de Pithiviers-le-Vieil • Manager of Gestion Financière Conseil 	19, rue Decamps 75016 Paris
José Gracia	62	Director	First appointed at the General Meeting of June 29, 2005 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Chairman of: <ul style="list-style-type: none"> - Eurosigma - Kodama - Meteora • Director of Bami Newco S.A. 	Calle Zurbano, 91 Bajo A 28003 Madrid
Sixto Jimenez	60	Director	First appointed at the General Meeting of June 15, 2009 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> • Director of: <ul style="list-style-type: none"> - Metrovacesa SA (*) (independent) - Riberebro SA - Argenol SA • Chairman of the Board of Directors of Tuttipasta SA • Vice-Chairman of Société des Études Basques in Navarre • Member of the modernization board of the Navarre region 	Plaza Carlos Trías Bertrán nº7 28020 Madrid
Metrovacesa, represented by Eduardo Paraja	49	Director	First appointed at the General Meeting of May 23, 2006 Term of office expiring at the General Meeting convened to approve the 2011 Financial statements	Offices and functions of Mr. Paraja: <ul style="list-style-type: none"> • Chief Executive Officer of Metrovacesa (*) 	Plaza Carlos Trías Bertrán nº7 28020 Madrid

(*) Listed company.

Name of the director	Age	Position held in the Company	Term of office	Other positions and functions held outside the Company	Business address
Pierre-Marie Meynadier	60	Director	First appointed at the General Meeting of April 22, 2008 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> Director of: <ul style="list-style-type: none"> - Comte Group - Campus patrimonial 	M FINANCES Le Parc du Triangle – Bâtiment 1 150, route de Nîmes 30132 Caissargues
Jacques-Yves Nicol	60	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> Member of the Supervisory Board of ESSEC 	17 rue Maréchal de Lattre de Tassigny 78150 Le Chesnay
Predica, represented by Jean-Jacques Duchamp	55	Director	First appointed at the General Meeting of December 20, 2002 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	Offices and functions of Mr. Duchamp: <ul style="list-style-type: none"> Executive Director of the Predica Finance and Corporate Business Center, Member of the Predica Executive Committee Director of: <ul style="list-style-type: none"> - SANEF (Autoroutes du Nord et de l'Est de la France) (*) - Société Foncière Lyonnaise (*) - Korian (*) - CA-IMMO - UNIMO - CPR-AM - Dolcea Vie - BES VIDA - CA Vita Member of the office of the economic and financial commission of FFSA 	50-56, rue de la Procession 75015 Paris
Helena Rivero	39	Director	First appointed at the General Meeting of May 10, 2010 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> Chairman of Bodegas Tradición Director of Bami Newco S.A. 	Orquiddea 34 casa4 28109 Madrid
Joaquín Rivero	66	Director	First appointed at the General Meeting of June 29, 2005 Term of office expiring at the General Meeting convened to approve the 2010 Financial statements	<ul style="list-style-type: none"> Sole Director of Alteco Gestion y Promocion de Marcas, SL Chairman of Bami Newco 	Avda. de Manoteros, 20 Ed. B 6º Planta 28050 Madrid

(*) Listed company.

Name of the director	Age	Position held in the Company	Term of office	Other positions and functions held outside the Company	Business address
Victoria Soler	50	Director	<p>First appointed at the General Meeting of May 23, 2006</p> <p>Term of office expiring at the General Meeting convened to approve the 2011 Financial statements</p>	<ul style="list-style-type: none"> • Director of: <ul style="list-style-type: none"> - Mag-Import, S.L. - Bami Newco - Kalité Desarrollo 	<p>Plaza Ayuntamiento nº 27 6a 46002 Valencia</p>
Antonio Trueba	67	Director	<p>First appointed at the General Meeting of May 10, 2010</p> <p>Term of office expiring at the General Meeting convened to approve the 2010 Financial statements</p>	<ul style="list-style-type: none"> • Chairman of: <ul style="list-style-type: none"> - Solaris 2006 - World Trade Center Madrid - World Trade Center Sevilla - Fundacion más Familia - EFYASA • Vice-Chairman of the International Board of World Trade Centers Association and Chairman of the WTCA Executive Committee • Vice-Chairman of the Applied Medicine Center of the University of Navarra • Member of the NGO CODESPA 	<p>Calle Moscatelar 1-N Edificio Edisa 28043 Madrid</p>

8.3.2. Summary of offices held in all companies over the last five years

The table below summarizes all companies in which members of the Company's Board of Directors have been members of an administrative, executive or supervisory body or a general partner at any time during the last five years:

Name of the director	Other positions and functions held in any company in the past five years and expired (other than those held in the Group)
Arcadi Calzada	Chairman of: <ul style="list-style-type: none"> • Caixa de Girona bank • The Girona Water Authority • Polingesa • Trueta Hospital Foundation in Girona Vice-Chairman of: <ul style="list-style-type: none"> • Barcelona Soccer Club • Open University of Catalonia • Palau de la Musica Catalana Member of the Advisory Committee of the Board of Directors of the Santiago Dexeus Foundation Director of: <ul style="list-style-type: none"> • Caser para la Dependencia Foundation • Cadi Tunnels
Aldo Cardoso	Director of: <ul style="list-style-type: none"> • Accor (*) • Orange (*) • Penauille Polyservices (*)
Christophe Clamageran	<ul style="list-style-type: none"> • Chief Executive Officer for Continental Europe of Hammerson • Chief Executive Officer of BNP Paribas Immobilier, in charge of promotion and asset management • Chairman and CEO of Meunier Immobilier d'Entreprise
Jean-Jacques Dayries	CEO and Director of Ixis AEW Europe
Philippe Donnet	Chairman of the AXA Japan Board Director of: <ul style="list-style-type: none"> • Winvest Conseil International • Wendel Japan KK • AXA Asia Pacific Holding
Jean-Jacques Duchamp	Director of Foncière des Régions (*)
Philippe Geslin	Chairman of the Supervisory Board of Etam Développement (*)
José Gracia	Member of the Board of Directors of Metrovacesa (*) and of Metrovacesa's Compensation and Appointments Committee
Sixto Jimenez	Director of Caja Navarra Chairman of NGO Properú
Pierre-Marie Meynadier	Director of l'Âge d'Or Services

(*) Listed company.

Name of the director	Other positions and functions held in any company in the past five years and expired (other than those held in the Group)
Bernard Michel	<p>Chief Executive Officer of Predica Chairman of: GIE informatique Silca, OPCI Pasteur, AEPRIM SAS Chairman of the Board of Directors of: Crédit Agricole Immobilier, Unimo Chairman of the Supervisory Board of France Capital SAD Vice-Chairman of Pacifica Vice-Chairman of the Supervisory Board of CP Or Devise Director of: Amundi Immobilier SA, Cholet Dupond SA, Crédit Agricole Reinsurance SA (Luxembourg), Crédit Agricole Risk Insurance SA (Luxembourg), Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE, Sopra Group Permanent representative of Crédit Agricole SA, member of the Supervisory Board of Systèmes Technologiques d'Échange et de Traitement (STET) Member of the Supervisory Board of Fonds de Garantie des Dépôts Chief Executive Officer of Crédit Agricole Assurances Member of the Executive Committee of Crédit Agricole SA (*) Member of MEDEF Director of: Predica, Pacifica, CAAGIS SAS Chairman of the Supervisory Board of SAS Systèmes technologiques d'échange et de traitement (STET) Permanent representative of Crédit Agricole Assurances, Director of Crédit Agricole Creditor Insurance Permanent representative of Predica: membre member of the Supervisory Board of CAPE SA Director of Médicale de France SA Observer of Siparex (*) Board member of Fédération Française des Sociétés d'Assurances (FFSA) Vice-Chairman of: la Fédération Française des Sociétés d'Assurance Mutuelle (FFSAM), Groupement Français de Bancassureurs</p>
Jacques-Yves Nicol	<p>Manager of Tishman Speyer Properties France Managing Director of Aberdeen Property Investors France CEO of the Alumni Association of the ESSEC Group</p>
Joaquín Rivero	<p>Chairman of the Board of Directors and the Executive Committee of Metrovacesa (*) Chairman and CEO of Société des Immeubles de France Chairman of Gecina (*) Chairman of Gecimed (*)</p>
Victoria Soler	<p>Chairman of Bami Newco Chairman of Kalité Desarrollo Director of Planea Gestión de Seulo, S.L., Promociones Valencianas Provasa, S.L., Mercado de Construcciones S.A., Inmobiliaria Lasho S.A., Promofein S.L., Peñíscola Resort S.L., Metrovacesa (*) and Ensanche Urbano SA</p>
Antonio Trueba	<p>Chairman of Inmobiliaria Urbis (*) Director of Grupo San José Member of the Executive Committee of EPRA</p>

(*) Listed company.

8.3.3. Management expertise and experience of Board Members

Bernard Michel

Former student of the École nationale des Impôts and General Inspector of Finances, he began his career at the Direction Générale des Impôts (1970-1983) and then joined the Inspection Générale des Finances to carry out audit and control engagements (1983-1987). He joined the GAN Group in 1987 as Director. He was subsequently appointed Director of Life-Assurance Management (1990-1993), Chairman of Socapi (GAN and CIC life assurance company) (1992-1996), Vice-President and Deputy CEO of Assurances France (1993-1996). He was later Chairman of Banque Régionale de l'Ouest (CIC) from 1994 to 1996 and at the same time Chairman of the CIC Group pension fund. Mr. Michel joined the CNCA (now Crédit Agricole S.A.) in 1996 as Company Secretary, and was appointed Vice President in 1998, a function that he held until 2003. He was specifically in charge of the Technologies, Logistics and Banking Services center, and was appointed Chairman of Crédit Agricole Immobilier. Since 2003, Bernard Michel has been Deputy Director of operations and logistics, Director of operations and logistics of Crédit Agricole S.A., Director of the Real Estate, Purchasing and Logistics center, and Vice-Chairman of Predica before being appointed CEO of Predica, Director of the Crédit Agricole Assurance center and member of the Crédit Agricole S.A. Executive Committee in 2009.

Christophe Clamageran

Mr. Clamageran graduated from ESLSCA in 1986 and began his career as sales executive with Auguste Thouard before becoming Associate Director of the offices department in the Paris area with DTZ Jean Thouard. In 1996 he joined the BNP Paribas Immobilier Group where he occupied various functions before becoming in 2004 Chairman and CEO of Meunier Immobilier d'Entreprise then in 2007 Deputy CEO of BNP Paribas Immobilier in charge of property development and asset management business lines. In 2008, he joined Hammerson France as CEO then member of the Europe Executive Committee in charge of Continental Europe. He joined Gecina as CEO on November 16, 2009.

Arcadi Calzada

Arcadi Calzada holds a degree in social relations. He began his career as a journalist before working as Director of a graphic arts company and pursuing a political career as President of the Girona Provincial Council, Mayor of Olot and President of the association of municipalities of Catalonia, then the First Vice-President of the Parliament of Catalonia. He later became Chairman of Plingesa, of the Girona Water Authority and the bank Caixa de Girona before becoming CEO of the Prince of Girona Foundation. He is also the author of three books and the Director of numerous foundations.

Aldo Cardoso

Graduate of the École Supérieure de Commerce in Paris and holding a Master's Degree in Law, Aldo Cardoso began his career in 1979 at Arthur Andersen where he became a partner in 1989. European Director of Auditing and Financial Consulting in 1996, then Chairman of Andersen France from 1998 to 2002, he was appointed Chairman of the Supervisory Board of Andersen Worldwide from 2000 to 2002, before becoming Chairman of the Board of Directors from 2002 to 2003. In this capacity, Aldo Cardoso oversaw the winding up of Andersen throughout the world.

Jean-Jacques Dayries

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

Nicolas Diaz

Graduate of the University of Prague in 1988 (Economics), the University of Madrid in 1991 (Doctorate in economics) and the London School of Economics (Master's in finance) in 1992, Nicolas Diaz began his career in 1990 at the Institut des Études Économiques before becoming Director of Analysis at Gestemar Securities from 1996 to 1997, at Argentaria Gestion in 1997-1998, then Director of Investments at Argentaria Gestion de Pensiones between 1998 and 2000. He later joined the BBVA Group in 2000 before taking over the management, between 2003 and 2007 of the BBVA offices in Germany and the Benelux. He also taught at the Complutense university from 1994 to 2003. He has been CEO of Metrovacesa France since 2008, and CEO of Metrovacesa Méditerranée since 2009.

Philippe Donnet

Philippe Donnet is a graduate of the École polytechnique and accredited member of the French Institute of Actuaries. In 1985, Mr. Philippe Donnet joined Axa in France. From 1997 to 1999, he held the positions of Vice-President of Axa Conseil (France), before becoming Deputy Director of Axa Assicurazioni in Italy in 1999 then member of the Axa Executive Committee as CEO of the Mediterranean region, Latin America and Canada in 2001. In March 2002, he was appointed Chairman and CEO of Axa Re and Chairman of Axa Corporate Solutions. In March 2003, Mr. Philippe Donnet was appointed CEO of Axa Japan. In October 2006, he was appointed Chairman of Axa Japan and CEO of the Asia-Pacific region. In April 2007, he joined Wendel as CEO of the Asia-Pacific region.

Vicente Fons

A graduate in General Management from IESE, he holds the position of director in real estate, urban planning and tourism companies.

Philippe Geslin

Philippe Geslin began his career with the Indosuez Group, where he became CEO in 1988. In 1996 he became Vice-Chairman of the Board of Directors of Banque Indosuez, which in 1998 became Crédit Agricole Indosuez (CAI).

He is or has been Director of the following commercial banks or companies: Calyon, Crédit Foncier de Monaco, and Union Financière de France Banque, and Chairman of the Supervisory Board of Etam Développement.

José Gracia

Industrial engineer and graduate of the College of Industrial Engineering at Barcelona. Mr. Gracia has worked as Head of Exports at Control y Aplicaciones S.A. and Empresa Nacional del Aluminio (Endasa) before setting up his own business trading in aluminum and metals. He has also held positions as acquisitions and investment advisor. He has been a Director of Fastibex, Bami, Zababuru and Metrovacesa.

Sixto Jimenez

Graduate of the university of Deusto (Economics and an MBA) and of CEPADE (Master's in administration and management), Sixto Jimenez began his career with Embutidos Mina in 1973, then joined Bildu Lan S. Coop in 1978 as Chief Executive Officer. He was subsequently appointed CEO of the Viscopan Group from 1983 to 1986, then Deputy Director of the same Group from 1986 to 2000. Between 1987 and 2000, he was also Deputy Director of the food Group Ian (subsidiary of Viscopan). He was a member of the Board of Directors of Caja Navarra from 2004 to 2007. Since 2007, he has been Chairman of the Board of Directors of Tuttipasta, S.A. Since 2009, he has been a member of the Board of Directors of Metrovacesa SA (independent director).

Metrovacesa, represented by Eduardo Paraja

A law graduate from the University of Oviedo, with an MBA from the Madrid Business School (Houston University), Mr. Paraja began his career in 1991 in the Cobra Group (energy sector) as Deputy CEO then as CEO of the subsidiary Intercop Iberica. In 1995, he joined the Prosegur Group as CEO of the subsidiary Protecsta, then became CEO of the subsidiary Umamo ETT, Unica and finally of Prosegur. Since 2009, he has been CEO of Metrovacesa.

Pierre-Marie Meynadier

Holder of the DECS (Degree in Advanced accounting studies) and a degree in private law from Montpellier university and a DESCAF from the École supérieure de Montpellier, Mr. Meynadier founded CMF Group (student residences in accordance with the Central Fac plan throughout France) sold in 2001 to Caisses d'Épargne and the marketing company Aedificare (housing units as principal residences or student residences on Reunion Island), and later took up real estate marketing (residences for the independent elderly under the label L'Âge d'Or Services; tourism residences under the label Cap Med'; office real estate in Parc Club and theme real estate, mainly hotels).

Jacques-Yves Nicol

Jacques-Yves Nicol, graduate of ESSEC and holder of a post-graduate degree in economic sciences, is the Chief Executive Officer of the ESSEC Group Alumni Association having been the Managing Director France of Aberdeen Property Investors and Tishman Speyer Properties.

He has also held executive positions first at Bank of America in France and internationally, specifically at Bouygues as Chief

Financial Officer and general director for Spain, then in the AXA Group as CEO of AXA Immobilier, then successively as head of life-assurance activities in Asia-Pacific and the Europe region of the South Middle-East.

Predica, represented by Jean-Jacques Duchamp

Graduate of AGRO-INAPG and ENGREF. After a career abroad (India, Morocco, Colombia...) in public works and hydraulics, and later infrastructure financing with the World Bank, Mr. Duchamp joined Groupe Crédit Agricole where he has held a variety of positions at the General Inspectorate of Finances and Auditing at the Crédit Agricole Regional Banks and later internationally and on capital markets, before joining the Board of Finances of Groupe Crédit Agricole S.A. In 2001, he was part of the personal insurance division of Predica where he assumed the management of the "Financing and Corporate" center within the Executive Committee.

Helena Rivero

Ms. Helena Rivero, lawyer, graduate of the Complutense university of Madrid and specialized in Anglo-Saxon law from the University of Columbia (New-York), is currently the Chairperson of Bodegas Tradición S.L.

Joaquín Rivero

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

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

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

In 2005, Metrovacesa was successful in its takeover bid for Gecina and the new Group became one of the five largest listed real estate companies in Europe. In 2007, Gecina separated from Metrovacesa and Mr. Rivero elected to continue with the development of Gecina.

Victoria Soler

Holder of a law degree from the University of Valence, Victoria Soler is a member of the illustrious Valence Bar Association. She began her career in marketing and housing construction. She later extended her activities to other sectors, such as setting up and operating cinemas, and the construction of offices and hotels; she has held the position of legal consultant with various big Spanish Groups, including Sociedad Anónima Hispánica de Cine, Radio y Televisión S.A., Filmofono S.A. and Inmobiliaria Cruz Cubierta S.A.

Antonio Trueba

Holder of a doctorate in physics from Complutense University in Madrid and research fellow at the École Supérieure de Chimie in Paris, Antonio Trueba then became Professor at Complutense University in Madrid and Associate Professor at the Autonomous

University of Madrid before continuing his career in the real estate sector as CEO of Inmobiliaria Granadaban and Immobilier d'Union Explosivos Rio Tinto and later as Chairman (from 1994 to 2006) of Inmobiliaria Urbis. He was Chairman of the World Trade Centers Association and is currently Vice-Chairman and Member of the WTCA Executive Committee.

8.3.4. Conflicts of interest in administrative or executive bodies or among senior managers

To the best of Gecina's knowledge, Mr. Joaquín Rivero has been interviewed under caution by Mr. Van Ruymbeke, an examining magistrate in Paris, in connection with the judicial inquiry launched in 2010 further to the complaint filed with the senior examining magistrate in 2009 by the minority shareholder defense group ADAM (Association de Défense des Actionnaires Minoritaires), Gecina's works council and a former Gecina director.

In addition, Gecina is aware of Mr. Rivero being sentenced by the Spanish securities regulator (Comisión Nacional del Mercado de Valores) to pay a €180,000 fine for breaches of Spanish market regulations committed in 2007. Mr. Rivero has lodged an appeal against this ruling.

To the best of Gecina's knowledge, subject, as relevant, to the information given in the previous two paragraphs:

- none of the members of the Board of Directors have been convicted of fraud during the past five years;
- none of these members have been associated as an executive with a bankruptcy, sequestration or liquidation over the past five years, or incriminated and/or officially sanctioned by any statutory or regulatory authorities;

- none of these members have been prevented by a court from serving as a member of an issuer's administrative, management or supervisory body or from managing or supervising an issuer over the past five years.

To the best of Gecina's knowledge, (i) no arrangements or agreements have been entered into with the main shareholders, clients, suppliers or other parties, under which any of the Directors has been selected, (ii) corporate officers have not agreed to any restrictions concerning the sale of their interests in the share capital within a certain timeframe, (iii) there are no service agreements binding the members of the administrative bodies to Gecina or any of its subsidiaries and providing for benefits to be granted under such a contract.

To the best of the company's knowledge, there are no other family ties (i) between the members of the Board of Directors, (ii) between the company's corporate officers and (iii) between the persons referred to in (i) and (ii), with the exception of the following relations: Victoria Soler is the spouse of Vicente Fons and Helena Rivero is the daughter of Joaquín Rivero.

EMPLOYEE INFORMATION

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9.1. Human Resources policy

In line with the Group's ambitions, 2010 was a remarkably active year in terms of Human Resource initiatives.

Signature of the GPEC agreement

Determined to set up a jobs and skills forward-looking management system in the Group, the Executive Committee signed a GPEC agreement on June 22, 2010 with labor and management. This agreement, which came into effect on July 1, 2010 for a period of 3 years, strengthens the company's commitment towards improving its staff's employment prospects. The schemes proposed (*i.e.* annual evaluation interview, skills assessment, internal mobility, training, executive staff committee, coaching plan) provide line managers and the Human Resources Department with coaching tools whose effectiveness can be measured by biannual monitoring commissions.

Optimizing recruitment

Recruitment needs led to 26 potential job opportunities for Group staff. Nine of these were filled by employees motivated by the perspective of working on new projects or assignments.

In addition, thanks to the coaching schemes set up to ensure the success of these job transfers, 10 employees received training to help them adapt to their new job.

At the same time, 33 vacancies were also filled by external applicants. More than 50% of these vacancies involved supervisory or expertise functions.

Developing skills

Setting aside a professional training budget equivalent to 3.45% of the Group's total payroll, the Company put 75% of its employees through training courses, which for the full year represents an average of three days of training per trained employee.

This year, in addition to Group training programs linked to operational activity, training projects mainly focused on personal and professional development.

For example, 110 supervisory managers attended the 3-day Energy and Performance course while 58 people were trained in-house in performance interviews in one day.

Managerial attitudes

These four attitudes were defined by the Management Committee and represent the soft skills expected from the Group's managerial staff: **exemplarity, team spirit, mobilizing employees, nurturing talent.**

To facilitate the appropriation of these attitudes since fall of 2010, they were translated into evaluation forms for executives.

Further to the discussions launched with the Management Committee, work groups were organized with the Company's employees and supervisors. Their work, initiated in November 2010, will be continued in 2011, to roll out these attitudes to all employees, and make them the behavioral attitudes expected from all Group employees.

Keeping seniors at work

The agreement on the employment of seniors signed in October 2009 is aimed at keeping 20% of senior employees in their jobs over a period of 3 years. In order to reach this goal, special attention is given to working conditions, through management schemes complete with indicators, which will be monitored by biannual commissions (access to professional training, internal mobility, pension planning, etc.).

Negotiation of gender equality at work

Gecina has made a commitment to professional equality between men and women. To promote this goal, in September 2010 the Company presented its first report on the comparative situation of men and women and began negotiations with a view to signing an agreement with its trade unions.

9.2. Employment

9.2.1. Workforce

The breakdown below by socio-professional category of a staff of 600 people has two specific characteristics: on the one hand, a large number of managerial level personnel necessitating the initiation of a strategy to build team loyalty, and on the other, the high number of building superintendents, the first contacts for Gecina customers, which makes it necessary to drive their activity to excellence.

Category	2010			2009			2008		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	105	99	204	113	100	213	114	103	217
Supervisors	31	142	173	30	136	166	33	141	174
Administrative staff	16	17	33	18	15	33	21	22	43
Building staff and superintendents	76	114	190	90	122	212	101	144	245
TOTAL	228	372	600	251	373	624	269	410	679

9.2.2. Gender equality in the Company

Gecina Group employs 62% women and 38% men. As shown by the table above, nearly one executive out of two is a woman.

The number of women recruited by the Group breaks down as follows:

Number of women recruited in 2010	Administrative staff		Building staff	
	Open-ended contracts (CDI)	Fixed-term contracts (CDD)		
	18	48	3	121

Women account for 45% of total new fixed-term (CDD) hires, 72% of these being building superintendent replacements.

The rate of new open-ended (CDI) hires and fixed-term (CDD) to open-ended (CDI) conversions in 2010 was 51% for women and 49% for men.

In the last quarter of 2010, the Human Resources Department convened the professional equal opportunity commission to present the comparative status report for 2009. Three other meetings were held to study and analyze the document. The comparative status report presented at the workers council meeting of December 21, 2010, received a unanimous favorable opinion.

To promote the principles of gender equality, the Gecina Group has set itself the following goals:

- train the Human Resources team and educate supervisory staff about the challenges of professional equality;

- ensure that the percentage of women and men among candidates selected for new hires reflect, at equivalent skills, experience and profile, the balance of employment diversity. There will be a follow up to the report between the number of applications received from each gender and the number of recruitments made for each of them. This goal will be formalized in the specifications signed with the Group's external recruitment partners;

- reduce any pay differential greater than 3% for equivalent positions, skills, level of training and professional experience and over a period of 3 years. In the first year, this initiative will particularly concern non managerial employees.

Furthermore, a first agreement was signed at the beginning of 2011 concerning the possibility for part-time employees contributing on a full-time basis to supplementary old-age and pension plan insurance.

9.2.3. Change in the workforce

Category	Gender	Headcount at 12/31/2009	Open-ended contracts (CDI)				Fixed-term contract (CDD)		Headcount at 12/31/2010
			New	Leavers	Promo +	Promo –	New	Leavers	
Managers	M	113	13	21	1		1	2	105
	F	100	11	15	2		5	4	99
Supervisors	M	30	3	3	1	1	1		31
	F	136	7	5	2	2	11	7	142
Administrative staff	M	18		1		1	22	22	16
	F	15		1		2	32	27	17
Building staff and superintendents	M	90	5	14			184	189	76
	F	122	3	14			121	118	114
TOTAL		624	42	74	6	6	377	369	600

The share of fixed-term contracts within the Group represents a considerable 90% of all new hires (open-ended + fixed-term contracts).

The volume of starters and leavers among fixed-term employees has to be considered in the very specific context of the jobs of

building staff and superintendents. The Group is dedicated to ensuring quality and continuity of service to its tenants: replacements are very often needed for building superintendents especially during staff vacation, making it frequently necessary to resort to fixed-term contracts.

9.2.4. Reasons for leaving

Reasons	Gender	Resignations	Internal move	L. 1224-1 transfers	Number of terminations for economic reasons	Number of terminations for other reasons	Departure		End of fixed-term contracts	Departure during fixed-term contract period	Voluntary retirement or early retirement	Mandatory retirement and early retirement	Death
							Fixed-term contract resignations	Departure during open-ended contract trial period					
Managers	M	2	1		1	13			2		3		1
	F	2				9			4		4		
Supervisors	M	1				1	1						
	F					1			7		4		
Administrative staff	M					1			21	1			
	F					1		1	26				
Building staff and superintendents	M	2	1	6		1			189		4		
	F	1		8		3			118		2		
Sub-total		8	2	14	1	30	1	1	367	1	17		1
TOTAL									443				

9.2.5. Restructuring plans, layoffs, and job preservation plans

Gecina had no need to resort to a restructuring and job preservation plan.

9.2.6. Employment of people with disabilities

The Group employed 10 people with disabilities in 2010, *i.e.* the same number as the previous year.

In the course of its recruitments, the Human Resources Department promotes jobs for the disabled, placing its job advertisements

on specialized sites, such as Agefiph, or by encouraging this practice among its service providers such as recruitment firms, temping agencies, etc.

9.2.7. Use of temporary personnel and trainees

The use of temporary staff increased by 57% compared with 2009 employing eleven people to replace permanent staff or to cope with temporary business peaks.

Over the same period, 10 university students were accepted in the company on internship programs.

9.3. Organization of work time

9.3.1. The different forms of organization

	% of working time	Headcount at 12/31/2010	Headcount at 12/31/2009
Officers		2	2
Executive managers		18	23
Annual basis (hours)	100%	15	14
Annual basis (days)	From 80% to < 99%	9	9
	100%	175	165
Resident superintendent	Not subject to working hours	158	171
Salaried employee with variable working hours	Less than 50%	4	6
	From 50% to < 80%	7	10
	From 80% to < 99%	23	18
	100%	189	206
TOTAL		600	624

Work-time by category of employee is based on the agreement relative to the organization and number of working hours.

Also, with the exception of executive managers not subject to regulations governing work time, employees with managerial status are required to work a fixed number of days on an annual basis by virtue of their responsibilities and autonomy. Some managers are subject to a variable work schedule.

Non-managerial employees are either subject to a collective variable schedule or are required to work a fixed number of hours

on an annual basis if their duties include frequent travel away from the corporate head office.

Based on an average of 35 hours per week, the agreement sets a weekly variable work time of 37 hours and 30 minutes, which is an annual rate of 1,567 hours 30 minutes and an annual day-based formula of 207 days, offset by allotment of days off in lieu (15 or 17 days depending on the work time formula adopted).

The total number of overtime hours in 2010 was 2,098 hours.

9.3.2. Absenteeism

<i>In days</i>	Administrative staff	Building staff	Total
Absences due to illness	2,538.5	3,332.0	5,870.5
Maternity and paternity leave	917.0	367.0	1,284.0
Leave due to work-related and commuting accidents	274.0	516.0	790.0
Family leave	170.0	58.0	228.0
Parental leave	795.0	0.0	795.0
Unpaid leave	555.0	67.5	622.5
Other leave	793.5	112.0	905.5
TOTAL	6,043.0	4,452.5	10,495.5

The days counted as absent due to illness, maternity and work-related/commuting accidents are expressed in calendar days, those concerning the other categories are expressed in business days for administrative staff and working days for building staff.

9.4. Promotions and compensation

Promotion within Gecina Group

In 2010, 28 people were promoted, which represents 4.7% of the total workforce at December 31, 2010.

Employee promotion represents a Human Resources strategy based on developing staff skills.

Compensation

The Group's compensation policy is part of the annual budget.

The capacity for wages and salaries in general to grow is therefore dependent on the Group's capacity to share wealth on an equitable basis.

Only the overall level of salary increases is negotiated with union representatives during mandatory annual negotiations.

A special salary package intended for individual pay rises and bonuses is issued each year in acknowledgement of the good work of staff. These individual pay rises and bonuses are granted each year depending on personal results. The amount varies in a range depending on each person's level of responsibility.

<i>In €</i>	Administrative staff	Building staff	Group
Amount of bonus paid	2,925,700	107,562	3,033,262
Gross total payroll	26,202,280	5,269,590	31,471,870
Percentage of total payroll	11.17%	2.04%	9.64%

The average monthly salary within the Group is as follows:

Average monthly salary (<i>in €</i>)	Administrative staff	Building staff
Fiscal year 2010	4,243	2,032

The population taken into account to calculate this average salary consists of salaried employees on an open-ended long-term contract, excluding corporate officers, present from January 1 to December 31, 2010, whereby the figure used is the annual

fixed base salary (100% value for part time), including the 13th month and seniority bonus, divided by 12 and excluding variable compensation.

9.5. Work conditions and social cohesion

9.5.1. Safety and working conditions

The Company pays special attention to the safety and working conditions of its employees. In 2010, training programs for newly-hired staff or for maintaining or developing skills, led to the training of 112 employees, mostly building personnel.

Furthermore, the Company set up a voluntary safety training program. This involved the SST training (workplace first aid and rescue) which led to the training of 67 people, in initial training or as a refresher course.

Gecina endeavors to prevent work accidents by early identification of high-risk operations for each workplace, evaluating them in terms of key indicators in a set of standards, and leading to the implementation of preventive actions.

The Risks function monitors accidents. The corrective or preventive actions that can be taken are identified as necessary. For example, a mandatory kit of individual protective equipment is provided to each superintendent.

	2010	2009	2008
Number of work-related accidents	35 (incl. 19 commuting)	25 (incl. 8 commuting)	29 (incl. 6 commuting)
Number of accidents resulting in work stoppage	18 (incl. 8 commuting)	15 (incl. 6 commuting)	22 (incl. 5 commuting)

9.5.2. Labor relations, review of collective agreements, and social cohesion policy

On June 30, 2003 Gecina Group signed a collective agreement on social dialog and staff representation, whereby an economic and social unit (UES) was formed to which all Group staff belong.

Under this UES a large number of collective agreements have been signed and continue to be applied.

9.5.3. Social cohesion

Profit-sharing agreement

A profit-sharing agreement was signed with companies that are part of the Group's economic and social unit (UES). The special profit-sharing reserve is calculated for each Group company and shared among all employees. The method of calculation used in this agreement is identical to that prescribed in the French Labor Code.

Incentive agreement

As the previous incentive agreement of June 29, 2007 expired on December 31, 2009, the Group's corporate officers agreed with trade unions to reach a new Group agreement in order to continue involving employees in the company's economic and financial performances. The Group's total incentive budget is equal to 1.4% of consolidated current cash flow before tax excluding capital gains or losses as presented in the statement of net cash flows in the Consolidated Financial Statements. The incentive is now limited to 11% of total payroll *versus* 10% in the previous agreement, subject to the deduction of profit-sharing as defined in the agreements. This agreement came into effect on January 1, 2010 for a period of three fiscal years starting in 2010 and ending in 2012.

Group Savings Plan with employer's contribution and capital increase reserved for employees

A Group savings plan (PEG) is designed to receive savings deposits from employees *via* three mutual funds with diversified profiles (money-market, balanced and European equities) and one mutual fund invested in the Company's shares. The PEG receives an employer's contribution of up to €2,100 gross per employee depending on the amounts invested.

The incentive paid in 2010 for 2009 amounted to €3,419,000 which accounted for 10% of total 2009 payroll while the employer's contribution Gecina paid in 2010 under the PEG or under the PERCO (collective retirement savings plan) was €970,000 (€734,000 for administrative staff and €236,000 for building staff).

Employee shareholders

At December 31, 2010, Group employees held 295,186 Gecina shares directly and 196,142 Gecina shares indirectly *via* the Gecina shareholding mutual fund ("FCPE Gecina actionnariat"), representing a total of 0.78% of the capital.

Stock subscription options, stock purchase options, and bonus shares

The Company has set up some stock option plans and bonus share plans that are reserved for the Company's managers and

employees as well as those of related companies as defined in Article L. 225-180 of the French Commercial Code.

Detailed information on the stock options and bonus shares is presented in the "Distribution, capital and shares" section.

9.5.4. Workers Council

The UES Workers Council comprises 13 Group employees. It is chaired by the CEO and in his absence by the Director of Human Resources. It met on 19 occasions during 2010, in particular on the following issues:

- memorandum of Understanding on the Workers Council and Employee Representatives elections;
- presentation of the Human Resources Report;
- UES Gecina incentives agreement;
- rider to the collective agreement on classifications and management of careers of administrative staff signed on September 25, 2007;
- collective agreement on the Forward Management of Jobs and Skills (GPEC);
- gender Equality Comparative Report;
- presentation of the training plan.

9.5.5. Social works

In the mutual interests of the company and its employees, the Group's management has always sought to develop a communication and a genuine policy of social works. This policy is laid out in a corporate contract affirming the value of social dialog and employee representation. In addition, each year the Group

dedicates 1.6% of its total payroll to financing the operations budget and social works of the UES Workers Council. The total 2010 budget allotted to the Workers Council amounted to €504,000.

9.5.6. Retirement benefits

Retirement benefits commitments

Retirement benefits commitments resulting from the national and company-level collective agreements are covered by insurance policies.

The amount of such commitments is adjusted yearly through actuarial methods factoring in the retirement age, mortality rate, seniority, and staff turnover.

An assumption of annual pay rises is included in the calculation. Since these benefits are not paid prior to the actual date of retirement, the liabilities related to them are discounted to present value.

10

SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

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Evolution from previous years, this year's report separates the Risk Management chapter from the Sustainable Development chapter, thus focusing more directly on the action and change management plan implemented by Gecina.

10.1. Sustainable Development and developments of the real estate sector

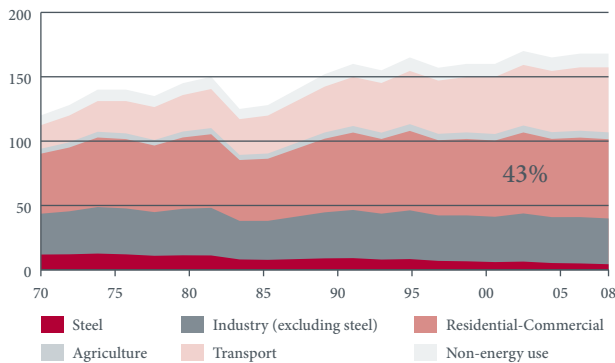
10.1.1. Current challenges

10.1.1.1. An industry at the heart of environmental concerns

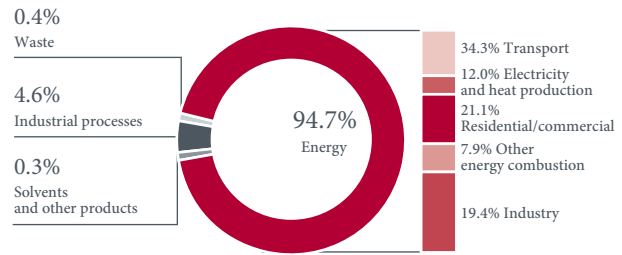
In France, the building sector accounts for 43% of final energy consumption and nearly 21% of the country's greenhouse gas emissions.

The real estate sector represents the main potential for immediately exploitable energy savings, for which investments are identified as being the most profitable.

Energy consumption by sector



CO₂ emissions by sector



Source: European Environment Agency, according to CITEPA, June 2009

10.1.1.2. A more stringent regulatory environment: Grenelle 1 Act

New buildings: ground-breaking technologies

Primary energy consumption (PEC) imposed for new builds in kWh_{ep}/sqm/year



One of the targets of the Grenelle Environment project is the generalization of low consumption standards in new buildings by 2012. This consists in cutting energy consumption of new buildings by a factor of three by 2012. This will be an energy leap that is wider than that made in the last thirty years, but over a very short period. This target has been implemented with the adoption of a **new energy consumption regulation (regulation thermique "RT 2012")**, which will apply to building permits filed as from October 28, 2011 for new buildings in the service and public sectors as well as buildings erected in areas that fall under the French urban renovation agency (*Agence Nationale pour la Rénovation Urbaine*) and as from January 1, 2013 for all other types of new buildings.

This new energy consumption regulation, which is simpler and clearer than previous ones, affords greater leeway in building design. It is a significant contribution to France's "energy and climate roadmap". The "energy leap" made in new buildings is expected to cut CO₂ emissions by 35 million tons by 2020.

This will make France the European leader in the "green" building sector with unparalleled targets and a focused timetable. The development of the BBC (*Bâtiments Basse Consommation*) low consumption building labels, that have already become the market standard is well ahead of the projected timetable of the Grenelle Environment project.

Existing property holdings: energy renovation

Primary energy consumption (PEC) targeted for all existing buildings in kWh_{ep}/sqm/year



Note: kWh_{ep}: kilowatt-hour of primary energy
Primary energy: end-use energy (billed) + the energy required for its production / distribution

The Grenelle 1 Program Act has set the target of a 38% reduction in energy consumption for all existing buildings in France by 2020.

The target will be implemented with the adoption of decrees (waiting publication) to enforce the Grenelle 2 Act.

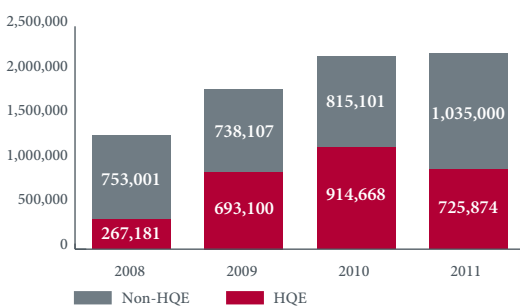
10.1.2. Change in customer behavior

For industry players, recognized certifications and labels such as HQE® and BBC have become the norm.

For instance, the survey on Sustainable Development – design, perceptions and market (*Immobilier durable – conception, perceptions et marché*) conducted in 2009 by the Paris Île-de-France Regional Development Agency in partnership with DTZ reveals the following:

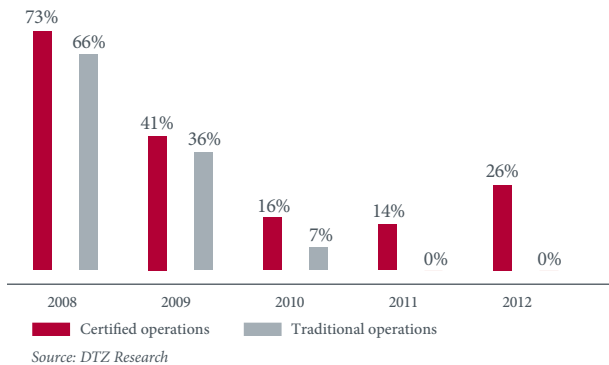
Penetration of HQE® certification in commercial properties

OFFICE BUILDINGS OF OVER 5000 sqm
in the Paris region by year of delivery



Nearly half of office and commercial premises delivered in 2009 and 2010 will be HQE-certified. Source: DTZ Research

Higher performance of HQE®-certified operations (for investment to users before handover of the building)



The increase in the price of energy, the implementation of the energy consumption regulation, RT 2012, and the provisions of the Grenelle 2 Act will all contribute to the change in tenant behavior by raising their awareness of the proportion of service charges compared with their rent.

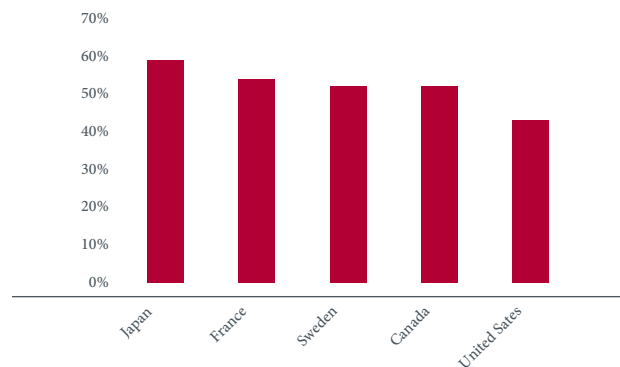
10.1.2.1. Commercial office tenants go “green”

Even if location and comfort are still key influencers in the building choice, certain market segments such as corporate head offices are already factoring in environmental performance criteria, in particular to boost their reputation and image.

A recent survey, presented in January 2011 by GE Capital Real Estate, confirms the importance of environmental initiatives.

During this survey, which was conducted in 2010, over 2,220 office tenants were polled in the U.S., Canada, France, Germany, Sweden, the UK, Spain and Japan.

After Japan, France (with 54% of polled tenants) was the country that placed environmental criteria highest in the decision to sign a commercial lease.



Based on the survey, energy efficiency remained the main priority of tenants in the majority of the countries, followed by waste reduction programs. In some markets, indoor air quality was also very important.

10.1.2.2. Increasing demand for housing certification

The annual assessment of the French association for the promotion of the quality of housing, QUALITEL, shows that in 2010, there was an increase in requests for housing certifications.

There was a 10% increase in applications received to nearly 160,000, up 15,000 on the previous year. This sharp increase in demand is due to the BBC labels, which concerned approximately 60% of new buildings. However, in addition to the BBC label, the multi-criteria housing certification (e.g.: Habitat & Environnement certification), takes into account not only the environmental and sanitary quality of housing, but also the controlled consumption of water and energy.

10.1.3. Increased non-financial evaluations and ratings

Today, there is a development of non-financial evaluations, which have become increasingly visible as a tool for assessing the various environmental, economic and social aspects of Corporate and Social Responsibility (CSR) policies implemented by companies as well as the governance procedures in place.

There are now specialized organizations that use a variety of approaches and standardized criteria for assessing the CSR policy of a company or business sector. These are based on:

- **commitment frameworks:**
 - the most common ones used are derived from initiatives launched by international global governance institutions or those created by Sustainable Development groupings: United Nations *Global Compact*, OECD Guidelines, as well as sector-based frameworks such as the Principles for Responsible Investment (PRI);
- **European directives and French legislative frameworks:**
 - the European Union has developed a Sustainable Development strategy and has issued a large number of directives, in particular for the environment, that are to be transposed into the national laws of all EU member states. France adopted a CSR law in 2002. Article 116 of the NRE law introduced the obligation for all publicly listed companies to include social and environmental information in their Annual reports;
- **certification benchmarks and standards:**
 - these mainly concern ISO standards, the main ones of which are ISO 9000, ISO 14000 ISO 26000 series;
- **evaluation benchmarks set up by social and environmental rating agencies** (VIGEO, MSCI, SAM, EIRIS, TRUCOST, etc.) that assess and rate company CSR policies. These assessments are based on analyses of public documents, specific questionnaires and interviews with company executives. For strategic reasons, each agency has developed its own rating methodology;
- **reporting frameworks:**
 - A new type of reporting has gradually developed and standardized around some frameworks created either by associations or by countries. The Global Reporting Initiative (GRI) has imposed itself as the prevalent standard in non-financial reporting.

The following complete the above approaches:

- **the NOVETHIC/ADEME annual survey:**
 - this is a grading based on the eco-efficiency reporting of buildings by companies operating in the property sector (developers, property companies and property asset managers);
- **the Carbon Disclosure Project Annual report:**
 - this is a review of carbon reporting and performance for all business sectors;
- **specific stock market indices:**
 - FTSE 4 Good, DJSI, Aspi, Ethibel, etc.;
- **specific surveys and publications:**
 - Banque Paribas, Maastricht University, Jones Lang LaSalle, CBRE, etc.

10.1.4. Future obligations

The environmental efficiency of the property market will continue to be taken into account in coming years, boosted especially by future obligations under the Grenelle 2 Act.

In particular, there will be the following obligations:

- **environmental appendix to leases** (for office and retail leases with surface areas of more than 2,000 sqm.; for leases signed or renewed as from January 1, 2012, and for current leases as from July 14, 2013);
- **energy efficiency improvement works** (for existing commercial buildings, within 8 years as from January 1, 2012);
- **greenhouse gas emission assessment** (for companies with more than 500 employees, as from January 1, 2011);
- **reporting on environmental and social data in the company Annual report, which must be audited by an independent third-party organization** (as from the year ended December 31, 2011);
- **publishing of energy performance in property advertisements** (for sales or lease advertisements, as from January 1, 2011).

10.1.5 Emergence of the “green” value concept

Investors, developers, asset managers, operators, users and real estate appraisers are faced with a paradigm shift in terms of valuing properties.

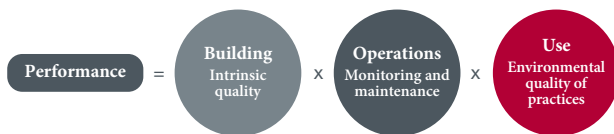
The “green” value will be taken into consideration step by step on the markets over the coming years, with properties seeing a valuation-devaluation movement.

Certain players have already modified their strategies, based on an analysis of developments concerning both the market and the various regulations. The new practices which are emerging from this in terms of real estate asset management and investment policies are expected to become industry standards over the next few years.

Real estate appraisers have not yet been able to fully factor in environmental performance when estimating the value of buildings due to a shortage of transactions explicitly highlighting the characteristics of properties in this area.

Sustainable real estate is expected to gradually reduce the risk of obsolescence in relation to both the market and the regulations announced.

“Green” value contributors



Source: IEIF *Réflexions immobilières*, no. 53

Performance reflects the combined contributions made by the owner, operators and tenants, acting respectively on the building, operations and use aspects.

For owners and investors, ecodesign and obsolescence have a direct impact on the asset's value.

For tenants, how operations are handled and comfort/health/well-being aspects have a direct impact on the costs, their employees' performance and the total cost of occupancy, as well as an indirect impact on the asset's value.

Research carried out in Australia by Sustainability Victoria, Kador Group and Business Outlook & Evaluation focused on an Australian building – “500 Collins Street” – occupied by a law firm before and after its refurbishment and 5 Green Star certification.

This study revealed an improvement in the occupants' efficiency.

Under the French Grenelle building standards, the working group looking into “green value on commercial property” submitted its report in October 2010, with a summary setting out various recommendations.

Gecina, notably through its Sustainable Development Club, will be carrying out investigations and research in 2011 on the real estate portfolio's “green” value.

10.2. Our commitments for Sustainable Development

10.2.1. Policy

Since 2009, Gecina has introduced an ambitious Sustainable Development policy, structured around three major focuses:

- control its environmental footprint;
- develop people-oriented property holdings;
- adopt a responsible behavior that will ensure a winning partnership with stakeholders.

GECINA'S SUSTAINABLE DEVELOPMENT POLICY

Buildings represent long-term living space. Given their central role in the life of a city, as well as the importance of the real estate sector in combating climate change along with the growing expectations of customers and investors in this area, there are a number of reasons for Gecina to implement a Sustainable Development policy with the goal of becoming a benchmark in the field. Sustainable development is one of Gecina's core values, a source of innovation involving employees and partners around these inspiring challenges. Sustainable Development is therefore at the heart of Gecina's organization and corporate strategy.

The Group's initiative is completed by its corporate Foundation, created in 2008, which lends its support to actions of public interest in favour of the protection of the environment and the protection of people with disabilities.

DEVELOPING A SUSTAINABLE PROPERTY HOLDING	ADOPTING RESPONSIBLE CONDUCT WITH REGARD TO PARTNERS
<p>GECINA IS COMMITTED TO:</p> <p>01 Improving energy efficiency and reducing the carbon footprint of buildings. by strictly controlling energy consumption (heating, air-conditioning, sanitary hot water, light, etc.) and promoting the use of renewable energies.</p> <p>02 Reaching or exceeding recognized sustainable construction standards for all new or renovation projects. by selecting innovative, efficient and sustainable architecture.</p> <p>03 Helping to reduce water consumption. by preferring water recovery solutions for outside and sanitary uses, and installing whenever possible, water saving devices and by generalizing water consumption tracking (hot or cold).</p> <p>04 Helping with waste sorting and recycling. by encouraging innovative waste sorting and processing initiatives.</p> <p>ATTENTIVE TO THE NEEDS OF PEOPLE</p> <p>GECINA IS COMMITTED TO:</p> <p>05 Contributing to the improvement of air and water quality. by conducting regular measurements and checking the proper condition of facilities</p> <p>06 Ensuring that buildings are healthy and safe. by refraining from using materials recognized as harmful to health and by continuing its risk prevention policy.</p> <p>07 Facilitating access of buildings to all types of disabilities. by increasing the number of accessible buildings and by defining, in partnership with the relevant associations, planning standards for people with disabilities, which would be offered upon request and developed when required and when possible.</p>	<p>GECINA INTEGRATES SUSTAINABLE DEVELOPMENT CRITERIA INTO ALL CORPORATE FUNCTIONS AND PLEDGES TO:</p> <p>08 Be attentive to client needs. by focusing on service quality and specifically involving them in the sustainable development performance of buildings</p> <p>09 Implement a responsible procurement approach with its partners and suppliers by <ul style="list-style-type: none"> • guaranteeing transparency and fairness in the selection of service providers, • selecting suppliers who are actively against the use of illegal labour and attentive to compliance with safety rules, • encouraging them to apply innovative solutions and use environmentally-friendly products. </p> <p>10 Galvanize employees by involving them in the Group's sustainable development approach in order to integrate it into all the Company's processes.</p> <p>11 Promote professional development by encouraging training, internal mobility and promotion of employees and by forging relations with the academic world for the employment of young graduates.</p> <p>12 Get involved in community policies, by <ul style="list-style-type: none"> • nurturing close relations with local stakeholders, • maintaining and developing partnerships with associations to promote social reintegration through access to housing, • ensuring the building's integration into sustainable infrastructures (transport, urban heating, etc.). </p> <p>13 Contribute to discussions and work on the definition of best practices or the update of standards by participating in work groups and the implementation of pilot projects.</p>

10.2.2. Governance

Sustainable Development governance encompasses the entire company, ranging from operational managers to the Board of Directors:

- operational and functional divisions;
- the Sustainable Development and Performance Department;
- the Sustainable Development Committee;
- Audit, Risk and Sustainable Development Committee, a specialized advisory committee.

The Sustainable Development and Performance Department

This is a project-oriented department that guides Gecina teams in their innovation, Sustainable Development and performance approaches.

The Sustainable Development Committee

This committee, which is managed by the Sustainable Development and Performance Department, brings together all the various professionals from Gecina who are experts in their field to monitor the progress of Sustainable Development action plans.

Audit, Risk and Sustainable Development Committee

The committee acts in accordance with instructions it receives from the Board of Directors. Its principal duties are to:

- review the Sustainable Development areas and objectives set by the company;
- evaluate the quality of service provided to customers and monitor the principal company conflicts concerning this subject, and the actions undertaken by Gecina to improve this quality.

10.2.3. Active presence in think-tanks and representative bodies

10.2.3.1. Gecina, within the Grenelle Building Plan



The purpose of the Grenelle Building Plan is to manage the program to reduce energy consumption and greenhouse gas emissions of buildings. The Grenelle Building Plan strategic committee was created in this connection in order to implement operational tools.

Its functions are mainly organized around 17 subject-based task forces.

Gecina has been an active member of the “private commercial” working party, through its participation in the “existing building”, “new-build”, “green lease” and “energy savings certificates” subgroups.

The Grenelle Building Plan entered a new phase in 2010 when it created a new task force for signs of quality in the building industry, with the collaboration of Gecina.

The role of quality signs is to serve clients and users of the building to be renovated or built. Quality signs must therefore qualify this result on an overall level (environmental, energy, hygiene and comfort performance) and in terms of cost (energy and water consumption).

10.2.3.2. Gecina, founding member of France Green Building Council (France GBC)



France GBC strives to be the French platform for debating, acting and communicating to promote the development of sustainable construction and development nationally and internationally. This will:

- bring together public as well as private stakeholders;
- contribute to the emergence of a common vision of sustainable construction;
- promote France’s position;
- develop the dissemination of French know-how.

It is an association regulated by the 1901 associations act that was founded in September 2010. Today, it has more than 100 members drawn from among sustainable real estate concerned parties.

France GBC is the French representative of the international World Green Building Council network (World GBC), and strives to mobilize the entire French construction sector, through the diversity and the interdependence of its members, and seeks to bring together all players through an association and at all levels: local, national and international.

10.2.3.3. Gecina, member of the Sustainable Building Alliance (SB Alliance)



The aim of the Sustainable Building Alliance (SB Alliance) is to develop common procedures to monitor and compare internationally ecological behavior and sustainable performance. The alliance seeks to develop a common approach among the various assessment systems to improve understanding, comparability and implementation.

At the moment, each country has its own assessment systems and until there are common basic principles and comparable rating methods, these systems can create a lot of confusion for building professionals.

It provides six essential indicators: carbon, energy, waste, indoor air quality and thermal comfort

10.2.3.4. Gecina, member of the AFNOR “Sustainable Development Social Responsibility” commission: ISO 26000



The purpose of the “Sustainable Development Social Responsibility” standardization commission is to organize France’s participation in the work carried out by the International Organization of Standardization to develop and monitor ISO 26000.

This standard is designed to define and clarify the concept of social responsibility and to make it applicable to all types of organizations (companies, local communities, associations, etc.), regardless of their size or location.

This standard gives a single and universal definition to social responsibility and how it fits in with Sustainable Development.

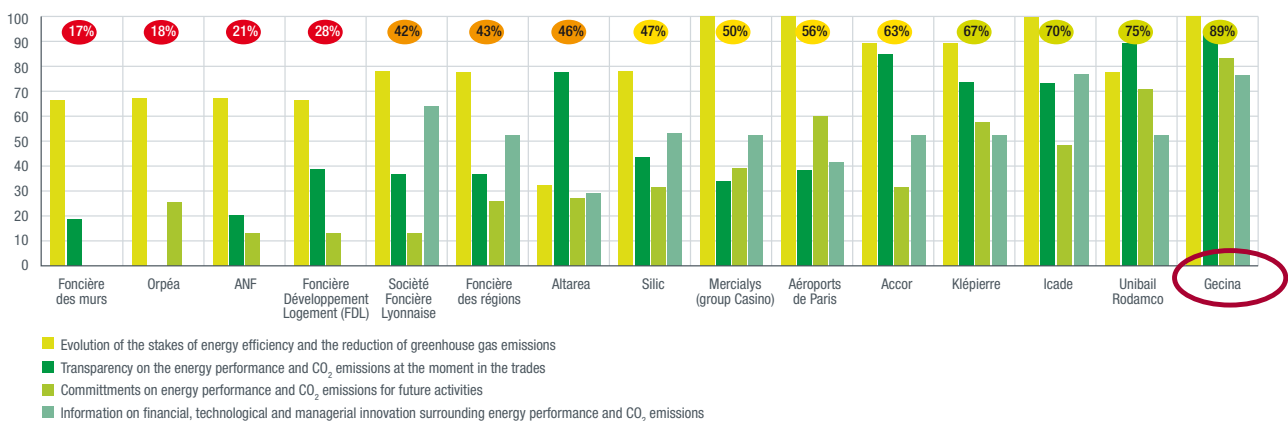
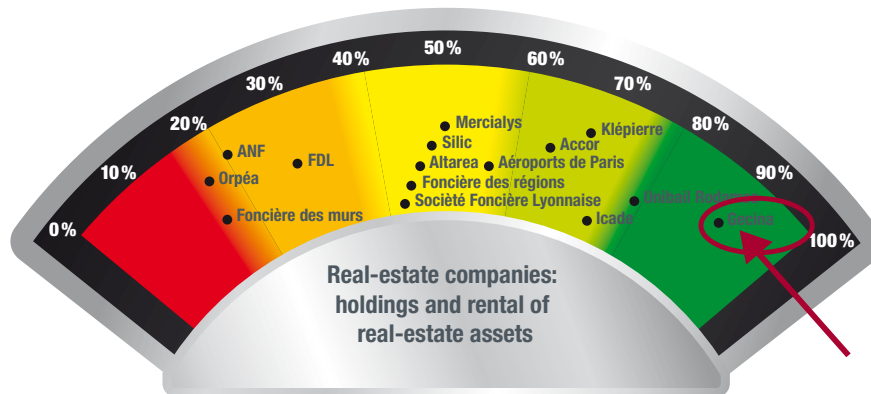
10.2.4. A recognized approach

10.2.4.1. Gecina leads the 2010 NOVETHIC-ADEME barometer

For the second year running, Gecina obtained the best score of property companies and the best average performance with 89%, ahead of Unibail Rodamco (75%) and Icade (70%).

This result shows a marked improvement upon the previous survey (79%) and confirms Gecina’s goal to become the market reference for Sustainable Development.

The Novethic barometer bases its results on an analysis of financial and activity reports, Sustainable Development reports and corporate websites. It assesses the quality of information provided on the environmental performance of property holdings and analyzes in particular, the company’s transparency and energy consumption commitments. In this connection, the survey points out that “only six out of 15 real estate companies published their greenhouse gas emission reduction objectives, while Gecina went further than the others by announcing an objective of reducing its greenhouse gas emissions by 23% by 2012 and 40% by 2016”.



10.2.4.2. Gecina cited by KPMG for its best practices in 2010

In its 2010 study “What are the best practices for sustainable growth?”, KPMG cites Gecina as an example of a best practice: “Gecina – Financial report 2009”, p.124.

“The Group describes the challenges of the real estate sector and stresses, in particular, the importance of the environmental footprint of buildings. The report highlights two major challenges: improve the energy efficiency of buildings and optimize building use.”

10.2.4.3. Gecina, listed in two “specific Sustainable Development” global stock market indexes

Gecina is included in the FTSE4Good and Dow Jones STOXX indexes.

Gecina is assessed by the major non-financial rating agencies:

- VIGEO;
- MSCI;
- SAM;
- EIRIS (with ETHIFINANCE);
- and TRUCOST.

These ratings are in line with a progressive approach.

10.3. Making our commitments credible

10.3.1. Key indicators

Gecina has drawn 16 key indicators from its Sustainable Development policy, 7 of which are classified as priority.

These indicators have been selected on the basis of:

- the significant impacts of Gecina’s business (environmental indicators, etc.);
- external expectations of Sustainable Development information (New Economic Regulations law, Grenelle Building Plan, rating agencies, GRI, etc.).

7 priority indicators that reflect Gecina’s policy and leadership

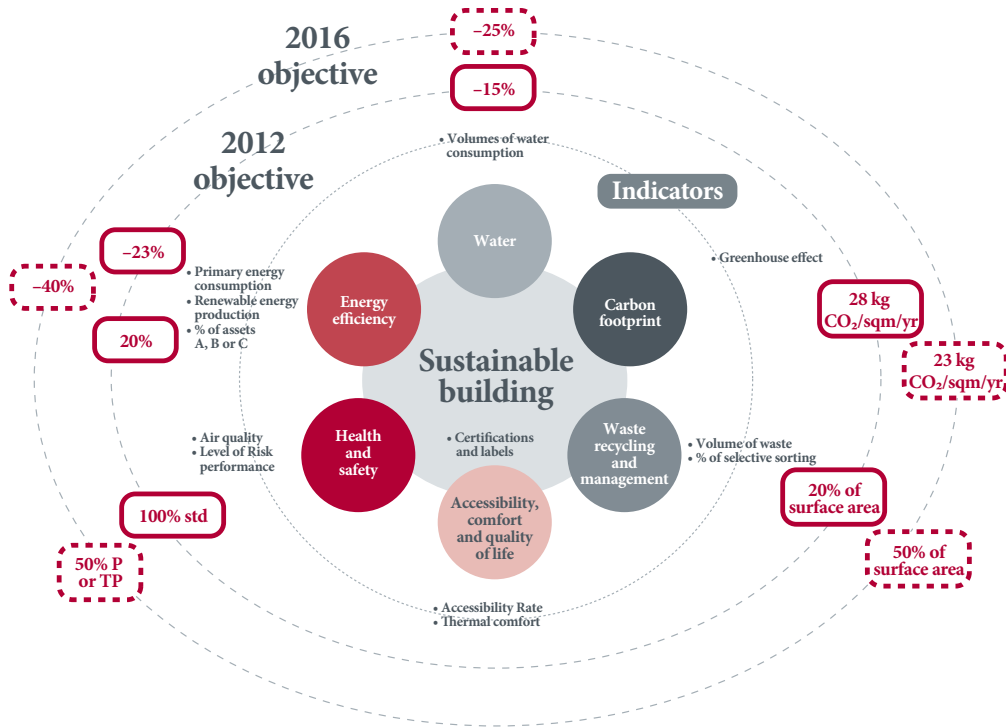
Theme	Indicator	Objective
Carbon energy	Energy consumption per sqm.	Reduce the consumption of energy in kWhEP/sqm./year within Gecina’s property holding
	Greenhouse emissions per sqm.	Attain a level of emissions calculable in kgCO ₂ sqm. per year on average
	Energy efficiency within buildings in conformity with EPA standards	Offer a percentage of the property holding’s surface area with EPA label in A, B, or C
Sustainable Building	HQE® certification for the operation of property assets	Obtain the HQE® certification for the operation of property holding
	Certification of the good environmental performance of a building’s operation	100% of deliveries with an environmental certification with high performance objectives
Water	Water consumption	Reduce water consumption per resident
Waste	Buildings equipped for waste sorting	Percentage of the property holding surfaces equipped for waste sorting

9 other key indicators

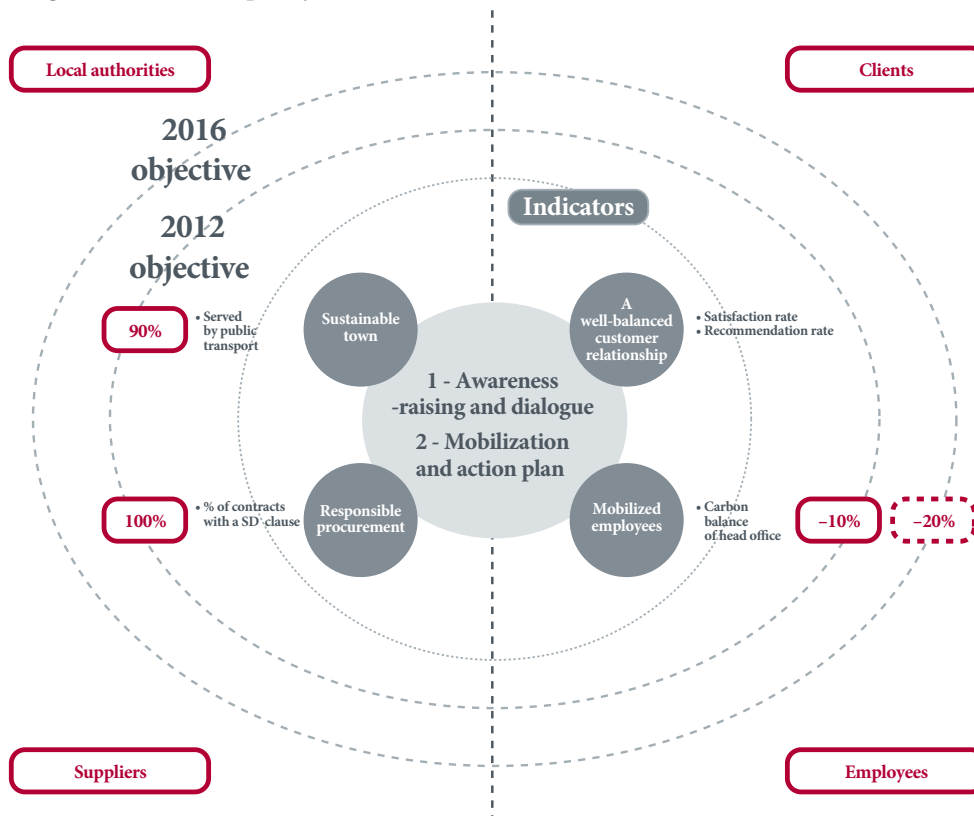
Theme	Indicator	Objective
Mobilisation/ Raising awareness	Carbon balance for the head office	Reduce carbon emissions of the head office’s activities in Paris and in the Lyon region (emissions calculated in TCO ₂ eq/employee/per)
Clients	Overall satisfaction rate (for occupied buildings)	Overall satisfaction rate (for occupied buildings)
	Recommendation rate	Recommendation rate
Health, Safety	Performance rate for Risks and Sustainable Development policy	Achieve an “Efficient” or “Very Efficient” score for the Risks and Sustainable Development policy for its property holding
		Achieve a “Standard” score for a certain percentage of its property holding
Infrastructures	Distance from public transportation	Maintain at least a certain percentage of Gecina’s building constructions that are within 400m of public transportation
Accessibility	Accessibility or adaptability of housing	Make more accessible a certain percentage of residential units and common areas of a percentage of residential buildings
	Accessibility of common areas	
	Accessibility of commercial buildings	Make more accessible a certain percentage of commercial buildings (in surface area)
Sustainable acquisitions	Sustainable acquisitions	Include, for a certain percentage of supplier contracts, clauses that place constraints on the means of waste management, energy efficiency, and safety in the work environment

10.3.2. Ambitious targets

Objectives relating to focuses 1 and 2 of the policy



Objectives relating to focus 3 of the policy



10.3.3. Clearly defined non-financial reporting protocol

Gecina has defined key performance indicators that correspond to the Sustainable Development actions and targets set by the Group.

The reporting protocol, written in 2010, describes the procedures to follow when reporting on these indicators and covers all Group activities. It serves as guidelines for use in house. The protocol is also a framework for the external verification of data.

It describes the following:

- scope;
- reporting procedures and timetable;

- audit and verification;

- list of indicators;

- calculation and measurement procedures: one record for each indicator.

The scope covers all activities operationally controlled by Gecina as at December 31 of the reporting year.

It covers all the Group's assets and businesses.

10.4. Controlling the environmental footprint

10.4.1. Sustainable buildings and construction projects

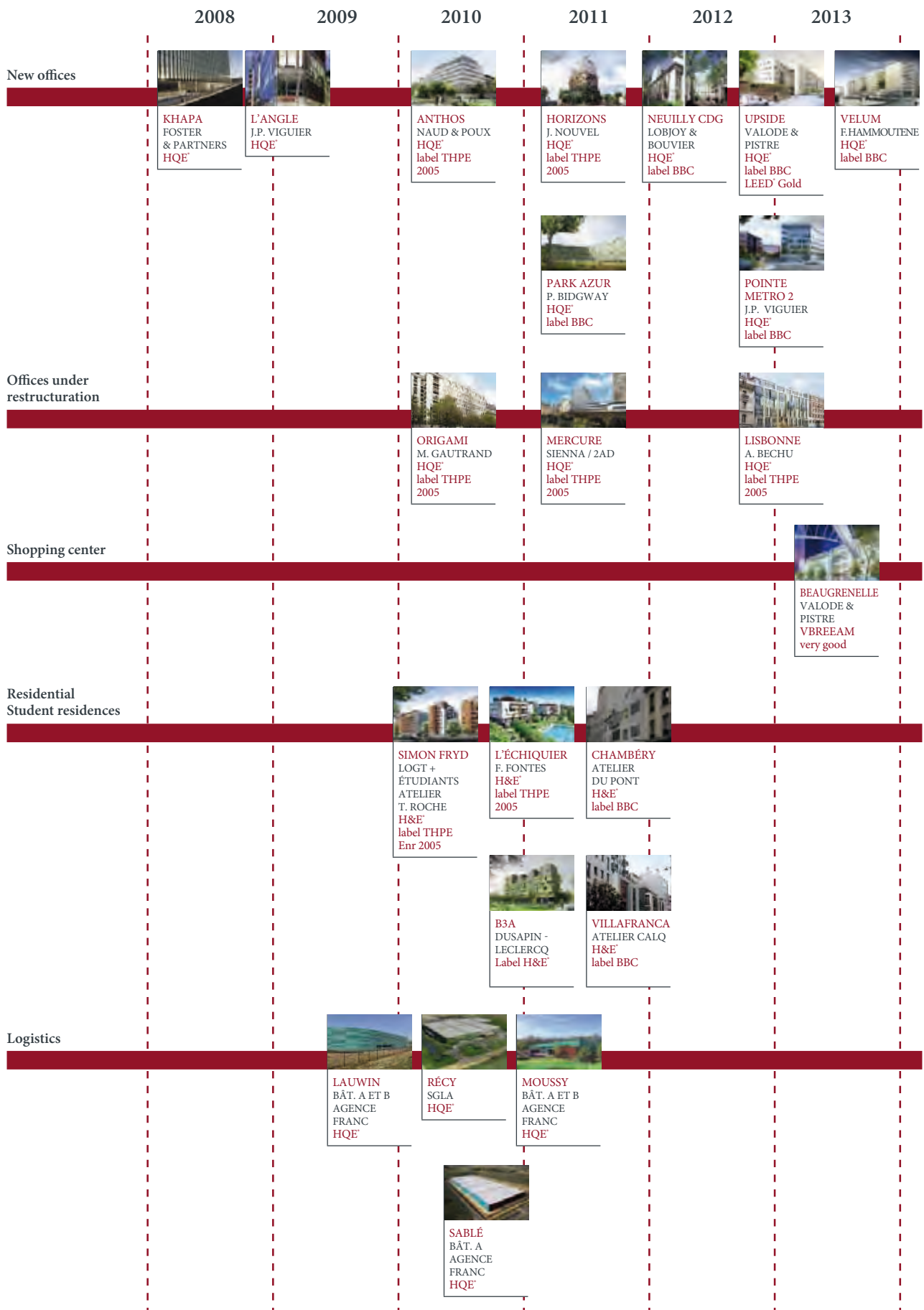
For several years now, Gecina has decided to engage a third party to certify the environmental standard of the design and construction of its buildings.

The "Cristallin" building in Boulogne-Billancourt was one of the first buildings to be certified compliant with the NF Commercial Buildings – HQE® Process in 2006.

Since then, Gecina has obtained certification for 54,871 sqm. of office space and is currently extending this certification to another 158,811 sqm.

In all these buildings, special attention must be paid to ensure the best performance, both in terms of eco-management, directly linked with the control of rental charges (energy, water, waste and servicing-maintenance), and in terms of the comfort and health of its employees, since the working environment has a direct impact on productivity at work.

For its future developments, Gecina has therefore set itself the objective of reaching an Efficient and Very Efficient score for 12 out of its 14 HQE® process targets.



The working environment provided by the HQE® process further develops the search for a highly efficient and sustainable property holding that is in line with the objectives set.

After taking part in the pilot phase to define the benchmark for logistic platforms, Gecina is continuing the process for the development of the Beaugrenelle shopping mall by aiming for

the joint BREEAM and HQE® certification and by working with CERTIVEA⁽¹⁾ on the application of the benchmark to the environmental quality of retail buildings of December 2008, in particular to the aspect concerning the assessment of the energy efficiency of the operation.

BBC projects®



Villa Franca, Paris 15th

Residential

New construction – Delivery 2011

Habitat & Environment® certification

BBC label (class A of EPA)

Architect: Atelier Calq

Avenue de Verdun
92250 La Garenne-Colombes
See focus beside

HQE®/H&E® projects



31, quai de Grenelle, Paris 15th

Offices

Reconstruction – Delivery 2011

HQE® certification,

THPE Label

Intensive reconstruction of the Mercure 1 tower, an emblematic building on the banks of the Seine river (9,920 sqm. of net space), which will retain the original architectural concept and add environmental parameters certified compliant with the high-environmental quality standards for commercial buildings (NF Bâtiments Tertiaires Démarche HQE®) with the aim of reaching an efficient and very efficient level for all 14 targets.

Architect: ZAD

Focus

Garenne Colombes

Avenue de Verdun

92250

La Garenne-Colombes

Offices

New construction – Delivery 2012

HQE® certification, BBC Label

LEED Gold Certification

Architect: Valode & Pistre



96-104 avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine

Offices

New construction and Reconstruction-
Delivery 2012

HQE® certification

BBC Label (new) and

THPE (reconstruction)

Demolition – reconstruction of a new building with extension of a wooden structure representing a connecting building between the old and the new parts. Rooftop equipped with thermal solar panels, gas furnace... First commercial building in wood in the Paris region.

Architect: Lobjoy & Bouvier



Block "B3A", ZAC Seguin – Rives-de-Seine,
92100 Boulogne-Billancourt

Residential

New construction – Delivery 2011

Habitat & Environment® certification

Operation of 66 collective apartments over 4,467 sqm. Built-in pergolas and metallic shutters will form an efficient and pleasant solar complex with numerous open space (or dual facing) apartments which guarantee the best possible ventilation; a genuine positive action on thermal comfort.

Architect: Dusapin-Leclercq



(1) www.certivea.fr

In the same vein, the “Garenne Colombes” building in La Garenne Colombes has obtained a title V in accordance with the RT 2005 energy consumption law. This procedure acknowledges the relevance of the “hybrid” ventilation system developed by the project manager as well as the performance of the heat/cooling system via a 4-tube heat pump. These systems contribute to obtain the BBC label.

This system will be monitored by the Ministry of Ecology, Sustainable Development, Transport and Housing, in charge of Green Technologies and Climate Negotiations.

Specific energy metering systems will therefore be set up to monitor the various parameters that impact the building’s energy consumption. This includes, for example, the metering of the consumption of each elevator, since this consumption item is not taken into account in regulatory calculations.

This operation won for the call for proposals of the French energy efficiency building research program, PREBAT, which strives to cut energy consumption of most new buildings by a factor of two to three times within the next 10 years. In the longer term, the program aims to have a significant number of energy-positive buildings.

To ensure consistency with other sustainable building procedures, this same building should receive the joint certification with the LEED GOLD label and the NF Commercial Buildings – HQE® Process certification.

Another operation, with another objective, is the renovation of 96-104, avenue Charles-de-Gaulle in Neuilly, which is one of the first commercial complexes to seek the BBC renovation label.

In line with the objectives of the Grenelle project designed to improve the efficiency of old buildings, this building heralds future reconstructions in which the energy dimension will be an essential component.

The housing sector is also ideal for expressing the sustainable construction momentum that is driving Gecina’s projects.

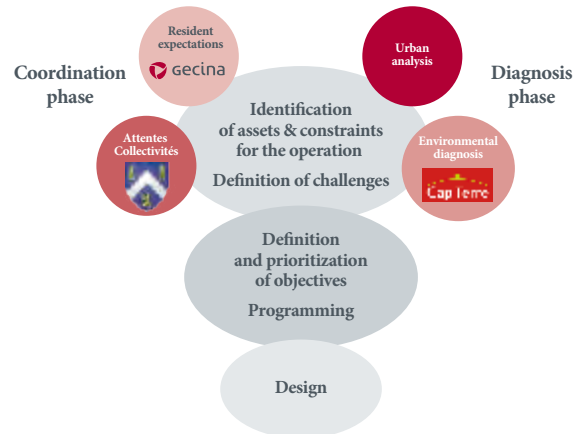
In developing its available land, Gecina is building housing units with a Profile A Habitat & Environnement certification (demonstrating that at least seven of the certification benchmark themes have been reached) and is aiming for the BBC label (65,000 WhEP per sqm. and year in the Paris region).

In this connection, with a view to continuing its search for high-potential subjects, Gecina is planning to transform a 711-unit residence in the town of Ville-d’Avray into an eco-neighborhood.

This project, which was initiated by prior consultation with tenants and local elected representatives, is designed to reclassify a housing complex as a new living hub inside Ville-d’Avray.

The development of available land also provides Gecina with the possibility of developing a new complex of new housing units for private rental as well as low-income units, thus contributing to the town’s housing development plan.

The existing retail area is rearranged to suit local needs to make it more attractive with the addition of a center of pre-school services.



After a diagnostic phase, an implementation program was defined, broken down into objectives based on 10 themes and shared with local bodies, the town of Ville-d’Avray, the Urban Community of Grand Paris Seine Ouest and representatives of the residence occupants:

- alternative ways to travel (e.g. public transport, pedestrians, bicycles, etc.);
- parking and motorized journeys around the Domaine de la Ronce estate;
- parking and motorized journeys inside the Domaine de la Ronce estate;
- landscape and management of soils and animal and plant biodiversity;
- management of water, in particular rainwater;
- waste management and selective sorting practices;
- energy and climate;
- avoid exclusion;
- shops and services;
- housing offering (type, use, etc.).

Gecina seeks to make this operation a new showcase of its Sustainable Development expertise.

A sustainable operation

As it continues to be at the leading edge of certifications, Gecina’s sustainable building approach is also embodied in the operation of its property assets.

For example, the Portes de la Défense building was the first Gecina property to receive NF – HQE® process certification for commercial buildings in use.







To develop this target even more effectively, Gecina has set up a system for the general management of its operation and is expected to be recognized as the first real estate company to have this system certified based on the Certivéa framework.

Laboratory buildings

In its constant search for innovation in its buildings, Gecina has chosen to showcase the eco-smart building concept on “Garenne Colombes” to monitor building energy efficiency. Driven by this,

it is carrying out controlled experiments on buildings that have recently been launched for projects being operated or under development to capitalize on experience and to prepare for the office building of the future.

Building	Energy system	Water savings	Constructive process
VELUM – Lyon	Geothermal	Recovery of rainwater for sanitary facilities and outside pools	
ANTHOS – Boulogne			Green wall 
Mercure 1 Tower	Distribution of hot and cold fluids by radiating ceiling panels		
96-104, avenue Charles-de-Gaulle at Neuilly-sur-Seine			First operation in a wooden structure in the area of influence of the central Paris business district and La Défense sector 

This concept of test building has become a challenge for new developments.

Enriching biodiversity

Vegetation of all forms is an essential component for the balance of the ecosystems in which we live. Planted areas help to improve air quality by increasing oxygen production and absorbing CO₂.

Boosted by its experience in two operations, Le Velum in Lyon and the creation of the eco-neighborhood in Ville-d'Avray, Gecina pays special attention to the quality of the plants that it chooses for the outdoor areas of its buildings.

For the Lyon project, the landscape design focused on the creation of a pool to recover rain water, designed to blend into the history of the site, which is located on the left bank of the Rhône river.

The range of plants used in the landscaping project included trees that conjured up plants from the large alluvial forests, when the Rhône was still a wild river with large flood-prone areas that formed the Val de Rhône swamps.

In the Rhône valley, there are still some alluvial forest formations that are home to as many as 15 to 20 different types of tree species, including the European white elm, which can grow up

to 35 meters high. This tree is listed in the national inventory and is regulated by conservation measures.

To ensure perfect acclimatizing, plants of the landscape project will come from local nurseries. There will also be some endangered indigenous plants such as *Acorus Calamus* (sweet flag), *Euphorbia villosa*, *Glyceria* (mannagrass), *hypericum palustris*, *equisetum palustre* (marsh horsetail) or *salix acuminata* (pointed willow) and the European white elm.

This extremely diversified plant environment, made up of trees, shrubs, a large number of perennial water plants, will grow in the "green" terraces R+1, R+4, R+7, "green" roof, the garden on the ground floor and the large pool (wet area). It will prompt a new ecosystem that generates biodiversity and a micro-climate, that favors the inhabitants of the business park.

In the same vein, for the Ville-d'Avray eco-neighborhood project located at the edge of the Fausses Reposes forest, a diagnostic was made of the fauna and flora of the existing neighborhood with a view to protecting existing species. The red frog, the palmate newt and the common toad will thus be protected with the building of toad ducts and designing of the landscape to reintroduce planted species that are adapted to the soils and the context, and favor the local ecosystem.

10.4.2. Energy efficiency and carbon footprint

Gecina: a tangible goal to have a leading position in combating greenhouse gas emissions

In its conclusions, the Grenelle Environment project launched by the French government identified improvement in the efficiency of existing buildings as a prerequisite for meeting Factor 4 objectives: divide greenhouse gas emissions by a factor four by 2050.

The announced objective of cutting by 38% primary energy consumption by 2020 will have a short-term impact on the entire real estate sector.

Against this backdrop Gecina made a committed in a study of its assets in order to:

- define and analyze the initial existing situation, which is the starting point in the improvement of its energy efficiency;
- identify levers of action in each of its business lines: the sharp disparity between commercial property, housing units, logistics buildings, healthcare institutions and hotels cannot be treated in the same way;
- define the management strategy for the real estate company through an energy and carbon policy.

Gecina conducted a study in several phases as part of a carbon energy taskforce:

- Energy Orientation audit (COE), a study of total property holdings aimed at obtaining an overview of the behavior of buildings and characterizing the energy and carbon situation. Having analyzed the data collected, it was able to identify for each business line how energy behaves in its assets and to determine the so-called representative assets for which relevant improvements were assessed;

- a campaign of in-depth diagnostics on these representative assets, extended to include undiagnosed assets, led to the definition of several scenarios to transform the whole property holding in order to determine Gecina's future policy in coming years.

To support the deployment of this policy, workshops were held for Gecina employees involved in the process. The objectives of these workshops was to:

- identify the measurements and controls for monitoring the objectives chosen;
- organize the deployment of policy objectives with the occupants and tenants of the buildings;
- assess the tools and methods used to involve suppliers who work on existing and new buildings;
- define a strategy to include renewable energies.

Property holdings that are representative of French buildings

To measure Gecina's performance, all the assets included in its property holding were analyzed and the indicators proposed in the IPD Environment Code were used in presenting the Group's consolidated results.

The study shows that:

Commercial properties have a behavior similar to other properties because Gecina has an average of 538,000 WhEP per sqm. and year (average value for 2006-2007) while the national average published by the French environment and energy management agency (ADEME) is around 550,000 WhEP per sqm. and year. This comparison can also be made for final energy, where Gecina's buildings consume 217,000 WhEP per sqm. and year, compared with 220,000 WhEP per sqm. and year announced by the Institute of Town Planning and Development (Institut d'Aménagement

et d'Urbanisme) in December 2006. This wide divergence can be explained by the historical choices of power supply for all commercial property consumption items, combined with the French context of nuclear electricity production. However, it ensures high CO₂ efficiency.

The same applies to residential property where Gecina's holdings, assessed at 212,000 WhEP per sqm. and year, behave practically the same as French buildings assessed in 2006 at 247,000 WhEP per sqm. and year. This must be compared with the target of 150,000 WhEP per sqm. and year by 2020 adopted by the Grenelle Environnement project.

No national indicator has yet been identified for the logistics sector.

An analysis of health property, which is a sector quite unknown in France, shows a lower efficiency level overall and reflect the high energy consumption within buildings: medical operations require higher temperature levels to be maintained than office and residential operations.

By analogy with the other types of buildings that make up the diversification business line, data from the hotel business cannot be compared with national data. Furthermore, the energy efficiency of this business is highly dependent on the type of accommodation, since the conclusions identified for leisure centers cannot be transposed to a traditional hotel business.

In-depth diagnostics to assess actions to be taken

In each business line, assets have been grouped into families created based on a similar behavior, building and/or energy supply.

In each of these families, so-called representative assets have undergone diagnostics to extend the results to the entire family and to identify resources required to bring them in line with the Grenelle target.

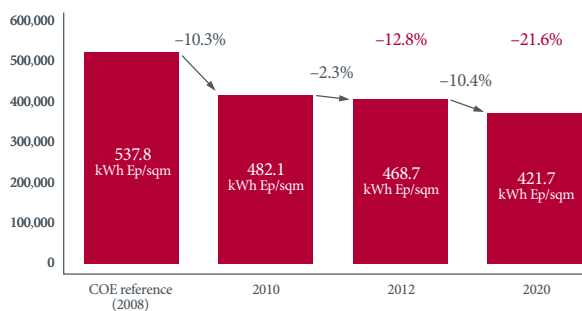
Gecina has drawn up two scenarios to position its short-term (2010), medium-term (2012) and long-term (2020) objectives:

- the first scenario: consists in "continuing the current work policy", by using the leading actions implemented by each business line to identify the level reached in 2020, without a predetermined objective;

Commercial real estate

All buildings (multi-family and single-family)

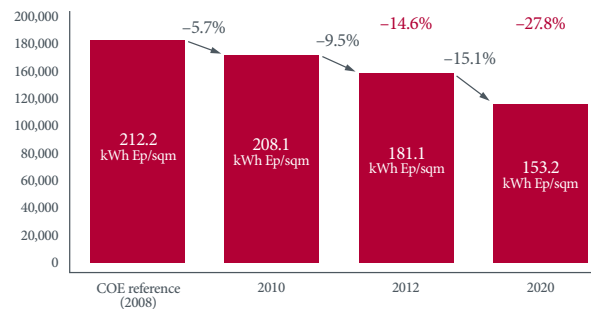
PE Consumption
[MWhEp /year]



Residential real estate

All buildings (multi-family and single-family)

PE consumption
[MWhEp/year]



Without repeating the details of the resources to be committed by each business line, in the first scenario, Gecina would improve its primary energy efficiency by 18.4% in 2020, its final energy by 19.5% and its CO₂ emissions by 22.7%, with an intermediate level in 2012 at 11.3%, 10.9% and 12.2% respectively.

- the second scenario which is a "hierarchized and optimized action plan" is not far removed from the objectives of the Grenelle Project, i.e. a 38% reduction by 2020.

Sector	Number of buildings	Number of buildings with bills	Total surface in sqm.
Residential	130	130	869,289
Business	132	132	972,104
Hotels	7	7	90,609
Logistics	60	22	828,740
Healthcare	32	28	330,554
TOTAL	361	319	2,760,741

The scenario devised to be in line with the Grenelle Environment project objectives should bring us, in 2020, to a 40.7% reduction in primary energy, a 41.4% reduction in final energy and a 43.4% drop in CO₂ emissions. This represents an additional budget of €140 million as compared with the current property improvement policy.

Although there are still a few avenues to be explored, they have been put aside for the moment because of the uncertainty created by the current economic environment:

- integration of renewable energies;
- the signing of an operating contract with profit-sharing (additional profits from the operation of facilities);
- asset buying and selling strategy;
- supply of "green" and low-CO₂ energy;
- policy of accelerated renovation ahead of requirements.

Based on this analysis and the strategy that it has already adopted for the development of new assets and the renovation of its assets to increase their energy efficiency, Gecina has set itself the objective of reducing its primary energy balance by 23% in 2012 and 40% in 2016, using 2008 as the initial base year.

The strategy of intervention on property holdings has been broken down between **four key success factors**:

1. Optimize building management
 - carried out in collaboration with operating companies,
 - a potential gain of 10%.
2. Renovate energy facilities
 - heating, cooling, ventilation, lighting, ancillary consumption,
 - improvement estimated at 15%.

10.4.3. Water consumption

Gecina pays particularly close attention to the management of water and health issues. They are incorporated in the set of standards used for real estate risk mapping (see Section 11.3).

Gecina provides its customers with the facilities they need to better control their water consumption.

To limit damage to the biological equilibrium and reduce water consumption, the Group:

- arranges service contracts for the plumbing fixtures in its residential property holdings on a case-by-case basis. These are collective contracts for each building, prescribing an annual inspection of the residences as well as possible visits upon request. These visits are mainly opportunities to perform maintenance work including replacement of seals and domestic water savers, etc.;
- also encourages the installation of individual water consumption meters in existing property holdings and systematically includes them in new buildings. Given the significant water savings

3. Work on built units

- insulation of building enclosures, maximization of solar energy contribution,
- high potential but low ROI because of the current cost of energy.

4. Change user behavior

- an estimated gain of 10%, extended to day-to-day actions.

After two years of collecting consumption data, an assessment of energy/carbon consumption indicators led to an improvement in general efficiency of all the housing and office buildings:

To consolidate all of the data with the disposals and acquisitions made within this timeframe, Gecina will be publishing these results in connection with its Sustainable Development report for 2010.

For office real estate, in 2009 the winter was harsher and summer hotter, which means that primary energy consumption from actual invoices do not reflect the energy efficiency improvement work carried out. When it is compared with climatic data from national databases, the improvement stands at nearly 7%, mainly obtained from the operation of facilities.

recorded, the Group is studying the opportunity of extending this type of operation to the entire residential property portfolio;

- makes sure that water consumption is monitored for each building;
- during significant renovation, installs water-saving kits (toilet flushing mechanism + shower heads + tap aerators) to reduce the risk of leakage and to save water. This type of installation is also earmarked for fittings in new constructions;
- plant garden species that consume little water in ornamental gardens and installs systems for recovering rain water.

In view of this analysis and the actions already launched concerning the development of new assets and the renewal of its portfolio, Gecina has set itself an objective to reduce the level of water consumption per occupant by 15% by 2012 and 25% by 2016.

10.4.4. Selective sorting of waste and recycling

Group buildings have been adapted on a case by case basis to the selective sorting implemented by municipal governments or through specific contracts.

For residential property, a multi-year program launched in 2008 to close building refuse chutes is being pursued, especially on account of safety issues (risk of fire and personnel accidents). This is also intended to reinforce sorting practices and mechanisms, which are often still insufficient in buildings with refuse chutes.

This program has been introduced in consultation with the tenants and with their collaboration. In addition, Gecina makes the necessary sorting equipment available to tenants whenever the infrastructures permit in order to help implement selective sorting in all buildings. The tenant handbook issued to new arrivals includes a section aimed at raising the awareness of tenants to this issue.

For office properties, Gecina supplies its customers with the necessary sorting systems whenever possible, and since 2008 has introduced a system for recycling waste.

In view of this analysis and the actions already launched concerning the development of new assets and the renewal of its portfolio, Gecina has set itself an objective to increase the number of buildings equipped for selective waste sorting, aiming for:

- 20% of the portfolio's total space to be equipped by 2012;
- 50% of the portfolio's total space to be equipped by 2016.

Focus:

In 2010, the commercial property department deployed a waste sorting and recycling contract in 15 multi-tenant buildings (representing 63,000 sqm. of office space). There are plans to extend the system to 15 additional buildings in 2011 (covering an additional 92,000 sqm. of office space).

10.5. Developing a people oriented attentive property holding

10.5.1. Sanitation and comfort

By commercially exploiting and managing its own property holdings, Gecina can act directly on its investments in the construction or renovation of buildings that facilitate optimal maintenance and service while mitigating impacts on health.

As part of the construction and renovation activities involving the buildings themselves, Gecina has incorporated environmental protection goals in its relations with its suppliers. Consequently, the Group's specifications include criteria about the reduction of polluting waste, protection of natural resources and promotion of renewable energy.

Furthermore, each pilot project is intended to disseminate best practices concerning all property holdings, whether they exist or are under development.

Gecina pays close attention to water management and health issues. These have, for that matter, been incorporated in the set of standards used for risk mapping (see Section 11.3).

Gecina pays very special attention to the comfort of the occupants and users of its buildings. As such, the Group endeavors to control potential pollution for occupants and also for nearby residents. The pollution generated by the Group is however relatively minor.

Sound insulation is a constant concern, particularly in the residential sector where double glazing is systematically installed whenever buildings are renovated in order to provide better sound insulation against outside noise.

The sounds directly or indirectly generated by Gecina may result from the operation of combustion or air-conditioning systems, from the vehicle traffic in the parking areas or from equipment and machinery used to maintain the grounds, gardens and buildings.

The impact of logistics facilities is most strongly associated with transport vehicle traffic (noise and lights). For development projects concerning logistics areas, for example, Gecina, the planners and the developers choose to divert the access to the complex, despite the additional structures that this will require, and to contain the flow of freight vehicles between the buildings in order to limit the resulting nuisance for the neighborhood.

For "internal air quality" and "thermal comfort", Gecina will be launching a specific review in 2011 in order to build up more in-depth knowledge and incorporate these new issues into the management and development of its portfolio.

10.5.2. Facilitate entry to buildings for all types of disabilities

With the support of the specific internal group, Gecina prepares a methodology and sets up the tools that will allow its operational teams to:

- establish each building's accessibility to people with disabilities while identifying and estimating the cost of the services needed to improve the situation;
- define an action plan based on the audit recommendations which includes clear goals to improve the number of accessible buildings in order to meet Gecina's Sustainable Development commitment.

At the same time, Gecina uses a client-specific approach in conjunction with this procedure so that it can provide an optimum solution to the requirements and needs of its current and future clients with disabilities.

For Commercial Real Estate

	sqm.	Quantity	%
Excluded	52,836	17	6.42%
Assessed by security notices	312,122	22	37.90%
Assessed internally	458,613	70	55.69%
TOTAL	823,571	109	100.00%

Some buildings were not included in the scope of this mapping because they were under renovation, or were retail buildings or car parks.

Recent or renovated buildings were assessed based on their safety instructions.

The conclusions of the mapping are:

Assessment results	Wheelchair			Slow walk			Visual			Auditory		
	sqm.	N°	% evaluated sqm.	sqm.	N°	% evaluated sqm.	sqm.	N°	% evaluated sqm.	sqm.	N°	% evaluated sqm.
Accessible	307,141	21	39.85%	355,638	29	46.14%	311,651	23	40.44%	724,187	80	93.96%
Adaptable	208,482	27	27.05%	326,581	43	42.37%	371,874	51	48.25%	26,410	7	3.43%
Technical difficulties to check	149,513	25	19.40%	50,856	14	6.60%	72,142	14	9.36%	18,848	4	2.45%
Non adaptable	105,601	19	13.70%	37,661	6	4.89%	15,069	4	1.96%	1,290	1	0.17%
TOTAL	770,736	92	100.00%	770,736	92	100.00%	770,736	92	100.00%	770,736	92	100.00%

In 2011, the results will be analyzed and an action plan defined.

Making common areas accessible

Gecina meets and exceeds its basic legal obligations by focusing on a pragmatic approach aimed at adapting as well as possible the accessibility of existing buildings to people with disabilities while taking account of constraints, especially technical constraints, of each building. Solutions are accordingly examined based on the specific characteristics of each building in order to improve access to people with disabilities, even if this improvement pertains to just one of the listed disabilities.

Adapting private areas

At the same time as improving the accessibility of common areas, Gecina is also committed to adapting private areas for people with disabilities. During the remodeling of the private areas of residential buildings, the services are designed to facilitate the

Results

In 2010, the residential and commercial real estate departments launched a mapping of their stock using specific diagnostic grids.

Residential Real Estate

Some twenty assets underwent a diagnostic after a pilot phase designed to train employees.

The mapping will be completed in 2011, and the results analyzed.

adaptation of apartments to different disabilities and to the aging of its occupants.

This requires such things as the listing of products, suppliers and service providers capable of meeting adaptation requirements, as well as taking account of specific customer needs with respect to the adaptation of their home.

Customer relations

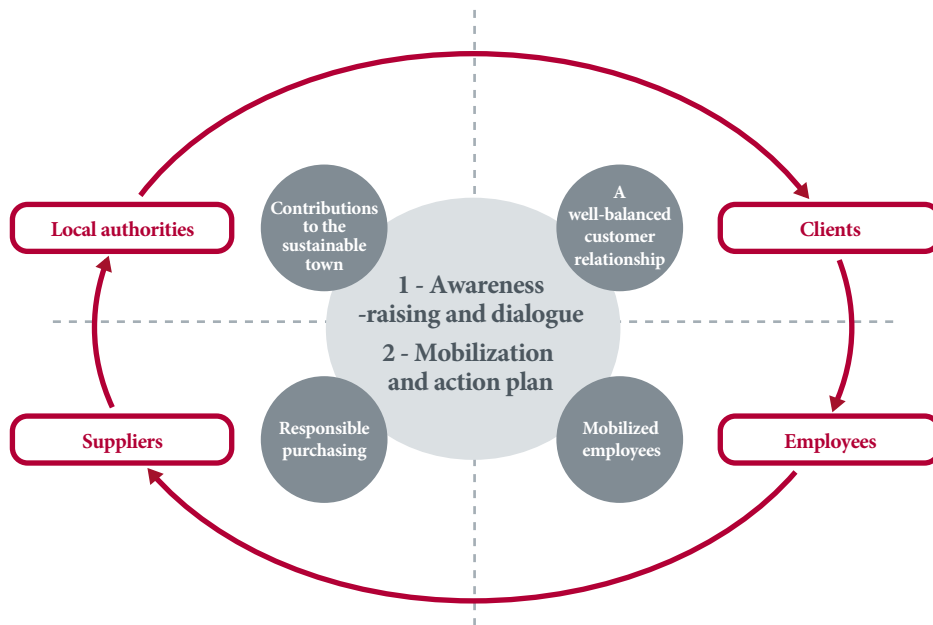
At the same time as the accessibility and adaptability actions on its properties, customer relations are geared towards optimizing the access and visibility of Gecina's property holdings with the target clients for this process.

This is done in several ways including setting up customer relations or partnerships with associations (for the placement of people with disabilities, for example), and supporting specific relocation procedures into accessible or adapted buildings.

10.6. Adopt a responsible behavior to obtain a winning partnership with stakeholders

10.6.1. Committed action with stakeholders

Gecina cannot meet the objectives that it has set without the involvement of its main partners:



To this end, it has implemented specific systems and procedures, some of which are described below.

10.6.2. First “green” lease initiatives

In 2010, Gecina signed “green” leases for four buildings without waiting for the publication of the Grenelle Environment enforcement decrees.

- Origami for 5,000 sqm. with Barclays;
- Anthos for 9,220 sqm. with Carrefour;
- Tour Horizons for 15,560 sqm. with Roche;
- Portes de la Défense for 17,938 sqm., with the Oracle lease being renewed.

As a genuine link binding the two parties, Gecina has chosen to add environmental clauses to the traditional lease. This commitment marks:

- the common commitment by both the lessor and the lessee to take environmental aspects into account for operating and using the building;
- and if necessary, focus efforts on improving the technical characteristics of the building and rented premises.

In a new or reconstructed building, *i.e.* a building the environmental performance of which is based on the choices and efficiency of the building and its facilities, the “green” lease gives the building an added advantage for an optimum result.

In an existing building, the “green” lease sets out the quantitative and qualitative environmental objectives set by the parties to improve the environmental performance of the building.

This collaboration between the lessor and the lessee continues for the collection of data and information about:

- the consumption of all energy sources (including for private areas);
- water consumption;
- waste production, management and recycling;
- equipment maintenance;
- the search for environmental certification or accreditation of the building.

To assist its tenants in applying environmental best practices for “green” leases, Gecina gives them an environmental occupancy guide:

- it is intended for the lessor to act as a framework for the occupancy of the building to ensure that the use of the building maintains or improves the environmental quality of the building during operation;

- defines the rights and obligations of tenant(s) occupying the entire building or the rented premises (private as well as shared areas);
- informs occupants of their responsibilities;
- comprises a "Prescriptions" section that concerns items that will have an impact on the (environmental) quality of the building if they are changed or replaced, and a "Recommendations – Advice" section to specify what may remain the tenant's responsibilities.

Recognized as a ground-breaker in this field, Gecina has run two training sessions through the training company Comundi to give building owners and operators experience with its approach to the subject.

10.6.3. Club Gecina

In line with its determination to initiate a new relationship with its office building tenants, Gecina has taken the initiative of creating a Sustainable Development club.

Sustainable Development for our customers involves the following:

- control of increases to energy, water and waste expenses that come in addition to the intrinsic quality of Gecina's buildings and the expertise of development and building management teams;
- new expectations in terms of quality of life and workstation health of each employee that must be met by the facilities and materials that have recently been installed in Gecina buildings;
- the future carbon balance obligation for all companies with more than 500 employees which significantly introduced the energy efficiency of office buildings as a driver for action.

On the strength of these lessons, in 2011, Gecina will embark on actions that foster debate, dialogue and sharing of these themes and future ones:

- consultative seminars;
- conferences and publications of innovation and development studies;
- innovation competitions: architecture, designer schools, etc.

In drawing on these various communication channels, Gecina seeks to place its Sustainable Development actions over and above its own results and to mobilize energies to develop a new positive Sustainable Development footprint in the real estate sector.

10.6.4. Green Performance

Green performance is one of the three in-house projects serving "Gecina 2012, Much more than Gecina".

The aim of this action plan is to involve Group employees, with the support of several complementary approaches, such as the following:

- **in-house Sustainable Development task forces**

Several in-house task forces have been charged with approving focuses, prioritizing focuses and defining the structure of action plans based on commitments made by Gecina: "energy/carbon", "disability/accessibility", "responsible procurement", etc.

Some of these projects will be continued in 2011, and new ones will be launched (waste, indoor air quality and thermal comfort);

- **an e-questionnaire** (to measure penetration, Sustainable Development expectations), will be conducted before the 2011 Sustainable Development week;

- **the Sustainable Development week**, a major event for Gecina: this nation-wide event is celebrated in-house, in particular with exhibitions, conferences and other activities (company restaurant, for example);

- **improve our carbon footprint: momentum for a head office that sets the example**

The purpose of this approach is to develop a head office that will be a showcase of Gecina's expertise, and to clarify "Sustainable Development" backed by mobilized employees.

Several levers of action:

Obtain HQE® operation certification, feature the actions already carried out (LED lighting, white paper sorting, etc.), cut down on primary energy consumption, increase waste recycling, examine clean modes of travel, accessibility for disabled persons, etc.

10.7. Take Sustainable Development beyond Gecina

10.7.1. Gecina Corporate Foundation



The Corporate Foundation, founded August 16, 2008, is a key pillar of Gecina's social commitment to reinforce or amplify the Group's involvement.

Employees propose and take part in sponsorship projects they wish to support and then monitor the progress of those projects.

In this respect, the Foundation is also a driving force in mobilising employees.

Purpose–Mission

The aim of the Gecina Corporate Foundation is to support activity that promotes environmental protection and assistance for persons with disabilities, especially concerning accessibility issues.

Governance

The Board of Directors is chaired by Mr. Christophe Clamageran (CEO of Gecina) and comprises a board of three qualified external personalities selected for their expertise and their involvement with "environment protection" or "disability" issues.

- Anne Voileau, Director of the radio station Vivre FM and editor in chief of the *Être Handicap Information* magazine;
- Dominique Legrain, Former general inspector of the environment;
- Ryadh Sallem, elite athlete, Director of the Cap Sport Art Adventure Amitié Association (CAPSAAA).

Assessment

The Foundation has received more than 250 requests for support in less than two and a half years.

Since its inception, the Gecina Foundation has produced tangible results, with:

- 14 projects supported (three of which were renewed in 2010);
- 11 partners, including the French forestry organization (ONF), the Coastal Protection Agency and associations;

- 15 "sponsor" employees; and
- 20 sponsorship projects and three partnership projects under review.

Budget

As of December 31, 2010, and since its inception:

- the Foundation has received total donations of €891,000;
- the total budgets earmarked for supported projects stood at: €663,000.

The Gecina Foundation receives its first award with the Accessibility Trophies

The first Accessibility Trophies, organized by the National Handicap Council were awarded on February 2, 2011 at the Cité de l'Architecture (architectural museum in Paris). The ceremony seeks to position accessibility as a component of Sustainable Development and quality of life and is divided into four categories: Youth Trophy, Professional Trophy, Associations Trophy and Community Trophy.

The Gecina Corporate Foundation, together with its partner for this operation, the National Forestry Office (ONF), received the Professional Trophy for the "bridge to the forest trail". This project was selected from among the 200 projects received.

The trail, which was inaugurated in the Meudon state forest in 2010, is open all year round. It was designed to be accessible to all. It is particularly suited for people with reduced mobility, wheelchairs, the mentally disabled and blind and visually impaired persons. The project was carried out in consultation with users of the forest, in particular associations and disabled persons who use the trail.

This Trophy rewards the combined work and determination of the ONF and the Gecina Corporate Foundation and will encourage the development of new projects.

10.7.2. Gecina joins the Palladio Foundation

In 2010, Gecina joined the Palladio Foundation as an associate founding member.

This Foundation, founded in 2008 under the aegis of the Fondation de France, aims at supporting training, research and the development of the real estate industry.

Christophe Clamageran, CEO of Gecina, explains its approach: "The real estate industry has a role to play in helping the younger generations to enter the professional world. By working alongside the Palladio Foundation, we give a concrete illustration of our company's civil commitment. We know how to invest in bricks, and our support to the Palladio Foundation reinforces our investment in the precious resource no company can do without: its people."

Bertrand de Feydeau, President of the Palladio Foundation, expressed his delight with Gecina's commitment alongside the Foundation's founding members and sponsors. "Gecina's confirmed interest reinforces our determination to raise the awareness of the city's various stakeholders and establish a dialogue with all the political and economic leaders, scientists, real estate professionals, academics and students together."

With its founding members and sponsors, the Palladio Foundation seeks to develop vocations among young people and to assist them as they begin their careers, give students, researchers and company executives the financial resources they need to carry out their training and research projects ("Palladio scholarships" and "Palladio Awards"); develop structured research; and promote and reinforce the capacity for anticipation of all those who contribute to the urban development.

10.8. Correspondence table

Concordance tables

GRI Principles

Main paragraphs	See pages	Strategy and analysis	Organization	Reporting parameters	Governance	Économy	Environment	Social	Civil society	Human rights	Product liability
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Understanding the real estate sector evolution and Sustainable Development	132-136	X	X		X	X					
Our Sustainable Development process	137-140	X	X	X	X	X	X	X	X	X	X
Our commitments for Sustainable Development	140-142	X	X	X	X	X	X	X	X	X	X
Maximizing the "green" value of our property holdings	142-150				X		X	X			X
Developing a people friendly portfolio holding	150-151				X			X			X
Adopting responsible conduct with regard to partners	152-153				X		X	X	X	X	
Developing a sustainable environmentally friendly portfolio beyond Gecina	154-155				X	X			X	X	

New Economic Regulations (NRE in French) Concordance table

ARTICLES OF THE DECREE IMPLEMENTING ARTICLE 116 OF THE LAW ON NEW ECONOMIC REGULATIONS (2001)

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Art. 1-3	Salaries. Salary changes. Social security charges. Implementation of the provisions of chapter IV of book IV of the French Labour Code (profit sharing and participation in employee savings plans). Professional equal opportunity between men and women	129 126, 130
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Art. 1-9	The importance of subcontracting. Methods by which the company encourages its subcontractors to comply with the provisions of fundamental ILO agreements. The relations established by the company with integration organizations, educational institutions, environmental protection agencies, consumer groups and resident associations. Methods by which the company takes account of the local impact of its activities in terms of employment and regional development. Methods by which the company makes sure that its subsidiaries comply with the provisions of fundamental IL agreements. Methods by which the company's foreign subsidiaries take account of the impact of their activities on regional development and local populations	167-169
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Art. 2-2	Measures taken to limit damage to the biological equilibrium, natural environments, animal species and protected plant species	147-149
Art. 2-3	Company assessment or certification practices regarding environmental issues	142, 153
Art. 2-4	If applicable, the measures taken to ensure the compliance of company activity with legislative or regulatory provisions relevant to these issues	132-135
Art. 2-5	Expenditures incurred to mitigate the environmental consequences of company business	142-146
Art. 2-6	Existence in the company of internal environmental management services. Employee training and information. Resources devoted to reducing environmental risks. Organization set up to respond to pollution accidents having consequences extending beyond the confines of the company	137, 153
Art. 2-7	The number of provisions and guarantees for environmental risks, etc., except if this information is likely to seriously prejudice the company in ongoing litigation	-
Art. 2-8	Compensation paid during the year under the enforcement of a legal decision concerning an environmental issue and the actions taken to repair the damage caused as a result	-
Art. 2-9	Details of objectives that the company assigns to its foreign subsidiaries	N/A

11

RISKS

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11.1. Risk factors

11.1.1. Risks related to changes to the real estate market

11.1.1.1. Change in the real estate market

Gecina operates in various sectors of the real estate market: Offices, Logistics and Hotels (economic division) and Residential and Healthcare (demographic division).

Over and above the risk factors specific to each asset, the business is exposed to unforeseen factors and to specific risks and, in particular, the cyclic nature of the sector. Rents and real property prices are cyclic by nature: the duration of cycles varies, but generally they are long-term. Prices follow the cycle in different ways and at different levels of intensity depending on location and type of asset. Fluctuations depend, in particular, on the balance between supply and demand, available investment alternatives (financial assets, interest rates) and the economic climate in general. Economic conditions such as the level of economic growth, interest rates, unemployment levels, the method used in calculating rent indexation and index levels are all subject to change and may adversely affect the real estate market in which Gecina operates.

It is difficult to predict economic cycles or the vicissitudes of the real estate market. That is why Gecina might not always be able to carry out its investments and disposals at the precise moment when market conditions are the most favorable. The market context could also encourage or oblige Gecina to defer certain investments or disposals. A lease may also be due to expire during periods of downturn and hence will not be able to cash in on the upside potential of an earlier rent assessment. All in all, an unfavorable situation on the real estate market could have a

negative impact on the valuation of Gecina's portfolio, as well as on the operating income it generates.

A protracted economic crisis affecting sectors of the economy on which Gecina's tenants are active could have unfavorable and difficultly quantifiable consequences on Gecina's rental income and margins. Such a crisis could reduce the demand for real estate, lead to a decline or slowdown in the growth of the indexes on which Gecina pegs its rents, affect Gecina's capacity to increase or maintain rents and generally be detrimental to the occupancy rate of real estate assets and the ability of tenants to pay their rent. These factors are likely to have a negative impact on rental revenues, the value of the portfolio, renovation costs as well as Group investment and development policies. See Note 6.6 of the notes to the Consolidated Financial Statements for further information on the sensitivity of the main financial indicators.

11.1.1.2. Gecina's exposure to specific risks related to its commercial properties business

Office real estate accounts for 54% of rental revenues and 56% of the value of Group assets. In its commercial properties business, the Group is confronted with specific risks that can adversely affect the appraised value of the Group's property holding, its earnings, its business in general, and its financial position. These risks derive from the fact that:

- the office and retail real estate business is more sensitive to the economic environment in France and the Paris region than is the residential or healthcare real estate business;
- the regulations for commercial leases, while less strict than those for residential leases, are still quite restrictive for the lessor;

- new regulations arising, in particular, from the “Grenelle 2” Act have modified energy consumption considerations (see the chapter on Sustainable Development);
- works undertaken to restore vacant premises to their former condition before they are re-rented are often more extensive for commercial real estate than for residential real estate;
- the risks attendant on tenant’s insolvency and their impact on the Group’s earnings are greater for commercial real estate owing to the relative size of each tenant.

11.1.1.3. Competition

Gecina is present on five segments of the real estate market, where it faces competition both in the rental and investment business for each segment.

It is therefore in competition with numerous international, national, and local players, some of whom have significantly larger financial resources, assets and acquisition and management capacities. These players may be in a position to acquire or develop real estate assets on terms, such as price, that do not meet with the investment criteria or the objectives Gecina has set for itself.

11.1.2. Operational Risks

11.1.2.1. Asset valuation risks

Gecina’s building portfolio is valued on 30 June and 31 December each year by a board of independent appraisers. The procedure applied by Gecina for the last appraisal of its property holding as at December 31, 2010 is described in chapter 3 “Property holding appraisal”.

The change in fair value of buildings over a six-month or one-year period is recorded in the Group’s consolidated income statement. It could also have an impact on Gecina’s cost of debt, compliance with its financial ratios and its borrowing capacity, since these factors depend, in particular, on Gecina’s debt ratio in relation to the value of its real estate assets.

The valuations adopted by the independent appraisers are based on several assumptions that may not be fulfilled and that also depend on developments in the different markets on which Gecina is present. In this case, the valuation of the Group’s property holding may turn out to be different from its actual realizable value if the assets are to be sold.

Among European real estate investment and management companies, Gecina represented 4.31% of the IEIF Real Estate Europe weight index at the end of December 2010, behind Unibail-Rodamco (11.34%), Land Securities (5.04%) and British Land (4.53 %).

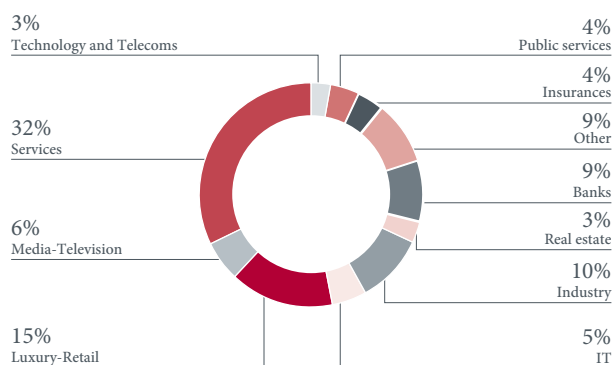
With total real estate assets of €11.7 billion (block value) at December 31, 2010, Gecina is the second largest real estate and management company in France after Unibail-Rodamco.

This competition is especially felt in the acquisition of available land and properties. Moreover, even if Gecina considers that its positioning gives it a competitive advantage, in each of its businesses, it has to deal with competitors with larger market shares. If Gecina is unable to pursue its investment and arbitration policies and to maintain or strengthen its rental income and margins, its strategies, business activities in general, and earnings could be negatively affected.

11.1.2.2. Risk of tenant insolvency

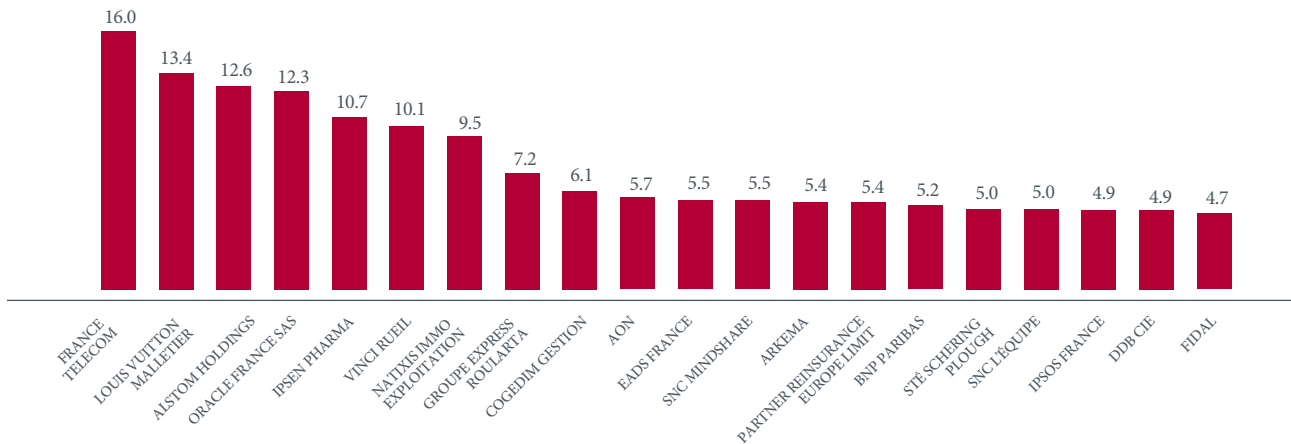
Rental revenues come from rent collected and may therefore be considerably affected by the insolvency or departure of tenants that account for a large proportion of rent collected. Depending on the change in the economic environment, any financial difficulties of tenants, in particular, in the office and retail market, are likely to be more frequent, change their solvency and consequently adversely affect Gecina’s rent collection rate.

Breakdown of office tenants by sector



As of December 31, 2010, the Group's dependence on its main customers was the following:

Rent from main tenants (office space, in € million)



Gecina's 20 largest tenants account for 25% of rental revenues of the office real estate business.

Oracle France SAS and AON have announced that they will be vacating their premises in 2011. Given the end-of-contract terms

of the lease, these departures should not have a significantly negative impact in 2011.

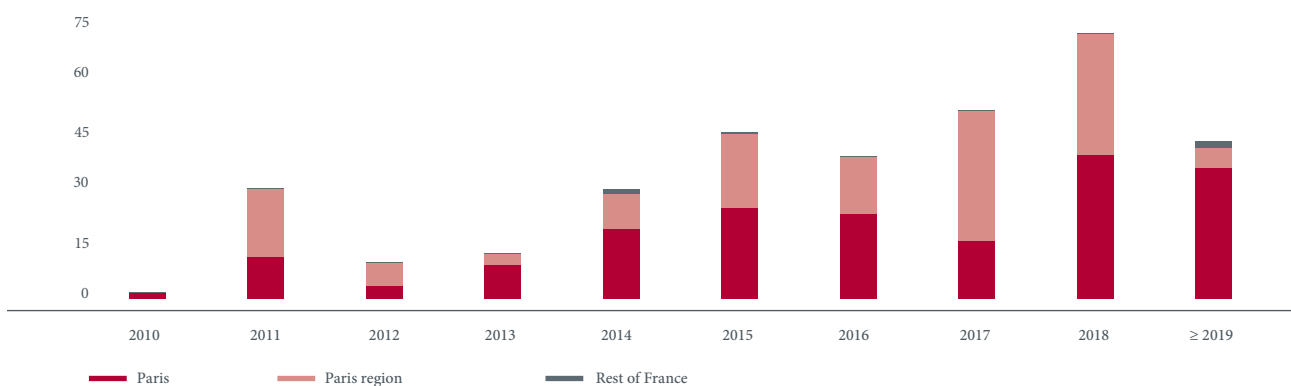
The net amount absorbed in the fiscal year due to bad debt losses is less than 1% of receipted amounts.

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

The financial occupancy rate of the Group's buildings was 94.3% as at December 31, 2010. When the current leases expire, Gecina may be unable to renew or lease the assets concerned immediately and with terms as favorable as those of the current leases. The vacancy of some premises could have a negative impact on Group results for several reasons. First, the absence of rent combined with an increase in operating expenses, resulting from rehabili-

tation work undertaken before putting the property back on the market, and then the fact that Gecina will not be able to recharge part of the overheads relating to the vacant premises. Should Gecina be unable to attract enough tenants to rent its offices or logistics warehouses or to maintain a satisfactory financial occupancy rate and rental revenues, this could adversely affect its revenues, operating income and profitability.

Lease expiries (€ million)



11.1.2.4. Acquisition risks

Gecina is planning to acquire commercial and healthcare real estate assets. The acquisition strategy for real estate assets or the companies that own these assets comprises several risks:

- Gecina could under-estimate the expected yield or the potential for the assets to increase in value. This may lead it to buy them at a price that is too high given the financing required for such acquisitions, or prevent it from buying them on satisfactory terms, in particular in the case of acquisitions made through a bidding process or in times of volatility or high economic uncertainty;
- if an acquisition is to be financed by the sale of other assets, unfavorable market conditions or long delays could set back or compromise Gecina's capacity to conclude the planned acquisition;
- the assets acquired could have hidden defects (e.g. environmental, technical or town planning non-compliances, subletting, etc.);
- should Gecina be obliged to resort to external financing as a result of growth through acquisitions, it cannot guarantee that it will have the financing required or financing under acceptable financial terms;
- in the event of the acquisition of companies, Gecina may encounter difficulties during the integration of teams or processes, which would temporarily reduce the synergies expected.

Acquisition projects are first reviewed by the Strategic Committee, which assesses the potential risks linked to an acquisition. The review aims primarily at mitigating these risks.

11.1.2.5 Risks linked to sub-contracting

The Group makes use of external service providers and is therefore exposed to the risk of the poor performance of their obligations and the risk of their insolvency.

In its rental business, the Group uses certain external service providers and suppliers, in particular, for elevator maintenance, cleaning the common areas of buildings, or doing restoration, renovation, or refacing work.

The discontinuance of business or the insolvency of certain external service providers and suppliers or the poor performance

of their obligations could result in a decline in the quality of the services provided by the Group and an increase in corresponding costs.

Likewise, the insolvency of external service providers and suppliers could affect the implementation of the guarantees from which the Group benefits. In particular, in renovation projects, the Group could find itself unable to obtain compensation for damage incurred on this account. Poor performance on the part of the Group's external service providers, or their insolvency could have a significant unfavorable effect on the Group's business, financial position, and earnings, and also on its reputation.

11.1.2.6. Risks related to the failure to obtain administrative permits and possible remedies against permits issued

Investments made by Gecina for its real estate activities may be subject to administrative permits prior to the execution of work, performance of services or the commissioning of facilities. These permits may be issued with delays or even be refused at the end of a review period by the administrative authorities that is not always within Gecina's control. After they are issued, these administrative permits may be reviewed, withdrawn or lapse. The process for obtaining administrative permits may encounter delays, extra costs or even be abandoned, thus having significant negative impacts on Gecina's business and results.

11.1.2.7. Risks related to insurance costs and lack of coverage for certain risks

Currently, the cost of insurance premiums paid by Gecina for its compulsory and optional insurance coverage accounts for a limited portion of its operating costs. All the Group's assets are covered by insurance policies.

However, the cost of these policies may increase in the future and it is possible that Gecina will not be able to maintain the appropriate insurance cover at an acceptable cost. This will have a materially adverse impact on Gecina's financial position and results. Moreover, some types of risks to which Gecina is exposed may no longer be covered by insurance companies. Lastly, Gecina may be faced with the risk of the bankruptcy of one of its insurers, who, if so, may be unable to pay any compensation due.

11.1.3. Legal and tax risks

It is incumbent upon the Group to comply with the numerous regulations of either general or specific application that govern, among others, urban planning, operating authorizations, construction, public health, the environment, and safety. To reduce the risks of compliance with these obligations and the impact

that amendments to the applicable regulations could have on operational earnings or on the Group's outlook for development and growth, the Group consistently sets its goals above what the regulations require.

11.1.3.1. Risks linked to changes in regulations

As a company operating on property markets, Gecina must comply with many restrictive regulations, in particular, concerning the construction, maintenance and renovation of buildings, health, safety, environment, development and town planning. Changes in the nature, interpretation or enforcement of these regulations could compromise some of the practices adopted by Gecina in managing its assets, restrict its capacity to sell its assets or implement investments and renovation programs. Such changes could increase Gecina's costs for operating, maintaining and renovating its property holding and adversely affect the valuation of its assets.

Furthermore, new professional standards, practices validated by the trade, quality labels and certifications may govern certain activities or impose non-regulatory technical objectives required by Group clients. This applies, for example, to the general demand by players for environmental certifications such as HQE®, BBC, LEED, BREEAM, Patrimoine Habitat & Environnement, on the majority of new or restructured commercial buildings. The increased demands by clients to have these certifications is likely to diminish the appeal of the Group's assets for existing tenants and to have an adverse effect on Gecina's operating costs and the value of its assets.

11.1.3.2. Risks related to stringent lease regulations

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

In commercial real estate, as a general rule, leases contain an annual indexing clause stating that the rent shall be indexed to the quarterly construction costs index and progressively on the service industry rent index. Failing this, the rent may only be revised every three years to bring it in line with the rental value of the premises, without being able to exceed changes in the quarterly construction costs index since the last rent review, unless there has been a material modification of elements taken into account when setting the rent.

In addition, when rents increase by more than 25% during the course of a lease due to the impact of an annual indexation clause, tenants may ask for their rent to be set at the rental value. More generally, the wording of any indexation clauses contained in leases is subject to strict interpretation by the courts which, in certain cases, may cancel the stipulations relating to the choice of reference indexes.

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

Lastly, as far as the process for charging expenses back to tenants is concerned, legal precedents generally consider that any new taxes or new expenses and taxes created during the course of a lease cannot be charged back to tenants without the latter's express agreement.

11.1.3.3. Risks related to changes in some tax systems

Risks linked to constraints stemming from the SIIC tax regime

Gecina is subject to the tax regime for French listed real estate investment trusts (hereinafter "SIIC") as provided for in Article 208 C of the French General Tax Code, which allows it to benefit from a corporate tax exemption on the portion of its profits generated from the rental of its buildings as well as from capital gains from transfers of properties or equity interests in real estate companies.

Although the advantages of the SIIC regime are significant, the system is complex and entails a certain number of risks for Gecina and its shareholders, which are described in this section.

The benefit from the tax exemptions under SIIC is contingent on compliance with an obligation to distribute a significant percentage of Gecina's profits and could be compromised in the case of non-compliance with this obligation. The obligation to distribute could limit the resources available for financing new investments and oblige the Group to take on more debt or turn to the market to finance its development. Moreover, if Gecina were to opt out of the SIIC regime within the next 10 years, it would have to pay additional tax that could have a materially adverse effect on its results and financial position.

Gecina's business activities will be limited by the constraints of the SIIC regime

Under the SIIC regime, Gecina is not subject to any rule limiting its corporate purpose. It may however, engage in activities incidental to its main corporate purpose (for example property trader, marketing and development) on the condition that the value of the assets used for and directly involved in the exercise of said business does not exceed 20% of the gross value of Gecina's assets. Otherwise, the benefit of the SIIC regime could be revoked. In any event, the profits accruing from incidental business are subject to corporate income tax based on the ordinary tax rate.

The 20% deduction due by the company under the Amended Finance Act for 2006, and applicable to distributions by SIICs to a shareholder other than a natural person, who pay little or no tax and holds at least 10% of the capital ("Deduction Shareholder") could affect Gecina insofar as this deduction must be paid back to Gecina by the "Deduction Shareholder" although in practice this repayment is done by way of an offset with the dividend payable to such "Deduction Shareholder". Nevertheless,

Gecina's bylaws specify that this deduction is due by the "Deduction Shareholder".

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

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

The criteria of eligibility to the SIIC regime and the tax exemption conditions associated with this system may be amended by the legislator or on the strength of interpretations of the tax authorities. For instance, the amended Finance Act for 2006, 2008 and 2010 and the 2007 Finance Act, brought certain changes to the system. These include the aforementioned provisions concerning a shareholder's 60% equity stake or the 20% deduction tax, the exit tax rate which was raised from 16.5% to 19% on January 1, 2009, extending the regime to include certain property rights, the SIIC III regime which was extended to December 31, 2011, sanctions in the case of definitive withdrawal from the system, and extension of the SIIC III regime to sale and lease back transactions. These successive amendments

could leave room for interpretation by the tax authorities by way of investigations and advance rulings, the details of which are not known at the date of this document. Furthermore, future amendments to the SIIC regime could have a materially adverse effect on the Group's business, financial position and results.

Tax environment

Gecina is exposed to risks related to changes in applicable tax rules and new taxes, duties and fees such as the territorial economic levy (*Contribution Économique Territoriale - CET*) or the future potential "carbon tax". Even if Gecina can sometimes pass on part of the corresponding costs to third parties, such changes could have an adverse affect on the Group's financial position and results.

Furthermore, the complexity, formalism and constant change typical of the tax environment of Gecina's business generates a risk of errors in complying with tax rules. Although Gecina takes all necessary steps to avoid them, it may be faced with proposed adjusted tax assessments and disputes. Any adjusted tax assessment or dispute is liable to have adverse effects on Gecina's financial position and results.

11.1.4. Industrial and environmental risks

In every business sector in which it operates, Gecina must comply with laws on environmental protection, public health and personal safety in areas as varied as the use of hazardous materials (asbestos and lead), sanitary risks, the conducting of technical audits on termites, energy efficiency and natural and technological hazards (see the paragraph 13.3.1.1 below for the detailed mapping of risks).

The risk groups identified may have a range of diverse consequences:

- Problems of pollution (in particular soils and subsoils) may generate significant costs and delays linked mainly to the search

and removal of toxic substances and materials during investment projects or building renovation;

- an environmental problem, security breach and more generally a legal obligations breach, may open Gecina to a civil or even criminal liability claim and could adversely reflect on its image.

11.1.5. Financial risks

11.1.5.1. Market risks

Gecina's market risks primarily cover the following:

- Financial market risk: holding financial assets for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares;
- Interest rate risk: the Group primarily borrows at variable rates and is subject to the risk that interest rates may increase with time;
- Exchange rate risk: the Group is only very marginally exposed to an exchange rate risk on its two subsidiaries in the logistics sector in Poland and Hungary.

Market risk management is described in Note 4 "Financial risk management" of the notes to the Consolidated Financial Statements.

11.1.5.2. Liquidity risks

Gecina finances its activities and investments through its capacity to mobilize financial resources, in particular in the form of bank loans and bonds. In certain cases (e.g. disruption of debt markets, events that affect the real estate sector, contraction of the lending capacity of banks or downgrading of Gecina's credit rating), the Group may find it difficult to raise funds or may have to borrow at less favorable terms.

Furthermore, the Group's principal loans are subject to contractual provisions requiring compliance with certain financial ratios or in the case of a change in control that determines the interest terms and early repayment clauses. Consequently, any failure to meet its financial commitments may have an adverse impact on the Group's financial position, its results and the continuation of its development.

Liquidity risk management is described in Note 4 "Financial risk management" of the notes to the Consolidated Financial Statements.

11.2. Legal disputes

Each of the known legal disputes, in which Gecina or the Group's companies are involved, were reviewed at the balance sheet date and any required provisions have been accrued to cover the estimated risk (see also Note 5.12 of the notes to the Consolidated Financial Statements).

The *Association de Défense des Actionnaires Minoritaires* (minority shareholders association) and a former Gecina director lodged a complaint in 2009 with the Dean of examining magistrates. The complaint concerns certain transactions described in Section 4.1 of chapter 4 "Consolidated Financial Statements", which may concern the former Chairman of Gecina's Board of Directors, Mr. Joaquín Rivero, who resigned as Chairman at the Board Meeting of February 16, 2010 and was replaced by Mr. Bernard Michel. The Board of Directors has taken note of the termination of all the executive duties of Mr. Rivero in the Group.

A judicial inquiry, led by Justice Van Ruymbeke, an examining magistrate in Paris, has been opened following this complaint.

11.3. Risk management

Gecina's risk management control structure is intended to:

- create and protect the company's value, assets and reputation;
- secure decision-making and the company's procedures to ensure that it meets its targets;
- ensure that the company's actions are in line with its values;
- galvanize employees around a shared vision of the main risks.

11.3.1. Management of real estate risks

The inventory of risks associated with building safety and environment is regularly reviewed by the Risk function and validated by the Executive Committee. Such risks are assessed based on a set of control standards defined for each area of risk, with indicators measuring the level of efficiency for the various buildings in relation to these standards. For certain subjects that are deemed to be more important or linked to regulatory

11.1.5.3. Counterparty risks

Gecina uses derivative instruments principally to hedge interest-rate risk associated with its financial operations. The default of a counterparty may result in late payments or defaults, which would have an impact on Gecina's results. Counterparty risk management is described in Note 4 "Financial risk management" of the notes to the Consolidated Financial Statements.

Counterparty risk also concerns the insolvency risk of tenants as mentioned in Section 11.1.2.2. above.

The company intends to fully assist the investigations and joined the proceedings as a civil party in 2010 to safeguard its interests.

To date, the company cannot assess any risks, in particular, regulatory, legal or financial risks, arising from the ongoing investigations. In particular, it cannot exclude the possibility that it may be joined as a party in the future, together with the company's executives and representatives.

At the beginning of 2011, Gecina asked the French legal authorities to appoint a court expert to appraise the consequent damage to the Gecina Group resulting from the acquisition of a 49% stake in Bami Newco.

There are no other government, judicial or arbitration proceedings, including all the proceedings which the Company is aware of, pending or threatened, which are likely to have a significant impact on the financial position or profitability of the company and/or Group over the next 12 months.

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

requirements, preference has been given to an external assessment of compliance. Each evaluation results in the action plans based on objectives to be achieved.

The control of real estate risks is based on three principal tools: risk mapping, risk prevention plans and an alert system.

11.3.1.1. Real estate risk mapping

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

It currently concerns 19 areas, two of which are currently being assessed (fire and accessibility for disabled persons).

Categories	Areas
Health protection	"Asbestos" risk "Management of cooling towers and risks of legionnaire's disease" "Management of risks associated with mobile telephone masts" "Management of risk from lead in cladding"
Control of customer safety and comfort	"General safety" "Passenger and freight elevators" "Fire safety" "Flood risk management" "Safety related to technical equipment" "Management of natural risks" "Management of industrial risks" "Accessibility for disabled persons"
Environmental protection	"Management of regulated facilities for environmental protection (ICPEs)" "Water management" "Energy management of real estate assets" "Termites and xylophagous organism risk" "Management of subsoil contamination risk"
Protection of Gecina employees	"Prevention of occupational risks"
Liabilities in leases and supplier contracts	"Management of operational risks concerning liabilities" in leases and supplier contracts.

Underlying principles

The purpose of this operation is to:

- identify the real estate risks to which Gecina is exposed;
- characterize these risks in order to prioritize them;
- establish best practices;
- define and implement action plans for controlling risks.

This process, which used to be monitored by the Group's Operational Risk and Sustainable Development Committee (CORDD), is now managed by the Architecture and Construction Division.

Assets are rated and ranked using measurement indicators by:

- introducing a weighting system for the standards and assets according to the type of ownership (full ownership or joint ownership) and renting (multiple tenants or single tenant);
- enhancing the performance of assets over and above regulatory compliance;
- integrating weighting according to the financial value of the assets;
- introducing a method of rating for sites by area, on three levels modeled on the HQE® process:
 - standard: level corresponding to the regulatory performance. It may exceed the level required by the regulation if that regulation is not considered sufficiently demanding with regard to the efficiency of buildings;
 - efficient: standard + level corresponding to acceptable performance defined by Gecina;
 - very efficient: efficient + level corresponding to best practices.

The 19 areas are assessed:

- either through self-assessment by operational divisions and audited by an external auditor;
- or by qualified and independent external third parties.

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

A specific computer platform also ensures transparency for customers with regard to risk. Indeed, customers can now use the internet to consult technical files about asbestos and the state of natural and technological risks in the building. Transparency is also available to companies contracted by Gecina, which provides them with a login/password to specifically access information on the buildings in which they operate.

The 19 mapped areas

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

It fully covers 17 areas of risk, hazard or factors relevant to environmental protection. Two areas, fire and accessibility for disabled persons are undergoing assessment.

The goal for 2010 was to complete 85% of the assessments.

A risk management system audited by an external auditor

An external audit was performed early 2011 to verify the mapping on the following four areas:

- verification of the appropriateness of the change in the mapping system following the recommendations made by the auditor and Gecina's Executive Committee in 2010;
- evaluation of the quality of self-assessments and the quality of the data transmission and consolidation process;
- conduct of assessments regarding fire on 50% of the financial value of Gecina's assets;
- checking of the results obtained against Gecina's commitments (assessment rate, rate of indicators complied with and the weighted overall performance level).

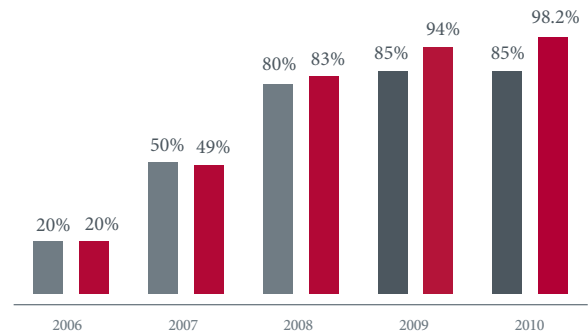
The audit certificate is presented at the end of this section.

98.2% assessment

The quantitative and qualitative control of assessments confirms that the 85% target has been met. The assessment rate is 98.2%. The auditor confirmed that the self-assessments carried out by the Gecina teams were of very good quality.

% of assets included in the mapping

% of assets included in the mapping

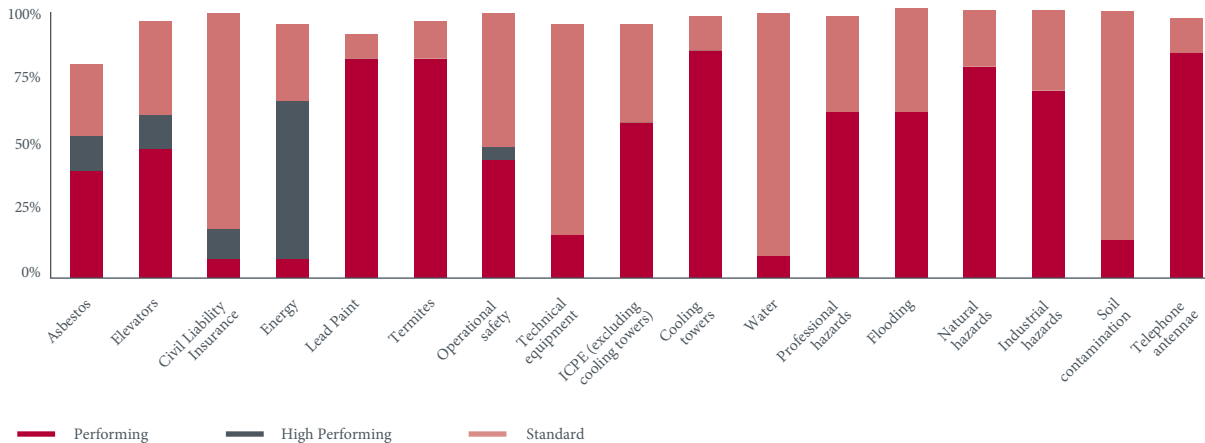


Particular types of assets were taken out of the mapping (withdrawn from market, overly small surface areas, etc.).

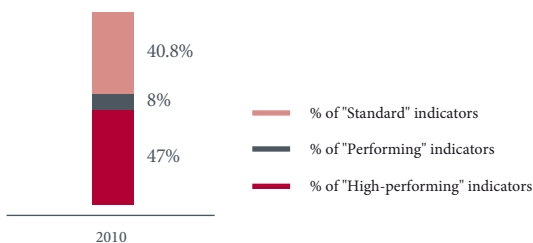
79.4% performance

Out of a total of 69,090 indicators, 79.4% have been complied with. This represents a 6-point increase compared with 73.4% in 2009.

Performance level of assets per area (assets financially weighted)



Breakdown of indicators by performance criteria (after weighting is applied)



11.3.1.2. Measured classification of Gecina's risk exposure

a. Healthcare protection

Gecina pursues a preventive policy concerning health risks subject to statutory and regulatory requirements specific to the real estate business (e.g. asbestos, lead poisoning, legionnaire's disease, etc.).

The areas involved here represent health, legal and media risks.

Asbestos: weighted performance rate as at December 31, 2010: 80.6%

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

Asbestos represents a health risk for all persons exposed. These include customers/tenants as well as employees and personnel of construction and maintenance contractors. All of Gecina's property holdings have been subjected to a complete material audit, for which an Asbestos Technical File (ATF) was created.

When buying properties, Gecina requires complete appraisals based on the French Public Health Code and, if possible, goes further than the mandatory appraisal for the sale. This is supplemented by an inspection prior to any construction or demolition work. During the lease period, complete asbestos removal is carried out on the building units concerned. At time of sale, Gecina will provide a complete appraisal certifying that the building is free of hidden problems.

Additionally, no property put up for sale by unit contains any toxic asbestos materials. Lastly, in order to preserve the environment for future generations, Gecina is careful to render all its asbestos waste inert.

Cooling towers and risk of legionnaire's disease: weighted performance rate as at December 31, 2010: 97.8%

Wet cooling towers are locations where legionella can grow.

At the end of 2010, only 17 of Gecina's sites were equipped with such cooling towers.

To respond to this risk, Gecina:

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

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

For example, in the office property holdings, one cooling tower was replaced in 2010 by safer technology. Another replacement will be made in 2011.

Electromagnetic waves and mobile phone masts: weighted performance rate as at December 31, 2010: 97%

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

37 installations are erected on building patios, *i.e.* a little under 9% of the property holdings.

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

To mitigate risks to nearby residents, all binding and regulatory obligations as well as the mobile telephony charter signed by operators and the City of Paris are strictly complied with.

In addition to ongoing supervision, Gecina has entrusted a specialized research agency with the task of monitoring and verifying the terms set out in operator contracts.

Tenants or their representatives have access to the technical documents relating to the safety of the mobile telephone installations. They are informed about any modification programs and planned work.

Prospective tenants are informed about the presence of a mast on a building before signing the lease, as well as of the existence of the technical documents available to them.

Moreover, Gecina has not agreed to any new installations since 2002 and has removed one on its office property.

Lead and volatile organic compounds (VOCs) in cladding: weighted performance rate as at December 31, 2010: 90.3%

Only assets built prior to 1949 are concerned.

Diagnostics and any treatment required are undertaken when renovation work is performed on these building units.

To preserve the environment and comply with regulations, waste from removing lead paint is sent to a regulated disposal site accompanied by a tracking slip.

No material has been identified by the Group's appointed experts as being in poor condition, and no tenant has indicated any significant deterioration on his or her private premises.

As in previous years, no lead poisoning was reported in 2010.

b. Safety of clients and buildings, comfort

Elevators: weighted performance rate as at December 31, 2010: 96.2%

In the wake of recent elevator accidents, the government has adopted regulations to reinforce the safety of elevators. In its desire to assure occupants of the quality and safety of such mechanisms, Gecina has decided to take preventive action and adopt a proactive approach.

All precautions have been taken to minimize the risk for workers and users:

- all elevator cars are inspected annually by technical service companies working under standardized contracts;
- these machines are covered by a full maintenance contract (up to date with the latest regulatory changes) with an elevator service company;
- technical inspections are conducted by an independent inspection company at the intervals required by regulations, especially in high-rise buildings and after any new standards are introduced;
- the safety and modernization programs described above are currently under way: the proactive work of updating elevators to meet new standards was undertaken in 2010, notably in several office buildings. This work involved 52 elevators and has already made the elevators compliant with regulations required by 2013 or 2018 at a total cost of €0.82 million. 13 elevators are planned for 2011.

Neither Gecina nor its occupants/users were involved in any accidents in 2010.

General safety: weighted performance rate as at December 31, 2010: 98.8%

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

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

These audits were performed by independent consultants or by the Architecture and Construction Division in collaboration with technical managers.

The operational departments involved carry out the necessary corrective actions.

Fire safety: audits have been conducted on 50% of the financial value of Gecina's assets

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

In 2010, Gecina conducted a pilot operation in this area in collaboration with the Group's insurer.

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

Gecina systematically installs any necessary or prescribed safety equipment during any new construction or renovation of any of its property holdings. Gecina completed installation or upgrading work on alarm and/or fire protection systems in three of its office buildings.

Technical equipment: weighted performance rate as at December 31, 2010: 95%

Gecina Group is subject to strict regulations concerning technical equipment on which, for the most part, the safety and quality of service provided to occupants depends (electricity, lifting mechanisms and devices, lightening rods, boiler rooms, CMV (gas), etc.).

The extent of Gecina's expectations means that all of its properties are appropriately equipped with safety devices and technical systems that function properly. As a result, Gecina imposes a mandatory annual inspection of all its sensitive equipment.

The inspections, tests and technical examinations provide an opportunity to identify the installations in order to detect any possible defects that could endanger people and property, and to rapidly implement the recommendations made during these operations.

Natural phenomena or events, floods and industrial hazards

With regard to natural or industrial events or accidents, the law requires preparation of Natural Risk Prevention Plans and Technological Risk Prevention Plans, and calls for better public information.

In response to the regulatory requirement of providing a Statement of Natural and Technological Risks as part of property transactions

(leasing, sale), Gecina has implemented a process guaranteeing the production of systematically valid Statements of Natural and Technological Risks.

The mapping of these risks enables the necessary economic and strategic information to be consolidated, and the cumulative risk involving the same event to be identified.

Flood hazards: weighted performance rate as at December 31, 2010: 99.4%

All Gecina sites have been analyzed with the help of outside experts. An inventory has been made of the 93 properties exposed to potential flooding (according to the Statement of Natural and Technological Risks) and their degree of vulnerability.

Gecina has included among the buildings at risk those located in service areas susceptible to disruptions in the supply of water, electricity and heating. This brings the number of sites concerned to 131.

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

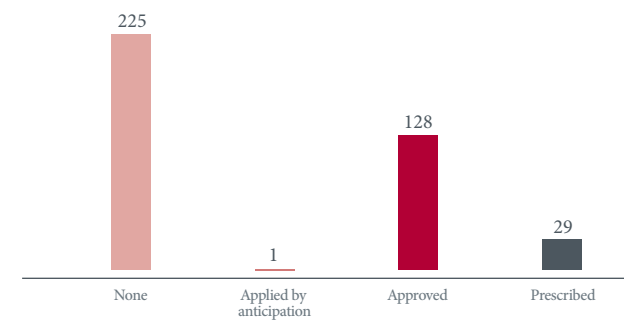
Natural hazards: weighted performance rate as at December 31, 2010: 100%

Assessments were made using the information provided by the Statement of Natural and Technological Risks.

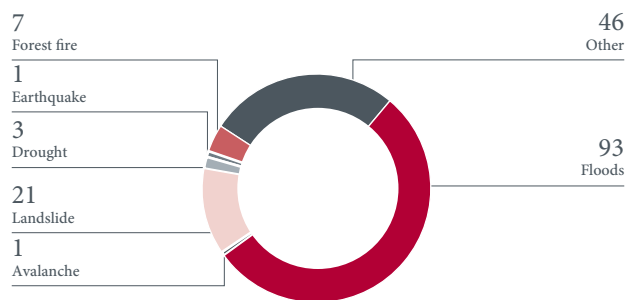
Filling work has been completed with regard to all buildings constructed on underground cavities, quarry areas or zones exposed to natural hazards. To Gecina's knowledge, no building has to be subjected to a special survey procedure to reveal any possible risk of collapse.

Natural Risk Prevention Plan (number of buildings situated within an area covered by this plan)

Natural Risk Prevention Plan



Assessment of Natural Hazards



Industrial and technological hazards: weighted performance rate as at December 31, 2010: 100%

The assessments were prepared based on information provided by the Statement of Natural and Technological Risks and a French mapping of all "Seveso" classified sites that was provided by the Prefecture.

In the current state of Technological Risk Prevention Plans, five sites are located in a zone containing a technological hazard, mainly on logistics assets.

In addition to a better understanding of the risks involved, Gecina strives to:

- limit vulnerability and reduce potential damage by technical means;
- guarantee the comfort and continued activity of occupants;
- and above all, ensure the safety of occupants.

Accessibility for disabled people

Gecina applies a global "disability and accessibility" approach for its existing portfolio, as well as new build and redevelopment operations.

Three main types of disability are covered: motor (people with limited mobility), visual and hearing, based on the following method:

- assessing each building's accessibility for disabled people, while identifying and quantifying the facilities to improve it;
- defining action plans based on recommendations from the assessment, incorporating clear objectives for improvements in the number of accessible buildings, in line with the commitments set out in Gecina's Sustainable Development policy.

Evaluations have been carried out across the entire office portfolio, while the process is underway for residential properties.

c. Environmental protection

ICPEs (excluding wet cooling towers): weighted performance rate as at December 31, 2010: 94.6%

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

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

Water management: weighted performance rate as at December 31, 2010: 99.1%

The management of water presents Gecina with several challenges:

- on the one hand, from the health and legal point of view, in terms of water quality (presence of lead, particulates or bacteria, etc. above regulated levels);
- on the other hand, from the environmental perspective, management of water resources.

Gecina checks the sanitary quality of water at pumping points and the transparency of analysis and results.

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

Energy management

In view of the new challenges, the indicators of this new issue are being redefined.

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

Termites and other parasites: weighted performance rate as at December 31, 2010: 95.4%

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

The existence of termites was not detected in any building in 2010.

Soil contamination: weighted performance rate as at December 31, 2010: 99.4%

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

Gecina also possesses historical and documentary studies and/or soil analyses for nearly 60 sites. Based on their results and the activities that are subsequently conducted there, operational management teams have verified there are no risks for occupants and the environment.

The risks to the environment are not covered by any provision or guarantee, and no compensation was paid during the year.

d. Protection of employees

Work risks from occupational accidents: performance rate by standard area or more as at December 31, 2010: 98.3%

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

It has introduced preventive actions following the identification of activities at risk for each job and their assessment in terms of the key indicators under the set of standards.

Accidents are monitored by the Architecture and Construction Division. When applicable, Gecina decides whether any corrective or preventive actions should be taken. For example, a mandatory kit of individual protective equipment is provided to each superintendant, and each year training is provided for electrical skills certification (HOB0), movements and postures as well as the handling of fire extinguishers.

The frequency and gravity of work-related accidents are discussed in the chapter "Corporate Information".

e. Management of leases and supplier contracts

The assessments relating to this frame of reference are presented in the Insurance part of this section.

11.3.1.3. Crisis management

To be responsive and effective when an incident or accident occurs, a 24-hour monitoring and crisis management system has been set up to boost skills required to deal with a major accident.

This system comprises three successive levels of response:

- telephone call centre;
- on-call personnel provided by first-level management;
- a crisis unit.

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

	2005	2006	2007	2008	2009	2010
Number of calls to the telephone service	481	552	584	574	641	614

614 calls, 149 of which did not require an intervention.

In 2010, there were no serious incidents requiring activation of the crisis unit.

This system was updated in order to keep up with changes at Gecina. At the request of the Corporate Officers, it was extensively amended to reinforce its power and its efficiency through the training of its members.



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CERTIFICATE

Oxéa was commissioned by Gecina to expose an external opinion on its risks control device. Our audit was realized between January 24th, 2011 and February 11st, 2011 and dealt with the following points:

Achievement of evaluation objectives:

On 31/12/11, Oxéa guarantees that the global rate of estimated indicators has been 98,35%. The objective of 85 % evaluation is reached. Thus, on mapping results, the global rate of weighted performance is satisfactory with 95,76%, which proves a high level of risk control.

Quality of self-assessments:

Regarding self-assessments quality, our audit targeted five segments: Water, Elevators, Technical Equipments, Classified Installations Environmental Protection and Lead (for paints). Audit results demonstrated that those segments are globally satisfactory.

Quality of datas' transmission & consolidation process:

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

Evolution of the risks control device:

Oxéa examined improvements established on the risks control device, which concerned the interface user for the WEB Platform, help center, dashboard, etc. Award trophies are allocated to each real asset, according to its risk level. A budget application is under construction, enabled a risk/cost analysis.

Oxéa also guarantees the work in progress on the integration of both last risks segments. "Fire" risks are evaluated for 50% of Gecina property holdings (in financial value), and the area "Access for handicapped people" is waiting for the ratification of the framework.

At PARIS, February 10th, 2011

Cyril Végni
CEO Oxéa Group



11.3.2. Management of operational risks

With regard to operational Group Management risks, Gecina's Internal Audit oversees the preparation and annual updating of their mapping and assessment based on frequency and severity criteria. This work was performed as part of the self-assessment approach, which includes an evaluation of the internal controls associated with each risk. The assessment was conducted by holding interviews in the Group's divisions based on analytical and rating systems defined in advance. The material used by the Group for self-assessments is progressively revised in accordance with questionnaires and the application guide that completes the reference framework published by the French market regulator, AMF. The system gave rise to action plans focusing on priority areas in which control procedures need to be improved. It also served as a support for setting the Internal Audit Department's work program by identifying critical areas. The control of this program is regularly checked by the Audit, Risk and Sustainable Development Committee.

Risk mapping is a reflection of the management's assessment.

For each risk, the assessment concerns the impact, probability and the system in place to control the risk. This system is taken into account when the impact and occurrence of the risk are evaluated. The scales used are on all four levels. The final risk is expressed as a product of occurrence and impact, which gives a final scale ranging from 1 (very low, minimum level) to 16 (very high, maximum level).

The impact scales take the different types of impacts into account:

- financial
- image/reputation
- social

The scale of probability ranges from "unlikely" to "very likely", through "possible" and "likely".

The management of these risks is described in Section 13.4.2 of chapter 13 "Governance, internal control and risk management".

11.4. Insurance

The core objective of Gecina's Policy with regard to insurance is the safeguarding of its assets and protection against liabilities incurred.

It is focused on assuring the Group's long-term viability faced with various risks, reducing the costs of these risks when they occur, constant improvement of guarantees and management of indemnification flows, and providing quality service to its tenants.

The principal risks for which Gecina has taken out insurance coverage are property damage and consequent loss of rents, construction risks and civil liability as a property owner and real estate professional.

Insurance consists of four distinct parts:

- insurance for developed real estate assets, including building owner liability ("RCPI");
- construction insurance policies;
- third-party liability (excluding RCPI);
- other policies (cars, staff travel, etc.).

To ensure that there is adequate coverage and management of the main risks, the Group has traditionally given preference to

high levels of coverage with deductibles, enabling it to keep insurance costs down.

Cover for damage to properties and/or loss of use and RCPI account for the bulk of total premium costs, because of its strategic importance to the Group in terms of the capital assets insured and the risks faced.

These risks are insured in a plan that covers Gecina as well as all its subsidiaries or partnerships with leading insurers, principally ACE Europe, AXA, Generali and Liberty Mutual, through the insurance broker SIACI Saint-Honoré.

The plan contains a risk retention clause that:

- limits management costs of recurrent claims;
- increases the accountability of operations departments while encouraging them to take preventive action;
- transfers serious risks to the insurers.

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.

11.4.1. Coverage of damages and liabilities associated with building properties

Because of the broad geographic dispersion of the Group's assets, and its custom insurance coverage, a major claim affecting one of the Group's properties should have little impact on its financial situation. Indeed, cover has been set at levels that would easily cover a major claim for the largest property of the Group.

The deductibles applicable under the insurance plan are at levels able to absorb without repercussions recurrent claims, which thus are mutualized among all the Group's properties. Risks above these levels are transferred to the traditional insurance market.

Gecina benefits from a Group insurance plan that covers damage to its property holding, including that caused by storms, acts of terrorism and attacks, claims by neighbors and third parties, loss of rental income, and consequential losses and indemnities. The plan also covers replacement value as of the day of the loss.

The majority of the property holding is covered with no liability limit. For other assets, further to preliminary appraisal of maximum possible loss ("MPL") and reasonably foreseeable risk ("RFR"), Gecina has opted for the following limits of liability ("LOI"):

- €32 million for logistics assets covered through its special warehouse policy;
- €8.9 million for small warehouses covered through its Group property damage policy;
- €100 million for certain office or residential buildings;
- €150 million for the largest office properties.

Multi-risk insurers, encouraged by the reported good results, have already signaled their interest in continuing the plan on good terms, by already renewing coverage until June 30, 2011.

This plan comprises automatic coverage during the current fiscal year with adjustment at term.

Property damage and casualty policies include building owner third-party liability and environmental risks.

The general exclusions common to the insurance market as a whole (e.g. act of war, damage consequential to the possible presence of asbestos, etc.) normally apply to the coverage taken out by Gecina.

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

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

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

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

Work sites using standard techniques, requiring sums less than €4 million are covered under the SIACI St Honoré/AXA agreement. For works entailing sums greater than €4 million, contracts are negotiated and concluded on a case-by-case basis.

11.4.2. General and professional liability

Bodily, material and immaterial damage due to employee malpractice or flawed professional work are insured under a Group policy. The quality of risks presented by Gecina made it possible to significantly improve the coverage/premiums ratio with effect from January 1, 2010.

Mandatory coverage for professional liability of subsidiaries whose activities come under the Hoguet Law is incorporated into the Group's civil liability plan. The program has been renewed starting January 1, 2011 for a two-year period.

11.4.3. Environmental liability

This innovative coverage in the real estate sector was instituted in 2007 (see below) to cover Gecina's liability for damage suffered by third parties as well as damage to biodiversity when such damage is the result of the impact of the Group's activities on

the environment, and also any costs incurred from on-site pollution cleanup operations to neutralize or eliminate an environmental hazard.

11.4.4. Lease management and management of supplier contracts

The real estate risk assessment approach described in the chapter on Prevention Management contains guidelines on the management of the insurance clauses and liability in the leases described herein.

Since 1998, liability law has been toughened considerably and made much more complex with the integration of European Directives harmonizing the legal provisions of member States. In the aim of ensuring indemnification of the victim, origin of a third-party liability is no longer to be found solely in the fault but rather more and more in the responsibilities and competence required of professionals (the "deep pocket" principle).

The importance of liability risk has to do with its complexity and growing importance as laws and regulations evolve. This risk is difficult to foresee. It materializes when court proceedings are initiated by one or more third parties without it being possible to prejudge the validity of their reasons.

Aside from court costs, and the expenses and internal costs of defense, these steps to respond to court injunctions may also have major indirect effects on earnings and the corporate economy. Whatever the case, they can adversely affect Gecina's image.

Like all other professionals, organizations or individuals, the Gecina Group is bound by four types of commitment, which must all be followed:

- its technical commitments;
- control over them;
- its disclosure and advice obligations;
- its contractual obligations.

To each of them must be added the notion of security, which is increasingly taking the form of a quasi performance guarantee.

Although Gecina accepts in its commercial leases an equitable mutual appeal waiver clause with its tenants and the relevant insurers, the regulation specific to residential leases requires the tenant to take out insurance for damage that might be sustained by the lessor and for which the tenant may be judged liable. For that matter, since the regulations authorize the lessor to require an appeal waiver from tenants for damage they might sustain from the owner, and unlike the practice of certain lessors, Gecina has not wanted to systematically include such a clause in its leases out of concern for maintaining equitable relations with its customers.

11.4.5. Claims

In 2010 Gecina filed 58 claims with its insurance companies. The largest claim in 2010 was covered by insurance and was estimated at less than €200,000. Since there were relatively few claims for

the third year running, the total amount of compensation received was €1,058,000. The total cost of claims subject to deductibles or risk retention is €1,065,000.

LEGAL INFORMATION

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12.1. Registered office, legal form and applicable legislation.

Name	Gecina
Registered office	14-16, rue des Capucines in Paris (Ilth)
Legal form	French Société Anonyme (public limited company) governed by Articles L. 225-1 and R. 210-1 of the French Commercial Code and all subsequent legislation
Legislation	French legislation
Date of formation and termination of company	The Company was formed February 23, 1959 for 99 years Its date of termination was set at February 22, 2058
Trade and company registry	592 014 476 RCS PARIS
Identification number	SIRET 592 014 476 00150
APE Code	6820A
Place where documents and information relating to the Company may be consulted	At registered office (Phone: +33 (0)1 40 40 50 50)
Fiscal year	The fiscal year begins January 1 and ends December 31 for a term of 12 months

French Listed real estate investment trusts regime

The Company opted for the tax regime introduced by the 2003 finance law dated December 30, 2002 and applicable from January 1, 2003, which provides for the creation of listed real estate investment trusts (SIIC). It allows companies opting for this system to claim exemption from the tax imposed on the income and capital gains deriving from their business as a real estate Company, contingent on the payment of an exit tax

calculated at a rate of 16.5% on unrealized capital gains existing on January 1 of the fiscal year of the option, for which the payment is to be spread over four years. In return for this tax exemption, the SIICs are required to distribute 85% of their exempt rental income and 50% of their exempt capital gains within two years, and 100% of profits received from subsidiaries.

12.2. Articles of incorporation and extracts from by-laws

12.2.1. Corporate purpose

Corporate purpose (article 3 of the by-laws)

The Company's purpose is to operate rental properties or groups of rental properties located in France or abroad.

To this end, the Company may:

- acquire undeveloped land or similar land through purchases, exchanges, payments in kind, or other types of payment;
- build individual properties or groups of properties;
- acquire developed properties or groups of properties through purchase, exchanges, and payments in kind or other types of payment;
- finance the acquisition and construction of properties;

- rent, administer, and manage any properties, either on its own behalf or on behalf of third parties;
- sell any real estate assets or rights;
- acquire equity interests in any company or organization involved in activities related to its corporate purpose by any authorized means, including capital contributions and the subscription, purchase or exchange of securities or corporate rights;
- and generally engage in all types of financial, real estate, and investment transactions directly or indirectly relating to this corporate purpose or capable of facilitating the furtherance thereof.

12.2.2. Organization of the Board and Executive Management

Chairman and Executive Management

The Board of Directors which met on November 16, 2009 to appoint Mr. Christophe Clamageran to the position of Chief Executive Officer as replacement for Mr. Truan, did not amend the Executive Management procedures decided by the Board of Directors during its Meeting dated May 5, 2009.

On February 8, 2010, the Board of Directors appointed Mr. Bernard Michel as the new Chairman of the Board, after Mr. Rivero resigned from his duties at that same Meeting.

Board of Directors (article 12)

The Company's administration is performed by a Board of Directors consisting of at least three (3) members and at most eighteen (18) members, subject to the dispensations provided for under French law.

Directors shall be appointed for a three-year term of office, and may be reappointed. They may be dismissed at any time by the Ordinary General Meeting.

No one over the age of 75 may be appointed. If a Director has passed this age limit he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the Financial statements for the fiscal year during which said director reached this age limit.

Each Director must own at least one share during his or her term of office. Article 2 of the internal regulations for the Board of Directors provides that each Director must own 40 shares.

Board Office (article 13)

The Board of Directors shall elect from among its members a Chairman who must be a physical person and, if need be, a Co-Chairman and one or more Vice-Chairmen.

If the Board of Directors decides to appoint a Co-Chairman, this title shall also be given to the Chairman, without said appointment

restricting the powers granted solely to the Chairman under French Law or these by-laws.

The Board of Directors shall set the term of office of the Chairman as well as that of the Co-Chairman and of the Vice-Chairmen if they exist, but this term of office may not exceed that of their directorships.

The Chairman of the Board of Directors and the Co-Chairman and the Vice-Chairman or Chairmen if such exist may be dismissed at any time by the Board of Directors.

No one over the age of 70 may be appointed Chairman, Co-Chairman, or Vice-Chairman. If the Chairman, the Co-Chairman or a Vice-Chairman passes this age he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the Financial statements for the financial year during which they reached this age.

The sessions of the Board shall be chaired by the Chairman. If the Chairman is absent, the Meeting shall be chaired by the Co-Chairman or by one of the Vice-Chairmen present, as designated by the Board for each session. If the Chairman, the Co-Chairman and the Vice-Chairmen are absent, the Board shall appoint one of the members present to chair the Meeting for each session.

The Board shall appoint a person to serve as secretary.

Deliberations of the Board of Directors (article 14)

The Board of Directors shall meet as often as necessary in the Company's interests, either at the registered office or at another venue, including outside of France.

The Chairman shall set the agenda for each Board Meeting and shall convene the directors using any appropriate means.

Directors representing at least one third of the total number of Board members may also convene the Board at any time, and indicate the agenda for the Meeting.

If necessary, the Chief Executive Officer may also request the Chairman to convene the Board of Directors on a given agenda.

The Chairman is bound by requests submitted to him under the previous two paragraphs.

The physical presence of at least half of the Board's members will be necessary for deliberations to have legal force.

A Director may authorize another Director to stand proxy for him at a session of the Board of Directors in accordance with the legal and regulatory provisions in force.

The provisions of the preceding paragraphs shall also apply to the permanent representatives of a legal entity Director.

The Board of Directors may meet and deliberate using videoconferencing or telecommunications facilities or any other means provided for under French law, in accordance with the terms and provisions set forth in its by-laws.

In this respect, within the limits applicable under French law, the by-laws may allow for any Directors participating in Board Meetings using videoconferencing or telecommunications facilities or by other means, the nature and conditions of which are determined by the regulatory provisions in force, to be deemed to be present for the purposes of calculating a quorum or a majority.

Decisions shall be by majority vote of the members present or represented, whereby any director representing one of his or her colleagues is entitled to two votes. In the event of a tie vote, the session's Chairman shall not cast the deciding vote.

Powers of the Board of Directors (article 15)

The Board of Directors shall set the strategies for the Company's business and oversees their implementation. Under the powers directly attributed to General Meetings and within the limits of the corporate purpose, it may address any issues that are deemed to be of interest for the Company's effective performance, and through its deliberations resolves any issues concerning it.

In its dealings with third parties, the Company shall be bound by the resolutions of the Directors even where they do not fall within the Company's corporate purpose unless it can prove that the third party in question knew that the resolution in question fell outside said purpose or that said party could not have been unaware of this on account of the circumstances, it being excluded that the mere publication of the by-laws should be enough to constitute said proof.

The Board of Directors may perform the controls and verifications it deems necessary.

The Board of Directors may invest one or more of its members or third parties, whether they are shareholders or not, with any authority necessary for any specified purpose or purposes.

It may also decide to set up committees charged with reviewing issues that the Board or its Chairman has submitted to said committees for an opinion. These committees, whose makeup and remit are defined in the internal regulations, will carry on their activities under the responsibility of the Board of Directors.

Powers of the Chairman of the Board of Directors (article 16)

In accordance with Article L. 225-51 of the French Commercial Code, the Chairman of the Board of Directors represents the Board of Directors. Subject to the legal and regulatory provisions in force, he organizes and oversees its work and reports on this

work to the Shareholders' General Meeting. He is watchful that the various management bodies of the Company are working smoothly and, in particular, that the Directors are capable of fulfilling their required duties.

Pursuant to Article 17 of these by-laws, the Chairman may also assume the Executive Management of the Company.

The Company's Executive Management (article 17)

The Company's Executive Management is performed by either the Chairman of the Board of Directors, or by another physical person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors chooses between the two methods of exercising the Executive Management presented in the preceding paragraph.

The Board of Directors makes this choice by majority vote of the directors present or represented.

Shareholders and third parties shall be informed of this choice as prescribed in the relevant regulations.

When the Executive Management is assumed by the Chairman of the Board of Directors, he shall hold the position of Chairman and Chief Executive Officer. The Board of Directors shall determine the term of office of the Chairman and Chief Executive Officer, which may not exceed his term as Director. The Chairman and Chief Executive Officer may be dismissed at any time by the Board of Directors.

If the Executive Management is not performed by the Chairman of the Board of Directors, a Chief Executive Officer shall be appointed by the Board of Directors.

The term of office of the Chief Executive Officer is freely defined by the Board of Directors.

The Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, shall have the broadest powers to act in the Company's name under any and all circumstances – in particular, to execute the sale or purchase of any real estate assets or rights. They exercise their powers within the scope of the corporate purpose and subject to those reserved expressly by French law to Shareholders' General Meetings and to the Board of Directors.

They represent the Company in their dealings with third parties. The Company is bound by the resolutions of the Chief Executive Officer or where relevant the Chairman and Chief Executive Officer even where they do not fall within the Company's corporate purpose unless it can prove that the third party in question knew that the resolution in question fell outside said purpose or that said party could not have been unaware of this on account of the circumstances, it being excluded that the mere publication of the by-laws should be enough to constitute said proof.

In connection with the Company's internal organization, the Board of Directors may limit the powers of the Chief Executive Officer, or as relevant, of the Chairman and Chief Executive Officer, but any such restrictions on their powers are not enforceable against third parties.

On the proposal of the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer, the Board of Directors may appoint one or more physical persons to assist the Chief Executive Officer or where relevant the Chairman and Chief Executive Officer, in which case they shall be given the title of Deputy Chief Executive Officer.

The number of Deputy Chief Executive Officers may not exceed a maximum of five.

By agreement with the Chief Executive Officer, or where relevant with the Chairman and Chief Executive Officer, the Board of Directors shall determine the scope and term of the powers granted to the Deputy Chief Executive Officers.

Should the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer, cease or be prevented from performing their functions, the Deputy Chief Executive Officers shall retain their functions and their remits barring a decision to the contrary by the Board of Directors until the appointment of a new Chief Executive Officer, or where relevant a Chairman and Chief Executive Officer.

Deputy Chief Executive Officers, vis-à-vis third parties, shall have the same powers as the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer.

The Chief Executive Officer may be dismissed at any moment by the Board of Directors if there are reasonable grounds. The same shall apply to Deputy Chief Executive Officers on the proposal of the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer.

No one over the age of 65 may be appointed Chief Executive Officer or Deputy Chief Executive Officer. Should a Chief Executive Officer or Deputy Chief Executive Officer pass this age limit he or she will be deemed to have automatically resigned at the end of the Shareholders' General Meeting convened to approve the Financial statements for the fiscal year during which said Chief Executive Officer or Deputy Chief Executive Officer reached this age limit.

Observers (article 18)

The annual Shareholders' General Meeting may appoint up to three Observers for the Company from among the shareholders. The Observers may also be appointed by the Company's Board of Directors subject to this appointment being ratified at the next Shareholders' General Meeting.

No one over the age of 75 may be appointed Observer. Should an Observer pass this age limit he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the Financial statements for the year during which said Observer reached this age limit.

Observers shall be appointed for a term of three years and may be reappointed. They are summoned to the sessions of the Board of Directors and take part in its deliberations with a consultative vote.

Observers may be called upon to perform special tasks.

Compensation for Directors, Observers, the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers (article 19)

Directors shall receive for their activities a fixed amount of annual attendance allowances, which shall be determined by the Ordinary Shareholders' General Meeting.

The Board of Directors shall freely distribute the amount of these attendance allowances among its members.

It may also grant exceptional compensation for assignments or offices entrusted to Directors or Observers. Such agreements shall be subject to the legal provisions applicable to agreements contingent on prior authorization from the Board of Directors.

The Board of Directors shall determine the amount of remuneration for the Chairman, Chief Executive Officer, and Deputy Chief Executive Officers.

Internal Regulations for the Board of Directors

Gecina's Board of Directors adopted on June 5, 2002 and updated on several occasions, the last one being on November 4, 2010, its internal regulations, which clarify and supplement the Board's operating procedures and principles as set down in the Company by-laws. This last amendment integrated the latest recommendations of the AFEP-MEDEF code on good governance.

On November 4, 2010 the Board of Directors also adopted the Company's Director's Charter and the Workers Council Representative's Charter which respectively outline the duties and obligations of each Director and each Workers Council representative. The two charters are incorporated into the Board of Directors' internal regulations as appendices 4 and 5.

12.2.3. Rights and obligations attached to shares

Rights and obligations attached to each share (article 10 of the by-laws)

In addition to the voting right allotted to it under French law, each share gives right to a portion of the Company's assets, profits or liquidating dividend proportional to the number and minimum value of existing shares.

Shareholders are only liable for the Company's liabilities up to the nominal value of the shares they own.

The rights and obligations attached to a share follow the share if it is transferred between holders.

Ownership of a share entails full adherence by law to the Company by-laws and to the decisions of the Shareholders' General Meeting.

Dual voting rights

None.

Restrictions on voting rights

A fraction of the voting rights of Mr. Rivero and Mr. Soler was rescinded by order of the Paris Commercial Court of May 14, 2009, confirmed by an order of the Paris Court of Appeal of June 10, 2009, in such a way that their cumulative voting rights shall not exceed 20% of the voting rights. The restriction was implemented by the General Meeting of Shareholders on June 15, 2009 and re-confirmed by the General Meeting of Shareholders of May 10, 2010. The restriction expired on June 30, 2010.

12.2.4. Changes to share capital and voting rights attached to shares

Changes to share capital and voting rights attached to shares

Gecina's by-laws prescribe no measures for changing share capital and voting rights attached to shares. Such measures, when decided are subject to the relevant legal and regulatory provisions.

12.2.5. Shareholders' General Meeting

Shareholders' General Meetings (article 20 of the by-laws)

1. Notice to attend

Shareholders' General Meetings are convened to deliberate under the conditions defined by legal and regulatory provisions.

Meetings are held at the registered office or any other venue stated in the Notice to attend.

2. Access rights – Proxy voting and remote transmission voting

Ordinary and Extraordinary General Meetings may be attended on the conditions set out below by all shareholders holding at least one share. Special Meetings may be attended by all holders of shares falling in the class concerned and who hold at least one share from this class in accordance with the conditions set out below.

Shares on which payments are due but have not been paid cease to give access rights to attend Shareholders' General Meetings, and shall not be counted in calculating a quorum.

Subject to the conditions outlined above, all shareholders shall upon providing proof of identity, have the right to attend Shareholders' General Meetings as prescribed under French law. This right is contingent on their shares being entered under their name in their account in the Company's records.

3. Office – Attendance sheet

Shareholders' General Meetings are chaired by the Chairman of the Board of Directors or in his absence by a Vice-Chairman or in the absence of the latter, by a Director especially appointed to this effect by the Board. Failing this, the Shareholders' General Meeting shall itself elect a Chairman.

The functions of the voting supervisors shall be performed by the two members present at the Meeting who have the most votes, in accordance with the legal and regulatory provisions in force.

The office for the Meeting shall appoint the secretary, who may be chosen from outside the shareholders.

4. Voting rights

Each member of the Meeting is entitled to one vote for each share owned or represented.

The Shareholders' General and Special Meetings may hold their deliberations only on condition that the quorum and majority conditions provided for under the legal and regulatory provisions in force are met.

Shareholders participating in Meetings using videoconferencing or telecommunications facilities that make it possible to be identified and the nature and conditions of which are defined by decree of the French Council of State shall be deemed to be present or represented in the calculation of a quorum and majority.

The minutes of the Shareholders' Meetings shall be prepared and copies certified and delivered in accordance with French law.

Shareholder identification (article 7 of the by-laws)

Shares must be held and registered by name. They shall be registered in an account under the conditions and in accordance with procedures provided for by the legislative and regulatory provisions in force.

12.2.6. Declaration of crossing shareholder threshold limits

Declaration of crossing shareholder threshold limits (article 9 of the by-laws)

In addition to the legal obligation to inform the Company when certain fractions of the share capital are held and to declare the intention consequent thereto, every individual or corporate shareholder, acting alone or in concert, who has acquired or ceases to hold a fraction equal to 2% of the share capital or voting rights or any multiple of this percentage, must inform the Company of the total number of shares and voting rights held by registered letter with recorded delivery to the Company's registered office within fifteen days of having crossed one of such thresholds.

This disclosure requirement shall apply in every instance that one of the aforementioned thresholds has been crossed, including thresholds over and above the thresholds provided for under French law. In the event of a failure to disclose, under the aforementioned conditions, the shares in excess of the fraction that should have been disclosed will forfeit their voting right under the conditions provided by French law if one or more shareholders holding at least 5% of the share capital should request this as recorded in the minutes of the Shareholders' General Meeting.

Any shareholder other than a physical person that directly or indirectly comes into possession of 10% of the Company's dividend rights will be required to indicate in their declaration

on exceeding the threshold limit whether or not they are a shareholder subject to Deduction as defined in article 23 of the by-laws. Any shareholder other than a physical person that directly or indirectly comes to hold 10% of the Company's dividend rights as at the date this paragraph comes into force is required to indicate within ten (10) business days before distributions are scheduled to be paid out, whether or not they are a shareholder subject to Deduction as defined in article 23 of the by-laws. If a shareholder should declare that he or she is not a shareholder subject to Deduction they will be required to justify this whenever requested to do so by the Company. Any shareholder other than a physical person having disclosed that they have directly or indirectly crossed the 10% threshold for dividend rights or directly or indirectly holding 10% of the Company's dividend rights at

the date when this paragraph comes into force, is required to notify the Company as promptly as possible or in any event within ten (10) business days before the payouts are to be made, of any change in their tax status that would cause them to acquire or lose their status as a shareholder subject to Deduction.

In the event of a failure to disclose under the conditions set out in paragraph 1 of this article, the shares exceeding the fraction that should have been declared will forfeit the right to vote in Shareholders' Meetings if said failure to disclose is discovered during a Shareholders' Meeting and if one or more shareholders together holding at least 2% of share capital demand this during the Meeting. The forfeiture of voting rights applies to all Shareholders' Meetings held within a period of two years following the date on which the failure to disclose is rectified.

12.3. Research and patents

None.

GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT

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Chairman's report on corporate governance and internal control

Dear Shareholders,

In accordance with the French Law on Financial Security of August 1, 2003, amended by the Law of July 26, 2005 promoting confidence and modernization of the economy, the Chairman of the Board of Directors informs shareholders every year, in a report appended to the Board of Directors' report about the terms governing the preparation and organization of its work as well as the internal control procedures put in place by the company. The July 3, 2008 Law additionally required to describe risk management, explain any mentioned reference to a corporate governance code, outline the conditions for shareholder participation in the Shareholders' General Meeting and identify any items liable to have an impact on a public tender offer. Drawn up within this framework, the present report therefore addresses each of the points covered under French law.

This report has been prepared with the support of Internal Audit, of the Legal Department and the Board Secretariat. Its preparation was also supported by meetings with the heads of the different Group Divisions.

In addition, it was presented to the Governance, Appointments and Compensations Committee for matters concerning corporate governance, the structure of the Board and the terms governing the preparation and organization of its work. It was also presented to the Audit, Risks and Sustainable Development Committee on matters concerning internal control and risk management procedures, prior to its approval by the Board of Directors during its session of February 23, 2011, in accordance with the provisions of Article L. 225-37 of the Commercial Code.

13.1. Conditions for the preparation and organization of the board's work

The corporate governance rules defined by Gecina's Board of Directors are in line with the AFEP-MEDEF's recommendations on the Code of Corporate Governance for listed companies, compiled in December 2008.

Reference to a corporate governance code

In accordance with the provisions of the French Law of July 3, 2008 transposing EU Directive 2006/46/CE of June 14, 2006, the Board decided at its December 18, 2008 Meeting that Gecina would apply the AFEP-MEDEF Code of Corporate Governance. This decision was announced in a press release published by Gecina on December 24, 2008, while the code can be consulted on the MEDEF website (www.medef.com).

Within this framework, the Board has looked into revising all of the corporate documents, such as the bylaws, internal regulations for the Board of Directors and its Committees, and the delegations of authority, in order to make all the internal texts consistent. It has reviewed various measures which could be taken to enable the Board of Directors and the Committees to operate more effectively,

including prior information, the content of presentation files, the quality and direction of discussions, conflicts of interest, the drafting of minutes, confidentiality, the number of independent directors on the Board, and the chairing of the various Committees by independent directors. In this context, the Board of Directors has notably taken the following decisions:

- successively amending the internal regulations for the Board of Directors and the various Committees, notably as decided on April 7, 2009 and November 4, 2010;
- calling on an independent external firm to conduct an audit and provide recommendations on the Group's governance with a view to aligning Gecina's rules and practices with the AFEP-MEDEF corporate governance code;
- modifying the makeup of the specialized Committees, as decided on November 16, 2009.

Note that the Governance, Appointments and Compensations Committee has only two independent directors out of a total of five.

13.1.1. Board operating principles and organization

Under the bylaws, the Board of Directors must be made up of a minimum of three and maximum of 18 members. As of December 31, 2010, Gecina had eighteen members on its Board of Directors.

Its Internal Regulations, drafted for the first time by the Board on June 5, 2002, have been updated on several occasions and lastly on November 4, 2010 in order to clarify and complete the Board's operating procedures.

Appended to this Regulation and an integral part thereof, a Director's Charter specifies, in accordance with the principles of good governance, the duties and obligations of each Director. Another appendix includes the Charter for the Workers Council Representative on the Board of Directors.

Board Meetings

The Board meets whenever necessary but at least four times a year, these Meetings being normally convened by the Chairman of the Board of Directors. Directors representing at least one third of the total number of Board members may also convene the Board at any time, indicating the agenda for the Meeting. The Chief Executive Officer may also request the Chairman to convene the Board of Directors with a given agenda. Decisions are taken by a majority vote of the members present or represented. The Chairman of the Meeting does not have a casting vote. Section 13.13 outlooks the Board activity.

Participation of Directors in the Board's deliberations through video-conferencing and telecommunications facilities

Article 14 of the by-laws and Article 6 of the Board 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 Commercial Code, namely preparation of Annual Financial statements and the management report and preparation of Consolidated Financial Statements and the Group management report. However, at least one quarter of the directors must be physically present in the same location.

The above-mentioned restrictions will however not prevent any directors excluded from quorum and majority calculations from taking part in Meetings and giving their opinion on a consultative basis.

Shares held

As stated in the internal regulations for the Board of Directors, each Director must own 40 shares with a par value of €7.50 for the duration of his or her term in office.

Directors must inform Gecina within five stock market trading days of transactions involving company shares or any other security issued by the company, carried out directly or through a third party on their own behalf or for any other third party under a mandate not applying to third-party management

services. This also concerns transactions carried out on behalf of directors by their spouses, provided that they are not legally separated, or by any other party holding a mandate.

Director compensation

The Board of Directors' Meeting of March 22, 2010 defined new rules for the allocation of the total attendance allowances of €1,750,000 and decided that they would be paid to each Director as follows:

- fixed annual compensation of €25,000 per Director;
- variable compensation of €5,000 per Board of Directors' Meeting attended will be added to the fixed annual compensation;
- fixed annual compensation of €25,000 for each of the chairmen of the Board of Directors' committees, with the exception of the Chairman of the Strategic Committee;
- variable compensation of €4,000 per committee meeting attended, which is added to the annual fixed compensation for the chairmen of each committee;
- in the event of a committee held during a break in a Board of Directors' Meeting, compensation shall be based on only the Board of Directors' Meeting;
- capping amounts and rebates at the end of the year in order not to exceed the total amount authorized and ensure a balance between the number of meetings and each of the committees.

Board members

As of December 31, 2010, the composition of the Board of Directors is as follows:

- Mr. Bernard Michel, (Chairman);
- Mr. Arcadi Calzada;
- Mr. Aldo Cardoso;
- Mr. Jean-Jacques Dayries;
- Mr. Nicolas Diaz;
- Mr. Philippe Donnet;
- Mr. Vicente Fons;
- Mr. Philippe Geslin;
- Mr. José Gracia;
- Mr. Sixto Jimenez;
- Metrovacesa, represented by Mr. Eduardo Paraja;
- Mr. Pierre-Marie Meynadier;
- Mr. Jacques-Yves Nicol;
- Predica, represented by Mr. Jean-Jacques Duchamp;
- Ms. Helena Rivero;
- Mr. Joaquín Rivero;
- Mrs. Victoria Soler;
- Mr. Antonio Trueba.

In 2010, the Board of Directors members were changed during the February 8, 2010 Board Meeting appointing Ms. Helena Rivero and Messrs Jacques-Yves Nicol and Philippe Donnet as Directors, and during the February 16, 2010 Board Meeting when Mr. Bernard Michel (previously permanent representative of Predica) was appointed as Director to replace Mr. Jean-Jacques Duchamp (previously Director), who was appointed as permanent representative of Predica, and appointed Mr. Bernard Michel as Chairman of the Board to replace Mr. Joaquin Rivero.

Independent directors

With regard to the qualification of independent directors, on December 12, 2006 the Board of Directors adopted the proposal of the Appointments and Compensations Committee and the criteria for independence set out in the corporate governance recommendations report published by the MEDEF and AFEP in October 2003 and subsequently included in the AFEP-MEDEF Code of Corporate Governance of December 2008.

As a result, the independence principles stipulate that Directors may not:

- (i) be employees or corporate officers of the company, employees or Directors of its parent company or any consolidated company, or have ever been so at any time in the last five years;
- (ii) be corporate officers of a company in which the company directly or indirectly holds a directorship, or in which an employee who has been appointed as a corporate officer of the company (currently or at any time in the last five years) has a directorship;
- (iii) be clients, suppliers, investment bankers or commercial bankers:
 - of significance to the company or its Group,
 - or for which the company or its Group represents a significant amount of business;
- (iv) have any close family ties with a corporate officer;
- (v) have served as an auditor for the company at any time in the last five years;
- (vi) have served as a director for the company for more than 12 years;
- (vii) in the case of directors representing important shareholders of the company, they are considered to be independent provided they are not involved in the control of the company. If directors hold more than 10% of the share capital or voting rights, the Board, acting on the basis of a report issued by the Appointments and Compensations Committee, must systematically investigate compliance with the independence criteria, taking account of the shareholder structure and the existence of any potential conflicts of interest.

In accordance with these recommendations, seven out of the eighteen members of the Board of Directors are classified as independent, thus satisfying the criteria set out in the above-mentioned report requiring one third of directors to have this status.

The independent Directors are: Messrs. Aldo Cardoso, Jean-Jacques Dayries, Philippe Donnet, Philippe Geslin, Pierre-Marie Meynadier,

Jacques-Yves Nicol and Predica, represented by Mr. Jean-Jacques Duchamp.

Role of the Board

The Board's role is to set the guidelines for the company's business and ensure their implementation, in particular through the management accounting department. It addresses any issues that relate to the proper operation of the company and through its deliberations resolves any issues concerning it. It performs the controls and verifications it deems necessary. It is regularly informed about changes in the Group's activities and property holdings, as well as its financial position and cash flow. It is also informed about any significant commitments made by the Group.

In the context of authorizations given by the General Meeting of Shareholders, the Board decides on any transaction leading to a change in the company's share capital or issue of new shares and more generally deliberates on issues under its legal or regulatory authority. In addition, any significant transaction that does not fall within the company's announced strategy including major investments for organic growth or company restructuring is subject to the prior approval of the Board.

As an internal measure, the Board reviews and approves in advance the implementation of deeds, transactions and commitments that fall under the restrictions to the powers of the Chief Executive Officer, defined and set out in Article 4.1.2 of its Internal Regulation, and described in Section 13.1.7.

The Board 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.

Directors are authorized to meet the leading executive managers of the company, in the presence or not of the Chief Executive Officer and of the Chairman of the Board of Directors after submitting such 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 outside the presence of the CEO or the Chairman. In this case, the CEO or the Chairman shall be informed in advance thereof.

13.1.2. Organization of preparatory work for Board Meetings

To improve the quality of work of Gecina's Board of Directors and help it in the exercise of its responsibilities, three specialized Committees were established comprising representatives of the principal shareholders and independent directors: the Strategic Committee, the Audit, Risk and Sustainable Development Committee and the Governance, Appointment and Compensations Committee. They replaced those that existed previously and resulting from the consideration, by the Board of Directors' Meeting of November 16, 2009, of the recommendations expressed by the independent consulting firm, which had been tasked with performing an audit and formulating recommendations on the Group's corporate governance.

The internal regulations of each of these Committees specify their operating principles and roles.

Strategic committee

The Strategic Committee is made up of five Board members: Mr. Bernard Michel, Chairman, Mrs. Victoria Soler and Messrs Joaquín Rivero, Eduardo Paraja and Nicolas Diaz.

Its members were changed after the resignation of Mr. Rivero on February 16, 2010 from his duties as Chairman of the Board of Directors. The Governance, Appointments and Compensations Committee recommended Mr. Bernard Michel, non executive Chairman of the company as his replacement. The Board of Directors' Meeting of March 2, 2010 endorsed this replacement.

The members of the Strategic Committee are appointed by the Board which sets the term of their functions and may terminate at any time the functions of one or more members.

The Committee gives its opinions and recommendations to the Board on the company's strategy as proposed by the CEO, on the implementation of this strategy, on major projects, on investments and on their impact on the Financial statements.

It oversees the maintenance of key financial balances.

Its specific tasks include:

- reviewing the strategic projects presented by the corporate officers with their economic and financial consequences (budget, financing structure and cash flow forecasts in particular);
- providing guidance to the Board through its analyses of the strategic plans submitted by the corporate officers, on developments and the progress of ongoing significant transactions;
- examining information on market trends, reviewing the competition and the resulting medium and long term outlook;
- examining the company's long-term development projects specifically with respect to external growth, especially concerning acquisitions or divestments of subsidiaries, equity interests, real estate assets or other important assets, in investment or divestment as well as financial transactions likely to have a material impact on the balance sheet structure.

More generally, it gives an opinion on any subject that falls in the scope of matters referred to its attention or likely to be referred to its attention.

It met eleven times in 2010, with an attendance rate of 90.9%.

At these Meetings, the Committee specifically analyzed the 2010 budget and discussed the proposed strategic plans. It also gave its opinion on the sale of assets, the issue of Orname, the setting up of an EMTN program, the plans to sell logistics assets, investments projects, the project to spin off Gecina's business divisions into special purpose subsidiaries, the business plan and strategic guidelines.

Audit, Risk and Sustainable Development Committee

This Committee comprises Mr. Jean-Jacques Dayries, Chairman, Messrs Jean-Jacques Duchamp, permanent representative of Predica, José Gracia, Sixto Jimenez, and Pierre-Marie Meynadier.

It is comprised of at least five Board members who have no executive functions in the company, with three of them independent directors, including the Committee Chairman. The members of the Committee are selected according to their financial or accounting skills and at least one Committee member (who must be one of the independent directors) should have special financial or accounting skills.

The Committee sets the term for their functions, on the understanding that a member cannot sit for more than six consecutive years on that Committee, unless there is a break of at least two consecutive years.

The Committee gives the Board its opinions and recommendations on:

- the financial reporting preparation process;
- the Financial statements 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 auditors and the performance of their audit engagement for the annual and Consolidated Financial Statements;
- the process for appointing appraisal experts and the performance of their engagement;
- the financial policy and financing plans;
- the risks identification and monitoring process;
- the operation and assignments of internal audit;
- quality management and Sustainable Development strategy.

The Committee met eleven times in 2010, with an attendance rate of 94.5%.

During these meetings, the Committee examined in particular, the independent valuations of the property holdings, the 2009 individual and Consolidated Financial Statements and the interim Consolidated Financial Statements for the period that ended June 30, 2010, financial reporting as of March 31 and September 30, 2010 and the 2011 budget, financial reporting procedures, appropriation of earnings and the financing plan. It reviewed the Chairman's report on corporate governance and internal control as well as information on risks in the financial report, reviewed the work of internal audit, risk management

and the Group's litigations together with Sustainable Development and quality indicators. It reviewed the Group's financial and hedging policy and plans to issue bonds, proposed the renewal of the Statutory Auditors' term of office and the appointment of new deputy Statutory Auditors, noted the work carried out by independent firms on various matter, notably progress on past operations in Spain.

Governance, Appointments and Compensations Committee

The Governance, Appointments and Compensations Committee is comprised as follows: Mr. Aldo Cardoso, Chairman, Mrs. Victoria Soler and Messrs Philippe Donnet, Nicolas Diaz, and Vicente Fons.

Following the appointment as Chairman of the Board of Directors of Mr. Bernard Michel, the Committee's chair was given to Mr. Aldo Cardoso and the Board of Directors appointed Mrs. Victoria Soler and Mr. Philippe Donnet.

The Committee is comprised of at least five Board members, and at least half of them are independent directors appointed by the Board.

The members of the Committee are appointed by the Board which sets their term of office and may dismiss one or more members at any time.

The role of this Committee is to inform, train and advise.

It reviews the operation of the Board and the Board's committees and makes proposals to improve corporate governance. It leads discussions on the committees in charge of preparing the Board's work. It supervises the Board's assessment procedure.

The Committee considers the structure of the company's executive bodies. It prepares a plan of succession of corporate officers and directors.

The Committee makes proposals to the Board on all aspects of executive compensation.

It met twelve times in 2010, with an attendance rate of 89.8%.

At these meetings, it debated on the independence of directors, delegations of authority to the CEO and restrictions on his powers, the internal regulations of the Board and committees as well as the Director's Charter and the Charter for the workers council representative to the Board, stock options and bonus share award programs and lists of insiders, the compensation of the Chairman of the Board of Directors, the compensation of the Chief Executive Officer and his severance benefit, attendance allowances and the assessment of the Board of Directors' work.

13.1.3. Board activities over the year

The Board of Directors met twelve times in 2010, with an attendance rate of 94.9%. At each Meeting or when reviewing the Financial statements, an overview was provided of the Group's business (notably rental business, disposals and financing, and investments).

During 2010, the Board of Directors examined in particular the Group's 2009 individual and Consolidated Financial Statements together with the Consolidated Financial Statements for the period ended June 30, 2010 and financial reporting at March 31 and September 2010. It reviewed management forecasts and the 2010 and 2011 budgets. It gave its opinion on various investments. Corporate transactions were also submitted to it. It appointed Board of Directors members and new committee members and listened to the reports of their activities. It appointed

a new Chairman of the Board of Directors. It overhauled its internal regulations as well as the internal regulations of committees and introduced a Director's Charter and a charter for the workers council representative to the Board. It decided on the issue of bonds or any other debt securities. It fixed compensation for the Chairman, the CEO and the method for calculating his severance compensation, the method for allocating attendance allowances and restricted the powers of the CEO. It determined the list of independent Directors and the Directors were called to carry out the annual assessment of the Board's work. It noted the capital increase resulting from subscriptions by members of the "Gecina Relais 2010" company mutual fund, and the exercise of stock options and renewed the authorization given to the CEO to grant security, guarantees and endorsements on the company's behalf.

13.1.4. Regulated agreements

The Board of Directors' Meeting of March 22, 2010 set the conditions for the CEO's severance compensation in the first year. This agreement was ratified by the General Meeting of May 10, 2010.

This agreement expired on November 16, 2010, the anniversary date of the CEO's first year in service.

The Board of Directors' Meeting of November 4, 2010 set the conditions for the CEO's severance compensation after the first year.

In the event of termination of duties following a forced departure and due to the company's change of control or strategy, the CEO will receive compensation, the maximum amount of which was determined as follows:

- severance compensation between 1 and 2 years of service: once the gross total compensation (fixed and variable) for his CEO functions, for the previous calendar year;
- severance compensation for more than 2 years of service: twice the gross total compensation (fixed and variable) for his CEO functions, for the previous calendar year.

Payment of this compensation will be subject to performance criteria, namely achievement of an operating income excluding changes in value for the last fiscal year (N) ended before the termination of duties compared to the average of the two previous years' (N-1 and N-2) operating income excluding changes in value preceding the termination of duties, noting however that the operating incomes will be compared by taking into account changes in property holding scope during the years in question. The payment of the severance according to this performance criterion will be as follows:

Performance criteria	Severance compensation
Operating income year N excluding change in value > average operating income of years N-1 and N-2	100%
Operating income year N excluding change in value < by 4% to the average operating income of years N-1 and N-2	80%
Operating income year N excluding change in value < by 8% to the average operating income of years N-1 and N-2	50%
Operating income year N excluding change in value < by 12% to the average operating income of years N-1 and N-2	No severance compensation

In the event of termination of the CEO's duties, the Board of Directors will meet to note the achievement of the performance criterion, on the understanding that if necessary, it may take into consideration non-recurring items during the year.

The Board of Directors' Meeting of March 22, 2010 authorized the company to issue a guarantee in favor of the Euro Hypo bank for €20 million, which represents a counter guarantee to the guarantee granted by SIF Espagne on June 24, 2009 and

a replacement for the comfort letter signed on April 29, 2009 by Gecina to cover its subsidiary's liabilities.

The Board of Directors' Meeting of December 9, 2010 authorized the contribution by Gecina to GEC 7 of an office property located at 53, rue Auguste-Lançon 75013 Paris, which was intended to be restructured into a students' residence.

No other agreements were concluded or continued in 2010.

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

The Board of Directors' Meeting of March 22, 2010 authorized the CEO, with an option to sub-delegate such powers, to issue on behalf of Gecina deposits, endorsements and guarantees, for the duration of the commitments guaranteed (i) for up to €1.65 billion on behalf of its subsidiaries including Gecimed, (ii) €50 million on behalf of third parties, and (iii) without limit for guarantees made to tax and customs authorities, and to

continue with any deposits, endorsements and guarantees granted previously.

During 2010, the commitments assumed by Group Gecina and still in effect totaled €50 million. The commitments made by Group Gecina in previous years, which were still in effect as of December 31, 2010, represented a total of €2.5 million.

13.1.6. Evaluation of the Board's work

The rules for evaluating the Board's work are defined in its internal regulations, as amended on November 4, 2010:

- annual discussion of its operating principles and those of its Committees;
- potential discussion once a year, excluding corporate officers and chaired by the Chairman of the Governance, Appointments and Compensations Committee, relative to the quality of the company's management, its relations with the Board and the recommendations that it would like to make to management;

- every three years, evaluation of its members, organization and operating principles. This evaluation is primarily aimed at checking that important issues are suitably prepared and discussed by the Board of Directors.

The Board of Directors' Meeting of November 4, 2010 launched the annual procedure for assessing the Board's work, carried out with the assistance of the specialist firm Spencer & Stuart. This work was completed in early 2011.

13.1.7. Powers of the CEO

The separation of the functions of Chairman of the Board of Directors and CEO, as established by the Board of Directors' Meeting of May 5, 2009, is still the company's management method.

The Board of Directors' Meeting of March 22, 2010, referring to the recommendations of the AFEP-MEDEF Code and the AMF's report on corporate governance, aimed at encouraging companies to create restrictions to the CEO's powers, decided to establish limits to powers.

The CEO is invested with the most extensive powers to act on behalf of the company, without any restrictions of power other

than those set out by the law and those in Article 4.1.2 of the Board of Directors internal regulations, as amended on November 4, 2010. It states that the CEO cannot grant any deposit, endorsement or guarantee for a third party without the prior written consent of the Board and that in addition, as an internal policy, that the CEO is specifically required to obtain the authorization of the Board of Directors for any significant decision above certain thresholds that fall outside the scope of the annual budget and the strategic business plan or related to their change or likely to involve a conflict of interest between a member of the Board of Directors and the company or leading to a change of corporate governance or share capital.

13.1.8. Compensation of corporate officers

The Compensation details of the company officers (Mr. Bernard Michel taking over from Mr. Rivero on February 16, 2010 and Mr. Christophe Clamageran taking over from Mr. Antonio Truan as of November 16, 2009) are presented in Note 8.6 of the Consolidated Financial Statements (and in the Distribution, Capital and Shares section as regards the details of payments in shares);

they were approved by the Board of Directors on the recommendation of the Compensation Committee.

The company accrued a provision of €500,000 for officers' compensation and benefits. Mr. Michel and Mr. Clamageran do not have an employment contract in the Group.

13.2. Special conditions on shareholders' attendance at General Meetings

The conditions governing shareholders' attendance at General Meetings are specified in Article 20 of the by-laws and are restated in Section 12.2.5 of the chapter on Legal Information.

13.3. Items liable to have an impact in the case of a public tender offer

Such items are described in the chapter "Financial resources", Section 2.9.

13.4. Risk management and internal control systems

For the present description and for the implementation of its systems, Gecina relies on the general principles proposed in the "Risk management and internal control systems framework", updated in July 2010 by the Group set up under the auspices of

the AMF. It is however recalled that these systems, as all internal control or risk management systems, cannot provide an absolute guarantee of meeting the company's targets.

13.4.1. Risk management system

Gecina's current risk management system is described in chapter 11 "Risks"; it is designed to:

- create and preserve the company's value, assets and reputation;
- secure decision making and the company's procedures to promote the achievement of objectives;
- promote actions consistent with the company's values;
- galvanize the company's employees around a shared vision of the major risks.

Risk identification, analysis and management systems are implemented by the Risks function with respect to risks linked to the safety and environment of properties, and by internal audit with respect to general risks. The risks fall under the responsibility of the Group's various Group Committees, depending on the nature of the risks. Work on risk management is overseen by the Audit, Risks and Sustainable Development Committee.

13.4.2. Internal control system

Gecina's current internal control system is intended to ensure that:

- management decisions or operations are carried out within the framework defined for the company's activities by corporate bodies, in accordance with applicable laws and regulations and subject to the company's internal regulations;
- assets are protected, and more generally, prevent and effectively manage any risks resulting from the company's activities;
- accounting, financial and management information faithfully reflects the company's activities and position.

Company management and organization

Company management

The company elected for the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, this management method having been set up by the Board of Directors on May 5, 2009. Restrictions to the CEO's powers were further defined by the Board of Directors on November 4, 2010. These restrictions are mentioned in paragraph 13.1.7.

Company organization

Gecina's organization was changed at the beginning of 2011 to make it more efficient, simpler to understand and more consistent with its strategy. This organization now hinges on the principles below:

- organization by operational business divisions: a demographic division comprising within the same Division "residential" and "healthcare" activities, and an economic division comprising within the Commercial Real Estate Division, the activities of "commercial real estate" and "logistics". These Operational Divisions are autonomous and encompass the trading, development and marketing functions;
- a cross functional principle applied to certain key functions integrated into the operational departments: the "Architecture and Construction" and "Marketing Quality Communication" functions also play a cross functional role working for all business lines;
- a "Sustainable Development and Performance" function, autonomous and exclusively dedicated to the implementation of the Sustainable Development action plan, the critical goal for the company.

Gecina's operational structure for residential and commercial real estate activities is also based on setting up property management entities combining properties per region which are organized into profit centers and cover all required property management functions (*i.e.* customer relations as well as administrative, technical and accounting management). This integrated property-based organization makes it possible to define responsibilities more closely and increase responsiveness to events.

The General Secretariat includes the Legal, Human Resources, Information Systems and Group Communications functions, as well as the Foundation. The Finance Department has a traditional organization specific to finance.

Executive Structure

The Gecina Group's executive structure comprises:

- an Executive Committee, which regroups around the CEO, the heads of the four principal Divisions. It sets objectives, steers strategic projects, decides on priorities and the required resources and implements decisions taken. This Committee meets on a bi-monthly basis;
- a Management Committee which comprises all the members of the Executive Committee including representatives of key functions in the company. The Executive Committee implements all the Group's projects, guides business operations and monitors the principal indicators. It also meets on a bi-monthly basis.

The Group Executive and Management Committees are supported by special committees tasked with gathering information, expressing opinions and monitoring operations in their specific areas of concern. The special committees include the Investments and Transaction Committee which meets to review ongoing acquisition or disposal projects presented by the Operational Divisions. The other special committees will be reorganized in 2011.

Lastly, communication between senior management and the entire Group is handled by the Management Committee, which meets every quarter and represents a venue for information and sharing.

Group organization

The Group consists of the parent company and the subsidiaries included in the consolidation. Group management is organized on a centralized basis with common teams and departments applying the same methods and procedures for all companies.

Definition of responsibilities and powers

The responsibilities assigned to employees are formalized in job descriptions and delegations of authority in line with the Group's management procedures. In addition, detailed organization charts are freely available by means of various internal communications systems.

Human resources management

The Group's employees are recruited in accordance with specific rules and guidelines, including approval of the profile for the job, various tests and interviews, and, if relevant, checking of candidates' references. The decisions made are subject to a review by various parties. Depending on job profiles, the Group may, if necessary, call on leading external recruitment firms. All members of staff are subject to annual performance evaluations conducted by the central Human Resources Department and used as a basis for career management and internal job transfers. Any training courses required are taken into account in the annual training plan, itemized according to collective and individual needs.

Information systems

The Group's information systems are primarily structured around real estate and transaction management applications, while being linked to the various functional applications. Business applications are developed on the basis of user requirements and tailored to suit each business line. These systems and their architecture all have specific documentation.

The various systems are protected by a series of tools and procedures, notably including access right management rules, logical security applications and formalized procedures for regularly backing up data. Two back-ups are performed and kept at specialized service providers. IT facilities are centralized in a protected room with secure access. Their operational continuity is guaranteed on the basis of formalized contingency plans. In addition, a back-up contract with an external service provider guarantees the company's continued operations in the event of its information systems being unavailable following a major disaster. The effectiveness of this contract is tested every year with the participation of users.

Management procedures

The management procedures of the Gecina Group comprise best practices which promote higher operating security by positioning the required controls. They are accessible through internal IT communication systems.

The coordination and support required for changes to standard procedures are provided by Internal Audit.

Quality and Sustainable Development indicators

Gecina has introduced a system for measuring quality and Sustainable Development based on a report card consisting of summary indicators. This reporting system was developed subsequent to a review process carried out at all the divisions and resulting in the selection of the most relevant indicators. These indicators allow the monitoring over time of the performance of selected processes and participate in the steering of internal control. The resulting data is regularly presented to members of the Audit, Risks and Sustainable Development Committee.

Conditions for the internal distribution of relevant information

The internal procedures for communicating relevant, reliable and timely information to relevant stakeholders are based primarily on the "business" and "finance" production applications. These provide their users with the tracking reports and consultation modules required to perform their functions. On a second level, decision-support IT based on the Group's data warehouse and analysis systems makes it possible to prepare the various reports and records required to control budgets and to oversee activities.

Furthermore, sharing systems such as intranet, email and internet, etc., ensure rapid access and sharing of information. Specifically, the intranet system makes it possible to share organization charts, Group procedures, documentation, archives, and relevant information on properties. Shared network spaces also facilitate distribution of control reports or templates, including within the Operational Divisions. Lastly, secure access to information from remote computers (roaming) has been set up for the functions that need it.

Risk management

Gecina's internal control system relies on the risk management system to identify the major risks requiring introduction of controls. The risk management system is also covered in paragraph 13.4.1 and described in chapter 11 "Risks".

Control activities

Internal control procedures, intended to manage the risks associated with the company's operations, are described below *via* four major procedures: property holding valuation, rental management, production and processing of accounting and financial information, and common functions.

Property holding valuation

Main risks covered in this process: risks associated with the authorization and monitoring of investments, divestments and construction work, as well as risks involved in building maintenance and security.

Investments

Controlling the risks associated with the authorization of investment (asset portfolios and development projects) requires an acquisition procedure based on a technical, legal and financial analysis of risk. This procedure is performed by the Operational Divisions involved in each business line while drawing on various support functions, especially the Legal and Finance departments. It also incorporates support from external advisors (e.g. lawyers, tax experts, auditors, etc.) and real estate appraisers.

All the investment projects proposed by the Operational Divisions are approved by the Investments and Transactions Committee, specifically comprising the CEO, the operational directors and a number of directors of support functions. This committee meets whenever necessary and always during each significant stage of any investment process. In addition, the investment cases presented to the Committee are formulated in accordance with specific and formalized rules and criteria. Lastly, in view of the restrictions on the CEO's powers established by the Board, the investment projects are reviewed by the Board whenever necessary, on the opinion of the Strategic Committee.

Deeds relating to acquisitions are also secured by involving public notaries and/or legal advisers, and if necessary, in-house legal specialists.

Divestments

A divestment plan is drawn up annually by each Operational Division. This plan, prepared by the Operational Divisions involved in each business line, covers hypothetical block or unit-based disposals. The transaction proposals defined in this way are reviewed by Management Accounting which ensures that the projected disposal prices are in line with market data.

The disposal plan, and any disposal project not included in the plan, is subject to the approval of the Investments and Transactions Committee. In the same manner as for investments and considering the restrictions on the CEO's powers defined by the Board, investment projects are also reviewed by the Board as necessary, on the opinion of the Strategic Committee.

The implementation of assets disposal transactions is overseen by the Operational Divisions, which may use support functions and external parties (e.g. sales agents, lawyers, tax specialists, public notaries, quantity surveyors, experts, etc.).

The finalization of transactions is then secured through specific work required for the preparation of notarized deeds or deeds of conveyance very often reviewed by law firms.

Unit-based sales

Unit-based sales of residential properties are handled by a specific department reporting to the Residential Property Division. Within this Division, under the authority of the Director of Sales, the property managers in charge of programs coordinate the internal and external parties (notaries, quantity surveyors, property managers, sales agents, etc.).

Unit-based sales pertaining to any given property are subject to a specific procedure involving the creation of a detailed file

covering both legal and technical issues. The units are marketed by teams at Locare or, if necessary, external sales agents. Such sales are carried out strictly in accordance with current regulations, which specifically require tenants to be provided with complete documentation, including information on the preferential conditions and security available to them, as well as the state of the property. In addition to these regulatory requirements, Gecina also endeavors to develop suitable solutions for each individual tenant.

Architecture & Construction

The Architecture & Construction Department is part of the Commercial Real Estate Division. This department is responsible for ensuring the consistency of Group policies and procedures in its area and across other departments. In particular, it oversees improvement in the management of the various risks associated with construction activities.

Security, maintenance and improvement of property holdings

Gecina's Operational Divisions are actively engaged in ensuring the security of all properties in its portfolio, as well as the management of any relevant physical property risks: they are explicitly involved in the assessments performed under the supervision of the Risk function, and they manage or supervise through their Technical Divisions, the implementation of preventive or corrective actions chosen in response to the assessments.

In both the commercial and residential real estate sectors, control over spending on work has been strengthened thanks to the existence of work programs drawn up for each property by the technical divisions concerned. Budgetary monitoring of commitments and actual achievements are subsequently carried out. The profitability of improvement work is also measured for any substantial commitments or expenditures exceeding predefined limits.

Risks associated with the authorization of work are also covered by the following procedures:

- suppliers are selected based on a review of estimates submitted for projects valued at under €45,000 and a tendering procedure with strictly defined rules for projects over €45,000;
- work orders and invoices are approved on the basis of authorization limits determined in accordance with the level of responsibility of the employees involved and recorded in the information system;
- specifically relating to residential assets, itemized price lists define standard services for each category of buildings, and suppliers are required to comply with them. Requests for tenders and certain consultations are also validated by a Commitments Committee.

For the logistics property holdings, building security and work are managed by a leading service provider, authorized and supervised by the relevant Operational Division using a range of reporting systems and regular follow-up meetings for this purpose.

Lastly, operators of healthcare and hotel properties are still responsible for the management of building security and work, and they provide the operational healthcare division with regular updates. The division concerned then ensures compliance of any work being considered and, if relevant, any construction contracts.

Rental management

Main risks covered in this process: risks related to the setting of rents, vacancy and the solvency of tenants.

Setting of rents

The risks associated with poorly adapted rent levels are minimized by ongoing efforts to monitor the market and resorting to a second level of control:

- **for residential property holdings**, rents for new leases are based on a comparison of market rent levels with in-house data (unit features, work undertaken, etc.). The rents set in this way are based on a series of specific criteria and are regularly reviewed throughout the marketing process in joint weekly meetings with Locare teams;
- **for commercial and logistics assets**, rents for premises to be marketed are also set in relation to market data (published prices, statistics, etc.) and, for larger properties, on the basis of a specific market analysis carried out in collaboration with sales teams. The rents and lease conditions set in this way are systematically subject to a hierarchical control process, and are regularly reviewed throughout the marketing process in meetings with the sales teams;
- **for all properties in use**, leases for renewal are systematically monitored and any new rental conditions proposed are evaluated according to a specific procedure. In cases involving certain large-scale retail outlets, specific-use properties or atypical office units, renewal terms are determined after consulting with a recognized external expert. The Real Estate Division's commercial lease renewals are also monitored by a quarterly committee. Annual rent reviews are subject to explicit procedures including several levels of prior controls.

Marketing (re-letting)

For commercial properties, marketing is undertaken by in-house teams specialized in this activity. These teams act in collaboration with leading external sales agents and/or independent consultants, identified on the basis of their presence and level of performance in the geographic sectors concerned. The marketing of logistics facilities is handled by external teams, supervised by an in-house manager (asset manager from the Operational Division). The marketing of residential properties is systematically entrusted to teams at Locare and, depending on the type of unit, sub-delegated to external agents.

Marketing campaigns are monitored in joint meetings of management and marketing teams from the Operational Divisions.

Finally, an individual property reporting system enables regular monitoring of new rentals, re-letting periods and vacant properties.

Vacancy monitoring

A register of properties that are vacant or expected to become vacant as a result of tenants having given their notice or expressed their intention to leave is updated on a regular basis. This register makes it possible to monitor vacancy trends and measure the occupancy rate for each building and for all properties in use.

To minimize the financial costs associated with property vacancies, the planning of refurbishing or renovation work as well as the sales and marketing actions required to secure new tenants begins as soon as possible after notice has been given. Such plans are explicitly based on preliminary inventories that are drawn up within the timeframes set for each business line.

All of this information relating to the management of the property portfolio is automatically transferred to the information system used to support commercial activity.

Tenant selection

New tenants for residential properties are chosen by a daily committee composed of lessor and marketing representatives. The committee undertakes a comprehensive analysis of the bad debt risk for each proposed tenant, while ensuring compliance with the regulations regarding non-discrimination.

New tenants for commercial and logistics properties are selected after a credit check performed with the assistance of a financial adviser and subject to a hierarchical control process.

Collection

For the entire property portfolio, delays in payment are regularly monitored and systematic payment reminders issued. Depending on each case, the situation of certain commercial real estate tenants can be thoroughly researched with the assistance of a financial advisor. Late payments are handled in coordination with the department responsible for disputes, which is staffed by employees specializing in this field.

Customer relations

Gecina's residential business line has a unit that is responsible for quality and customer satisfaction. This unit is specifically responsible for conducting a "satisfaction survey". It performs or oversees the performance of an ongoing satisfaction survey on "new", "leavers" or "in place" tenants in virtually all properties in use. The data obtained is extended through specific studies and action plans communicated to customers and regularly monitored and updated.

Production and processing of accounting and financial information

Accounting work for the Group's companies is performed within a single department using the same information system in all cases. This centralization enables better control over accounting and consolidation practices, in accordance with the principles and standards defined at Group level.

In general, the reliability of accounting information is guaranteed by an organizational structure ensuring a separation of duties and control measures undertaken by the Group's various entities. Invoicing and collecting rent and other charges are tasks performed by the Operational Divisions in accordance with specific procedures and subject to a series of detailed controls. Major transactions are automatically recorded in the accounting information system.

Year-end closure is based on a specific schedule, distributed to all parties involved and including the tasks of centralization, reconciliation and analysis that are required for the accuracy of the financial and accounting information. This procedure includes a hierarchical review of the work involved in carrying out the year-end accounting tasks for all Group companies. Furthermore, the budgetary monitoring system based on the Group's chart of accounts and the comparative analyses developed by Management Accounting provide a second level of additional control.

The reliability of the consolidation process is specifically checked by means of a detailed reconciliation of accounting balances from company Financial statements with the balances adopted for consolidated statements, along with documented explanations of the consolidation adjustments.

Finally and more specifically related to the reliability of any portfolio valuation included in accounting and financial information, such value determination is based on biannual property appraisals; the Valuations and Appraisals department is responsible for coordinating and supervising these real estate appraisals, performed by independent appraisers at least twice a year as part of half year close. In this way, this function is centralized and separated from the responsibility for property transactions (which is handled by the operational departments) in order to guarantee the reliability and objectivity of property appraisal data.

In accordance with the recommendations of the French Securities Regulator (AMF), these appraisals are conducted on the basis of recognized methods that remain consistent from one year to the next and from one appraiser to the next.

The semi-annual property appraisal process is governed by a specific procedure that explicitly defines the principles for selecting and changing appraisers, and indicates how appraisal campaigns should be conducted. Under this procedure, the Audit, Risk and Sustainable Development Committee is provided with regular progress reports on the property appraisal process. Subsequent to each campaign, this committee holds a meeting devoted to reviewing property appraisals and, if necessary, obtaining additional appraisals on certain buildings.

Group functions

In discussing the functions in question, this section will primarily focus on the risks of failure in IT data processing, the risks of unreliable financial and accounting information, as well as legal, tax and financial risks.

IT

The development of business applications is overseen by the IT department while complying with best practices of project management, which include formalizing various stages, testing, obtaining user validation, and developing operational methods along with training resources.

Application maintenance is supported by a process based on regular meetings with representatives from each "user" division. Furthermore, a dedicated application enables the formulation of an inventory and the shared monitoring of user requests.

Effective IT system operations are monitored by a dedicated team in accordance with specific procedures and schedules. Within this framework, a full analysis of system operations is carried out each week.

An IT Committee meets every quarter in order to monitor the various activities and projects associated with this function, as well as their compliance with user expectations and needs. The IT department is closely monitored every month using indicators.

During the year, the IT department's main actions included the performance of hacking tests, in particular.

Legal

Property sales or acquisitions are carried out by resorting to public notaries that have been carefully selected in light of their reliability and expertise. In addition, they are systematically supervised by in-house legal experts with or without the support of specialized lawyers.

Rental management transactions involving such items as leases for new tenants and marketing mandates are all formulated on the basis of standards defined by the Legal Department in conjunction with the various management departments.

Annual legal requirements for professional real estate agent cards (Loi Hoguet) are monitored by in-house lawyers.

The Legal Department also monitors the legal affairs of the Group subsidiaries. For its part, the parent company's legal supervision is performed internally with the collaboration of specialized legal advisors.

The Legal Department keeps an eye on applicable regulations, especially in checking the wording and validity of various contracts concluded within the Group as well as through its interventions concerning specific issues confronting the Group.

Generally, other legal risks are monitored in-house with recourse, when necessary, to leading law firms.

Tax

Compliance with tax regulations and more specifically the obligations resulting from the French Listed Real estate Investment Company (SIIC) regime is supervised by the Finance Department, which conducts regular reviews, calling in external advisors whenever necessary. In addition, the Finance Department systematically provides support for the management of any tax risks resulting from the acquisition or disposal of assets.

Financial management

Financial risks are managed by the cash management and financing function, which regularly monitors market trends, the Group's financial ratios, cash flow forecasts and forecast financing plan, all updated on a regular basis.

The management of rate risk is performed by resorting to hedging instruments under a policy designed to protect the company against market changes while optimizing the cost of debt. The cash and financing function receives assistance from external advisers in this area. The liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying finance sources.

Payments are secured by the procedure of organizing bank signatures, which entrusts the authorities required for administering bank accounts to a limited number of people, in accordance with the separation of responsibilities and the corresponding precisely defined limits.

Supervision of practices

Gecina has three organizations supervising its internal control and risk management activities: the risks department, management accounting and the internal audit department. These organizations report to the Architecture and Construction Division for matters related to the risks department, to the Financial Department for management accounting issues and report to the Chief Executive Officer for internal audit matters. They report on their activities to the CEO, the Board's specialized Committees, and in particular to the Audit, Risk and Sustainable Development Committee.

The risk function

Supporting the operational and functional departments, the risk function is responsible for identifying and addressing risks associated with the security of assets and people, the effective management of responsibilities and respect for the environment. It constitutes an expert function responsible for steering, coordinating and supervising the management of random risks.

This function, which is responsible for providing guidance and support in its area of expertise for the various Group divisions, may also carry out inspections and issue recommendations. More specifically, it is tasked with conducting risk assessments on properties, assisting operational managers in their acquisition and managerial activities, and undertaking actions to improve training and increase awareness.

An around-the-clock surveillance and crisis management system designed to be unleashed in response to a major incident is also in place. It consists in particular of a crisis unit, an outsourced platform made available to tenants and a set of rules governing on-call duties.

Management accounting

Through its budgetary activities and analyses, the management accounting department significantly contributes to the effective management and supervision of risks, notably with regard to property valuation, rental management and the production of accounting and financial information.

To monitor operations more effectively, Gecina's management control is carried out at two levels: on an operational level of each of the Divisions and at a centralized level through the Group management accounting function, which therefore relies on a network of management accountants within the Operational Divisions.

The Group management accounting function currently comprises four people and is part of the management accounting and financial transactions function, within the Finance Department.

Specifically, management accounting is responsible for drawing up and monitoring budgets, tracking key activity indicators, analyzing the profitability of properties and conducting property appraisals. It produces detailed quarterly reports on each business line and performs any budgetary analysis specifically requested by the Corporate Officers.

Budget preparation and control

A forecast budget is drawn up for each building, covering rent, work and other property-related expenses. Assumptions are made for each building with regard to vacancy rate, turnover rate, new letting trends and re-letting periods. For the commercial sector, the budget is compiled on the basis of a review of each lease listed in the rental report.

Budget monitoring of properties is performed on a monthly basis for rent and construction work, and quarterly for other property-related expenses. Any differences between forecasts and actual figures are identified, analyzed and justified in conjunction with the relevant operational departments.

With regard to operating costs, budgets are prepared on a monthly basis. Payroll expenses are checked each month, while other expenses are monitored on a quarterly basis.

Monitoring of management indicators

Activity indicators have been put in place for each sector in order to measure performance of the rental activity. These indicators primarily concern notices received, exits, re-letting and new leases. Management accounting, liaising with the various operational departments concerned, regularly analyzes the vacancy rate, prices and re-letting periods, as well as turnover rates.

Property profitability analysis

The profitability of properties is assessed on the basis of market indicators and the last known appraisals. Properties are classified for each category (by asset type and region). Buildings with an abnormally low level of profitability are specifically monitored in order to improve their profitability or decide on their future status within the portfolio.

Internal audit

The Internal Audit Department, which is made up of four people, carries out audits and general risk assessments for the company and supports the formalization of procedures and frames of reference.

Its main tasks, and the responsibilities of the various operational and functional divisions in terms of internal control, are defined in the Group audit charter.

An annual audit program is drawn up by the Audit department and approved by the CEO. This program covers audits on specific areas, and the ongoing cycle for monitoring control activities. Audit reports are submitted to the CEO, the Chairman and to members of the Divisions concerned. The annual audit plan and assignment reports are also submitted to the Audit, Risk and Sustainable Development Committee. Lastly, internal audit regularly monitors implementation of its recommendations.

CHANGE, OUTLOOK AND TRENDS

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14.1. Overview and outlook

An optimized model to step up asset turnover focusing on enhanced profitability

The Group will continue the strategy it determined in 2010, focusing on its Economic businesses (offices, logistics and hotels) and Demographic businesses (residential, student housing and health), while optimizing the model through intensified asset turnover and targeted investments.

Within this framework, in 2011 the Group will continue to strengthen its leadership in office properties in the Paris region with a view to meeting its goal of €9 billion in assets in this sector by 2014. This will be achieved partly by mergers or acquisitions among leased or pre-leased operations and higher-return spec projects, and partly by Group developments that have already been implemented.

Gecina anticipates a modest recovery in the office market in 2011, which should initially be reflected in a gradual decline in commercial activities. In 2011 the Group will benefit from the full-year effect of leasing the "Anthos" and "Origami" buildings, which will generate €8 million in rent, as well as additional rental income from the "Portes d'Arcueil" building acquired by Gecina in 2010, accounting for €16 million in rents on a full-year basis. By contrast, known lease cancellations to date represent some 4 points of the vacancy rate in the offices segment, including breaching the AON lease (26% of the total), which will result in a €6.6 million net penalty in 2011.

Gecina will also exploit its sources of growth in residential real estate, for both student housing and traditional residential properties, which will allow it to initiate new operations with target net returns of 6% to 7%. Finally, Gecina expects to meet its target of €1 billion in health properties by 2011, largely due to an exclusive negotiation underway (see recent events below).

At the same time, Gecina will step up its asset turnover policy focusing on two areas: portfolio optimization and sale of non-strategic assets. The latter has now begun with the February 2011 signing of a sale commitment concerning a logistics portfolio for €119 million.

Sales of residential properties will be intensified and rise from €272 million in 2010 to some €350 million in 2011, with a target of €300 million per year in asset purchases and sales starting in 2012 in order to benefit from the trend in this segment. Gecina also targets significant asset purchases and sales in office properties, involving both mature assets and assets valued at low capitalization rates. Finally, Gecina will initiate turnover in its health property assets. Henceforth, the sales target will be around €1 billion in 2011, 22% of which had been committed by end-February.

The Group's financial policy is also aimed at ensuring the liquidity needed for real estate investments, as well as to minimize the cost of debt.

After an in depth reorganization in the 4th quarter of 2010, its financial policy has now been implemented by the new Group CFO. As such, taking advantage of the low interest-rate environment, debt hedges were made flexible and lengthened by canceling €3.7 billion in lines with maturities of 3 to 5 years, and implementing €1.4 billion in new lines, with maturities of 4 to 9 years. This restructuring will allow the Group to limit the increase in the cost of debt to 4.15% over 2011, and obtain better visibility of this cost in the medium and long terms. The Group has also applied a measure of internal discipline, consisting of limiting debt to 45% of the value of its assets.

Gecina will continue to diversify its sources of finance, which it began in 2010 through a €500 million bond issue (see recent events below), and has set a target of 40% of bond debt for the medium term (*versus* 25% of gross debt at end-2010). As at February 28, the Group will already be at a ratio of 35% following this new issue. The attractiveness of the bond market is a result of a larger spread between these two transactions: 285 bp for the September 2010 issue and 168 bp for the February 2011 issue.

The increase in the cost of debt was controlled by restructuring the derivatives portfolio. Gecina will continue its efforts to minimize the cost of debt particularly on margins.

Finally, in the medium term Gecina seeks to continue improving its credit rating, which is currently BBB- with Standard & Poor's (stable outlook) and Baa3 with Moody's (stable outlook).

2011 recurring income is projected to reduce by some 7% due to increased cost of debt. Gecina will benefit, however, from a recovery in its revenues, as well as positive exceptional items.

14.2. Projects

As at December 31, 2010, Gecina's development pipeline totaled €1,583 million, of which €865 million remained to be disbursed (45% of which was realized by end-2010 and 81% of which will be realized by December 31, 2011). These projects will result in an expected net return of 6.4% and a margin over total cost of the properties of 13.6%. Annual potential gross rental income is estimated at €102 million.

The return on the cost of acquisitions/deliveries and the pipeline totals 6.2%. The return corresponding to the historic pipeline (purchased prior to 2009) is 5.6%, and projects launched in 2010 show a spread of greater than 1.7% (7.3% on average). The total return on investments launched during the year, including announced acquisitions, is 7.1%.

	Delivery value (2009)	Delivery value (2010)	Total cost	Cost margin	Return on cost
Delivered project, 2010		454	480	-26	5.7%
Historic pipeline	731	772	795	-23	5.5%
TOTAL HISTORIC PIPELINE	731	1,226	1,275	-49	5.6%
Beaugrenelle	577	645	446	199	7.7%
Acquisitions from 2010		247	250	-3	6.4%
New pipeline, 2010		382	342	40	6.7%
TOTAL OPERATIONS 2010	577	1,275	1,038	236	7.1%

14.3. Recent events

On January 25, 2011, Gecina successfully completed a €500 million bond issue, with maturity of 5 years, expiring February 3, 2016, with a spread of 168 bp over the mid-swap rate and a coupon of 4.25%. The transaction was over-subscribed by a factor of 6, confirming renewed interest from European investors. This spread is significantly below the 285 bp on the bond issue with four year maturity launched by Gecina in September 2010. This improvement is primarily a reflection of the positive effects of Standard & Poor's upgrading for the Group's credit rating to BBB- in October 2010, as well as renewed confidence from European bond investors.

On February 15, 2011, Gecina signed a sale commitment for a portfolio of logistics assets based on a net contract price of

€119.2 million with the Carval fund (Cargill Group). This portfolio includes 22 assets with total floor space of 416,054 sqm., and vacancy rate at 42%. The Group also sold an office asset for €33.7 million and sold €71 million in residential assets, €47 million of which were under a sale commitment.

The Group is in the process of an exclusive negotiation for a portfolio of 31 medical-social establishments operated by the DVD Group and Korian, with a total value of €239 million, offering a net return of 6.35%. A program to finance expansion and renovation work on acquired assets is projected to total €26 million, to be offset by higher rents.

STATUTORY AUDITORS

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15.1. Parties responsible for auditing the Financial statements

Incumbent Statutory Auditors

Mazars

Member of the Compagnie Régionale de Versailles
Represented by Bernard Espana
Exaltis - 61, rue Henri-Regnault
92400 Courbevoie

Mazars was appointed at the Combined General Meeting of Shareholders on June 2, 2004 for a six-year term. Its term of office was renewed by the General Meeting of Shareholders on May, 10, 2010. It will expire at the end of the Ordinary General Meeting of Shareholders called to approve the Annual Financial Statements for the year ending December 31, 2015.

PricewaterhouseCoopers Audit

Member of the Compagnie Régionale de Versailles
Represented by Olivier Thibault
63, rue de Villiers
92208 Neuilly-sur-Seine cedex

PricewaterhouseCoopers Audit was appointed at the Combined General Meeting of Shareholders on June 2, 2004 for a six-year term. Its term of office was renewed by the General Meeting of Shareholders on May, 10, 2010. It will expire at the end of the Ordinary General Meeting of Shareholders called to approve the Annual Financial Statements for the year ending December 31, 2015.

Deputy Statutory Auditors

Philippe Castagnac

Member of the Compagnie Régionale de Versailles
Exaltis – 61, rue Henri-Regnault
92400 Courbevoie

The office of Patrick de Cambourg, appointed at the Combined General Meeting of Shareholders on June 2, 2004 for a six-year term expired at the end of the Ordinary General Meeting of Shareholders on May 10, 2010. Mr. Philippe Castagnac was appointed during the General Meeting to replace him. His term of office will expire at the end of the Ordinary General Meeting of Shareholders called to approve the Annual Financial Statements for the year ending December 31, 2015.

Yves Nicolas

Member of the Compagnie Régionale de Versailles
63, rue de Villiers
92208 Neuilly-sur-Seine cedex

The office of Pierre Coll, appointed at the Combined General Meeting of Shareholders on June 2, 2004 for a six-year term expired at the end of the Ordinary General Meeting of Shareholders on May 10, 2010. Mr. Yves Nicolas was appointed during the General Meeting to replace him. His term of office will expire at the end of the Ordinary General Meeting of Shareholders called to approve the Annual Financial Statements for the year ending December 31, 2015.

15.2. Fees

The Statutory Auditors' fees recognized on the income statement for the certification and review of the individual and Consolidated Financial Statements in addition to the various related engagements amount to:

€000	PricewaterhouseCoopers Audit				Mazars & Guérard				Total			
	Amount (net of tax)		%		Amount (net of tax)		%		Amount (net of tax)		%	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Audit												
• Statutory auditing* certification, review of the individual and Consolidated Financial Statements												
Issuer	644	548	62%	64%	566	481	69%	62%	1,210	1,029	66%	63%
Subsidiaries	233	216	23%	25%	228	211	28%	27%	461	427	25%	26%
subtotal	877	764	85%	89%	794	692	97%	89%	1,671	1,459	91%	89%
• Other audits and services linked directly to statutory auditing assignment												
Issuer	143	97	14%	11%	23	22	3%	3%	166	119	9%	7%
Consolidated subsidiaries	8		1%			60		8%	8	60		4%
subtotal	151	97	15%	11%	23	82	3%	11%	174	179	9%	11%
Other services												
Legal, tax, social, other												
subtotal												
TOTAL	1,028	861	100%	100%	817	774	100%	100%	1,845	1,635	100%	100%

15.3. Statutory Auditors' Reports

These reports are free translations into English of the Statutory Auditors' reports issued in French and are provided solely for the convenience of English speaking users. The Statutory Auditors' reports include information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated (resp. annual) Financial statements and include an explanatory paragraph discussing the auditors' assessment of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated (resp. annual) Financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated (resp. annual) Financial statements.

These reports should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

15.3.1. Statutory Auditors' report on the Consolidated Financial Statements

This report concerns the Consolidated Financial Statements presented in Section 4.3.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meeting, we hereby report to you for the year ended December 31, 2010 on:

- the audit of Gecina's Consolidated Financial Statements accompanying this report;
- the justification of our assessments;
- the specific verification required by law.

The Consolidated Financial Statements have been approved by the Board of Directors. Our role is to express an opinion on these Financial statements based on our audit.

1. Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2010 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.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- the real estate assets are subject, at each closing, to appraisal procedures by independent real estate appraisers in accordance with methods described in Note 3.1 to the Consolidated Financial Statements. We have reviewed the appropriateness of these methods and their proper application. We have also verified that the determination of fair value for the investment property and property for sale presented in the consolidated balance sheet and Notes 5.1 and 5.5 to the Consolidated Financial Statements was performed on the basis of these external appraisals. In addition, we have obtained assurance that, based on these external appraisals, the level of impairment applied to the real estate assets valued at historical cost in the consolidated financial statement was sufficient. As indicated in Note 3.14 to the Consolidated Financial Statements, the appraisals carried out by the independent real estate appraisers are based on estimates and it is therefore possible that the real estate assets could be sold at values differing from the appraisals carried out at year-end.
- as indicated in Note 3.8 to the Consolidated Financial Statements, the Group uses financial derivative instruments recorded on the consolidated balance sheet at fair value. To determine this fair value, the Group uses valuation techniques based on market parameters. We have reviewed the data and the assumptions on which these estimates are based, as well as the calculations carried out by the Group. As indicated in Note 3.14 to the Consolidated Financial Statements, the valuations performed by the Group are based on estimates and it is therefore possible that the price at which these financial derivative instruments could be sold differs from the valuation carried out at year-end.

- as indicated in Notes 3.2.2 and 3.2.3 to the Consolidated Financial Statements, the non-consolidated interests are estimated at their fair value and other financial investments are depreciated when there is a long-term impairment. To determine the fair value of non-consolidated interests and the potential long-term impairment of other financial investments, the Group reviews the situation of each asset and uses assumptions and forecasts. We have assessed these elements and reviewed the valuations performed by the Group. As indicated in Note 3.14 to the Consolidated Financial Statements, these valuations are based on estimates and it is therefore possible that the value at which these assets could be sold differs from the valuations carried out at year-end.

The assessments were thus made in the context of the performance of our audit of the Consolidated Financial Statements taken as a whole and have therefore contributed to the formation of our audit opinion expressed in the first part of this report.

3. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France of the information given in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the Consolidated Financial Statements.

Neuilly-sur-Seine and Courbevoie, March 8, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Thibault

Partner

Mazars

Bernard España

Partner

15.3.2. Statutory Auditors' report on the Annual Financial Statements

This report concerns the Annual Financial Statements presented in Section 5.4.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying Annual Financial Statements of Gecina;
- the justification of our assessments;
- the specific verifications and information required by law.

These Annual Financial Statements have been approved by the Board of Directors. Our role is to express an opinion on these Financial statements based on our audit.

1. Opinion on the Financial statements

We conducted our audit in accordance with the auditing standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the Financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the Financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Financial statements give a true and fair view of the financial position and assets and liabilities of Gecina, as of 31 December 2010, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion, we draw your attention to Note 2 to the Annual Financial Statements related to the changes applied to the presentation of the income statement.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters::

- the accounting rules and methods applicable to property holding and financial investments are respectively described in Notes 3.1 and 3.2 to these Financial statements. We have verified the appropriateness of these estimation methods and their proper application.

The assessments were thus made in the context of the performance of our audit of the Financial statements, taken as a whole, and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

3. Specific verifications and information

We have also performed the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the Financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the Financial statements;

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to compensation and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the Financial statements, or with the underlying information used to prepare these Financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names and voting rights of the shareholders has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, March 8, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Thibault

Partner

Mazars

Bernard España

Partner

15.3.3. Statutory Auditors' report pursuant to Article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board

This report concerns the Chairman report presented in Section 13.

In our capacity as Statutory Auditors of Gecina and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-37 of French Commercial Code for the financial year ended December 31, 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the company and providing other information required by Article L. 225.37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified, that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with the auditing standards applicable in France.

Information concerning the internal control procedures and the risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we plan and perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control procedures and the risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, as well as existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We attest that the report of the Chairman's report sets out the other information required in Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, March 8, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Thibault

Partner

Mazars

Bernard España

Partner

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Offices

	Year	Number of housing units	Housing units surface area	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Activities surface area (in sqm.)	Total surface area (in sqm.)	Company
Assets in operation								
75 Paris 1st district								
55, boulevard de Sébastopol	1880	8	577	563	200	-	1,340	Gecina
10-12, place Vendôme	1750	-	-	7,821	1,002	-	8,823	Gecina
1, boulevard de la Madeleine	End 19th C./ 1996	6	548	1,144	684	-	2,376	Gecina
Paris 2nd district								
35, avenue de l'Opéra – 6, rue Danielle-Casanova	1878	10	545	1,739	-	-	2,284	Geciter
26-28, rue Danielle-Casanova	1800	3	252	822	308	-	1,382	Geciter
10, rue du Quatre-Septembre – 79, rue de Richelieu – 1, rue Ménars	1870	1	105	1,835	720	-	2,660	Geciter
Central Office – 120-122, rue Réaumur – 7-9, rue Saint-Joseph	1880/1890/ 2008	-	-	4,998	-	-	4,998	Geciter
16, rue des Capucines	1970/2005	-	-	10,570	-	-	10,570	Geciter
Le Building – 37, rue du Louvre – 25, rue d'Aboukir	1935/2009	-	-	7,064	535	-	7,599	Geciter
64, rue Tiquetonne – 48, rue Montmartre	1850	52	4,484	5,719	-	-	10,203	Gecina
12, rue de Volney	1850	-	-	2,048	-	-	2,048	Gecina
14, rue de Volney	1850	-	-	-	-	-	-	Gecina
31-35, boulevard des Capucines	1992	-	-	4,136	1,617	-	5,753	SCI Capucines
5, boulevard Montmartre	1995	17	1,342	3,648	2,487	-	7,477	SCI du 5, bd Montmartre
29-31, rue Saint-Augustin	1996	6	445	4,531	274	-	5,250	SCI Saint- Augustin
4, rue de la Bourse	1750	10	823	3,570	382	-	4,775	Geciter
3, place de l'Opéra	1870	-	-	3,872	719	-	4,591	Geciter

	Year	Number of housing units	Housing units surface area	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Activities surface area (in sqm.)	Total surface area (in sqm.)	Company
Paris 6th district								
77-81, boulevard Saint-Germain	2002	-	-	5,001	8,508	-	13,509	Geciter
Paris 7th district								
3/7, rue de Monttessuy	1994	1	97	8,058	392	-	8,547	SCI Monttessuy
Paris 8th district								
26, rue de Berri	1971	-	-	1,836	1,004	-	2,840	Geciter
151, boulevard Haussmann	1880	16	1,271	2,085	-	-	3,356	Geciter
153, boulevard Haussmann	1880	17	666	4,021	-	-	4,687	Geciter
155, boulevard Haussmann	1880	11	449	3,676	-	-	4,125	Geciter
22, rue du Général-Foy	1894	4	300	2,312	-	-	2,612	Geciter
43, avenue de Friedland – rue Arsène-Houssaye	1867	-	-	1,672	-	-	1,672	Geciter
57, avenue Franklin-D- Roosevelt – 24, rue du Colisée	1890	4	127	1,491	217	-	1,835	Geciter
38, avenue George-V – 53, rue François-1 ^{er}	1961	-	-	496	856	-	1,352	Geciter
41, avenue Montaigne – 2, rue de Marignan	1924	2	106	1,375	583	-	2,064	Geciter
162, rue du Faubourg Saint-Honoré	1953	-	-	1,808	133	-	1,941	Geciter
Origami – 34-36, avenue de Friedland	1973/2010	-	-	5,053	-	-	5,053	Gecina
169, boulevard Haussmann	1880	8	661	730	339	-	1,730	Gecina
59-61, rue du Rocher	1964	-	-	3,657	-	-	3,657	Gecina
Parkings Haussmann	1880	-	-	-	-	-	-	Gecina
44, avenue des Champs-Élysées	1925	-	-	2,781	2,242	-	5,023	Gecina
66, avenue Marceau	1997/2007	-	-	4,856	-	-	4,856	Gecina
45-45, rue Galilée	-	-	-	-	-	-	-	Gecina
30, place de la Madeleine	1900	2	279	790	1,101	-	2,170	Gecina
Parc Haussmann-Berry	1990	-	-	-	-	-	-	Gecina
	End 19th C./							
9-15, avenue Matignon	1997	35	2,585	5,333	4,144	-	12,062	Gecina
24, rue Royale	1996	-	-	1,609	1,287	-	2,896	Gecina
18-20, place de la Madeleine	1930	-	-	2,609	595	-	3,204	SA SPIPM
101, avenue des Champs-Élysées	1995/2006	-	-	6,363	2,212	-	8,575	SA Hôtel d'Albe
75, rue du Faubourg Saint-Honoré	1800	1	15	95	179	-	289	SA Hôtel d'Albe
Parking George-V	1977	-	-	-	-	-	-	SA Hôtel d'Albe
8, avenue Delcassé	1988	-	-	8,096	1,687	-	9,783	SA Hôtel d'Albe
								SCI du 55, rue d'Amsterdam
55, rue d'Amsterdam	1996	-	-	10,824	539	-	11,363	d'Amsterdam
17, rue du Docteur-Lancereaux	1972	-	-	5,428	-	-	5,428	Gecina
20, rue de la Ville-l'Évêque	1967	-	-	5,450	-	-	5,450	Gecina
27, rue de la Ville-l'Évêque	1962	-	-	3,169	-	-	3,169	Gecina
5, rue Royale	1850	1	128	1,968	181	-	2,277	Geciter
7, rue de Bucarest	1972	-	-	2,749	-	-	2,749	Gecina

	Year	Number of housing units	Housing units surface area	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Activities surface area (in sqm.)	Total surface area (in sqm.)	Company
Paris 9th district								
21, rue Auber – 24, rue des Mathurins	1866	6	300	799	428	-	1,527	Geciter
23-29, rue de Châteaudun, 26-28, rue Saint-Georges	1995	-	-	15,351	-	-	15,351	SAS 23/29, rue de Châteaudun
1-3, rue de Caumartin	1780	4	266	1,558	1,050	-	2,874	Gecina
32, boulevard Haussmann	2002	-	-	2,513	537	-	3,050	Gecina
Paris 12th district								
2-12, rue des Pirogues	1998	-	-	5,461	-	-	5,461	Geciter
2-12, rue des Pirogues	1998	-	-	7,103	-	-	7,103	Geciter
58-62, quai de la Rapée (parking lots)	1990	-	-	-	-	-	-	S.P.L.
Tour Gamma – 193, rue de Bercy	1972	-	-	15,290	548	-	15,838	Gecina
Paris 14th district								
11, boulevard Brune	1973	-	-	2,544	237	-	2,781	Gecina
37-39, rue Dareau	1988	-	-	-	-	4,857	4,857	Gecina
Paris 15th district								
28-28 bis, rue du Docteur-Finlay 5, rue Sextius-Michel	1960	-	-	3,444	-	-	3,444	Geciter
33, avenue du Maine (Tour Maine-Montparnasse – 50 th floor)	1991	-	-	1,822	-	-	1,822	Gecina
34, rue de la Fédération	1973	-	-	6,579	-	-	6,579	Gecina
Paris 16th district								
58-60, avenue Kléber	1992	-	-	4,201	588	-	4,789	SA Sadia
40, rue Lauriston	1900	-	-	-	-	-	-	SA Sadia
24, rue Erlanger	1965	-	-	5,956	-	-	5,956	Geciter
100, avenue Paul-Doumer	1920	-	-	-	294	-	294	Gecina
Paris 17th district								
63, avenue de Villiers	1880	8	406	2,912	-	-	3,318	Geciter
153, rue de Courcelles	1991	-	-	18,716	1,138	-	19,853	SICB 153, rue de Courcelles
45, avenue de Clichy – 2-4, rue Hélène	1991	-	-	3,900	-	-	3,900	Gecina
32-34, rue Guersant	1992	-	-	13,175	-	-	13,175	Geciter
Paris 20th district								
Le Valmy – 4-16, avenue Léon-Gaumont	2006	-	-	29,444	-	-	29,444	Gecina
Total buildings in operation in Paris		233	16,777	310,239	39,947	4,857	371,820	
78 78140 Vélizy-Villacoublay								
Square – 8-10, avenue Morane Saulnier	1979/1980	-	-	7,368	-	-	7,368	Colvel Windsor
Crystalys – 6, avenue Morane Saulnier – 3, rue Paul Dautier	2007	-	-	25,806	-	-	25,806	Colvel Windsor

	Year	Number of housing units	Housing units surface area	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Activities surface area (in sqm.)	Total surface area (in sqm.)	Company
78180 Montigny-le-Bretonneux								
1, avenue Niepce	1984	-	-	4,050	-	-	4,050	Gecina
5-9, avenue Ampère	1986	-	-	5,534	-	-	5,534	Gecina
4, avenue Newton	1978	-	-	4,398	-	-	4,398	Gecina
6, avenue Ampère	1981	-	-	3,204	-	-	3,204	Gecina
91 91220 Brétigny-sur-Orge								
ZI Les Bordes	1975	-	-	17,139	-	-	17,139	Geciter
92 92052 Courbevoie (Paris-La Défense)								
Le Lavoisier – 4, place des Vosges	1989	-	-	8,473	-	-	8,473	Geciter
92100 Boulogne-Billancourt								
73-77, rue de Sèvres	1973	-	-	5,790	-	-	5,790	Gecina
Khapa – 65, quai Georges Gorse	2008	-	-	19,212	427	-	19,639	SAS Khapa
L'Angle – 4, cours de l'Île Seguin	2008	-	-	11,082	345	-	11,427	SAS L'Angle
63-67 rue Marcel Bontemps – 26-30 Cours Émile Zola	2010	-	-	9,257	230	-	9,487	SAS Anthos
122, avenue du Général-Leclerc	1968/2006	-	-	18,071	6,004	-	24,075	Geciter
92150 Suresnes								
1, quai Marcel Dassault	2003	-	-	12,692	-	-	12,692	SAS 1 Quai M. Dassault Suresnes
92200 Neuilly-sur-Seine								
159-161, avenue Achille-Peretti 17, rue des Huissiers	1914	-	-	3,830	-	-	3,830	Geciter
157, avenue Charles-de-Gaulle	1959	-	-	5,779	265	-	6,044	Geciter
159, avenue Charles-de-Gaulle	1970	-	-	3,864	-	-	3,864	Geciter
12-16, boulevard du Général-Leclerc	1973	8	541	15,867	-	-	16,408	Gecina
6 bis-8, rue des Graviers	1959	-	-	4,544	-	-	4,544	Gecina
163-165, avenue Achille-Peretti	1970	-	-	2,580	-	-	2,580	Gecina
92215 La Défense								
47, rue Louis-Blanc	1992	-	-	7,609	-	-	7,609	Gecina
92300 Levallois-Perret								
97, rue Anatole-France	1986	-	-	1,379	-	-	1,379	Gecina
16, rue Paul-Vaillant-Couturier	1982	-	-	2,078	-	-	2,078	Gecina
2-4, quai Michelet	1996	-	-	32,960	-	-	32,960	SNC Michelet
55, rue Deguingand	1974	-	-	4,655	-	-	4,655	Geciter
92400 Courbevoie								
Pyramidion – ZAC Danton 16, 16 bis, 18 28, avenue de l'Arche 34, avenue Léonard de Vinci	2007	-	-	9,363	-	-	9,363	Le Pyramidion
92500 Rueil-Malmaison								
55-57, avenue de Colmar – 97-101, avenue Victor-Hugo	1988	-	-	2,950	-	-	2,950	Gecina
Vinci 1 – Cours Ferdinand-de-Lesseps	1992	-	-	24,312	1,351	-	25,663	SP1
Vinci 2 – Place de l'Europe	1993	-	-	8,870	916	-	9,786	SP1

	Year	Number of housing units	Housing units surface area	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Activities surface area (in sqm.)	Total surface area (in sqm.)	Company
92700 Colombes								
Portes de la Défense – 15/55, boulevard Charles-de-Gaulle – 307, rue d’Estienne d’Orves	2001			42,788			42,788	Gecina
Défense Ouest – 420-426, rue d’Estienne-d’Orves	2006			57,151			57,151	Gecina
94 94110 Arcueil								
13, rue Nelson Mendela – Bât. A	2010			14,812	714		15,526	Gecina
13, rue Nelson Mendela – Bât. B	2010			15,090			15,090	Gecina
13, rue Nelson Mendela – Bât. C	2010			14,119			14,119	Gecina
94250 Gentilly								
1, parvis Mazagran	2004			13,765	578		14,343	Gecina
94300 Vincennes								
5-7, avenue de Paris	1988	-	-	3,579	-	-	3,579	Gecina
9, avenue de Paris	1971/2003	-	-	1,967	-	-	1,967	Gecina
Total buildings in operation in Paris region		8	541	445,987	10,829	-	457,357	
Total buildings in operation in Paris and in Paris region		241	17,318	756,226	50,776	4,857	829,177	
69 Lyon 2nd district								
27, quai Saint-Antoine	1650	-	-	-	350	-	350	Gecina
28, quai Saint-Antoine	1650	-	-	-	45	-	45	Gecina
29-30, quai Saint-Antoine	1650	6	460	-	2,373	-	2,833	Gecina
Lyon 3rd district								
19-20, quai Augagneur	1860/1890	27	1,825	-	1,750	-	3,575	Gecina
74, rue de Bonnel	1986	-	-	1,950	-	-	1,950	Gecina
21, rue François-Garcin	1989	-	-	1,848	-	-	1,848	Gecina
19-21, cours de la Liberté	1850	14	549	-	1,773	-	2,322	Gecina
74-78 et 82, rue de la Villette (Part-Dieu)	2004	-	-	13,087	-	-	13,087	Geciter
Lyon 7th district								
174, avenue Jean-Jaurès	1950/70/94	-	-	3,783	-	-	3,783	Gecina
69540 Irigny								
Le Broteau	1980	-	-	-	-	10,400	10,400	Gecina
69740 Génas								
Rue de Genève	1991	-	-	-	-	5,565	5,565	Gecina
Total buildings in operation in Lyon and in Lyon region		47	2,834	20,668	6,291	15,965	45,758	
Other countries								
28050 Spain (Madrid)								
61, calle Velazquez	1950				174		174	SIF (Spain)
118, avenida Burgos – 2, avenida Manoteros	2004				12,096		12,096	SIF (Spain)
Total buildings in operation in other countries		-	-	-	12,270	-	12,270	
TOTAL OFFICE PROPERTY IN OPERATION		288	20,152	776,894	69,336	20,822	887,204	

	Year	Number of housing units	Housing units surface area	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Activities surface area (in sqm.)	Total surface area (in sqm.)	Company
Land reserves								
69	Lyon 3rd district							
	72-86, avenue Félix-Faure – 106, boulevard Vivier-Merle ZAC Buire (Réserves foncières)							
	1880	-	-	-	-	31,234	31,234	SAS Buire Aménagement
	Lyon 7th district							
	174-188, avenue Jean-Jaurès – 42, rue Pré-Gaudry							
	1950/70/94			4,133	-	7,945	12,078	Gecina
	1850/1980/97							
		-		8,163	-	13,671	21,834	Gecina
	1850/1980/97							
		-	-	1,635	-	-	1,635	Gecina
	69100 Villeurbanne							
	1, avenue Paul-Kruger – 51, rue Emile-Decorps							
	1981	-	-	-	-	2,440	2,440	Gecina
	TOTAL LAND RESERVES		-	-	13,931	-	55,290	69,221
Assets under development								
75	Paris 8th district							
	64, rue de Lisbonne – rue Murillo							
	1987	-	-	4,700	-	-	4,700	Gecina
	Paris 9th district							
	16, boulevard Montmartre							
	1820	36	1,457	2,314	936	-	4,707	Gecina
	Paris 15th district							
	16, rue Linois (Centre Commercial Beaugrenelle)							
	1979			-	45,000	-	45,000	SCI Beaugrenelle
	16, rue Linois (C. Commercial Beaugrenelle – parking lots)							
	1979	-	-	-	-	-	-	SCI Beaugrenelle
	31, quai de Grenelle (Mercure)							
	1973	-	-	8,250	-	-	8,250	Gecina
	31, quai de Grenelle (Semea XV)							
	1973	-	-	-	-	-	-	Gecina
	51-53, quai de Grenelle (Mercure 2)							
	1975			3,286			3,286	SCI Beaugrenelle
91	91120 Montrouge							
	Park Azur – 97, avenue Pierre Brosolette							
	under construction			24,000			24,000	BRO Montbossol
92	92200 Neuilly-sur-Seine							
	96-104, avenue Charles-de-Gaulle							
	1964			12,569			12,569	Geciter
	92230 Gennevilliers							
	Metro 2 – ZAC Barbusse Péri							
	under construction			15,000			15,000	Gecina
	92250 La Garenne-Colombes							
	41, avenue de Verdun							
	under construction			17,860			17,860	Gecina
69	Lyon 3rd district							
	106, boulevard Vivier Merle							
	under construction	-	-	15,186	-		15,186	Gecina
Other countries	28050 Spain (Madrid)							
	16, calle del Puerto Somport							
	under construction			6,606			6,606	SIF (Spain)
	10, calle del Puerto Somport							
	under construction			9,310			9,310	SIF (Spain)
	TOTAL DEVELOPMENT		36	1,457	119,081	45,936	-	166,474
	GRAND TOTAL OFFICE PROPERTY		324	21,609	909,906	115,272	76,112	1,122,899

Summary of offices

	Office surface area (in sqm.)	Retail surface area (in sqm.)
Paris	332,977	69,418
Residential part of primarily residential assets	17,881	29,471
Residential part of primarily commercial assets	315,096	39,947
Paris region	447,242	16,473
Residential part of primarily residential assets	1,255	5,644
Residential part of primarily commercial assets	445,987	10,829
Lyon	39,877	8,309
Residential part of primarily residential assets	3,244	2,018
Residential part of primarily commercial assets	36,633	6,291
Other regions	418	933
Residential part of primarily residential assets	418	933
Residential part of primarily commercial assets	0	0
Other countries	0	12,270
Residential part of primarily residential assets	0	0
Residential part of primarily commercial assets	0	12,270
Residential property portfolio in operation at December 31, 2010	820,514	107,403
Miscellaneous programs for sale at December 31, 2010	672	939
Residential part of primarily residential assets	672	939
Residential part of primarily commercial assets	0	0
Programs under construction and land reserves	188,463	48,336
TOTAL RESIDENTIAL PROPERTY PORTFOLIO AT DECEMBER 31, 2010	1,009,649	156,678
Residential part of primarily residential assets	23,631	41,405
Residential part of primarily commercial assets	986,018	115,272

Logistics

		Year	Logistics surface area (in sqm.)	Total surface area (in sqm.)	Company
In operation					
01	01150 Saint-Vulbas Allée des chênes – Parc Industriel de la Plaine de l'Ain	1998	16,885	16,885	GEC 4
02	02103 Saint-Quentin ZI de Morcourt – BP 146	1968/1980	7,920	7,920	GEC 4
13	13140 Miramas Rue du Comte de la Pérouse – ZI Clesud	2005	16,948	16,948	GEC 4
	13310 Saint-Martin-de-Crau Pont des Morts	2004	30,913	30,913	GEC 4
	Pont des Morts	2006	30,075	30,075	GEC 4
21	21600 Longvic 3, rue Colbert	1974	3,100	3,100	GEC 4
27	27100 Val-de-Reuil Pharmaparc – Chaussée du Parc – Route des Falaises	2002	10,084	10,084	GEC 4
31	31170 Tournefeuille 10, bd Marcel-Paul – ZAC de Pahin Concerto	2002	11,383	11,383	GEC 4
37	37521 La Riche 2, rue Jules Vernes – ZI Saint-Come	1971	14,400	14,400	GEC 4
41	41018 Blois 133, avenue de Vendôme	1966	12,742	12,742	GEC 4
44	44000 Nantes 2, impasse du Belem	1984	4,091	4,091	GEC 4
	44800 Saint-Herblain Rue B. Sands – ZAC de la Lorie	1999	20,270	20,270	GEC 4
45	45130 Meung-sur-Loire Val-de-Loire – 1st avenue – ZAC Parc Synergie	2001	26,344	26,344	GEC 4
	45140 Ormes Rue Passée-la-Balance – ZAC Les Sablons	2000	12,243	12,243	GEC 4
	Rue des Sablons – Appel (Ormes I)	1990	18,600	18,600	GEC 4
	Rue des Sablons – Bacon (Ormes II)	1992	20,300	20,300	GEC 4
	Rue des Sablons – Ormes (Ormes III)	1987	18,686	18,686	GEC 4
51	51520 Saint-Martin-sur-le-Pré Rue Charles Marie Ravel	1981	2,578	2,578	GEC 4
	51520 Récy Parc industriel de Saint-Martin-sur-le-Pré – Lieu-dit "Les Madilles"	2010	42,372	42,372	GEC 4
54	54250 Champigneulle 7, rue des Ampère – Parc logistique Est	2000	16,885	16,885	GEC 4
59	59282 Douchy-les-Mines Lieu-dit "La Vergris"	1994	9,653	9,653	GEC 4
	59553 Lauwin-Planque ZAC de Lauwin-Planque – Bât. A	2009	30,641	30,641	GEC 4
	ZAC de Lauwin-Planque – Bât. B	2010	41,132	41,132	GEC 4
	59813 Lesquin Rue de la Haie-Plouvier	1974	8,375	8,375	GEC 4
60	60330 Lagny-le-Sec Pointe de Baranfosse – 1, carrefour du Monay	2007	16,313	16,313	GEC 4

	Year	Logistics surface area (in sqm.)	Total surface area (in sqm.)	Company
62 62232 Annezin				
553, boulevard de la République	1972	5,250	5,250	GEC 4
69 69330 Meyzieu				
Parc d'activités Les Portes de Meyzieu – 15, avenue des Pays-Bas – Bâtiment A	2001	16,177	16,177	GEC 4
Parc d'activités Les Portes de Meyzieu – 17, avenue des Pays-Bas – Bâtiment B	2001	15,334	15,334	GEC 4
69400 Arnas				
1, avenue de Beaujeu – Z.I. Nord de Villefranche-sur-Saône	1980	8,100	8,100	Arnas
69960 Corbas				
1, avenue du 24 août 1944	2000	24,890	24,890	GEC 4
9, avenue du 24 août 1944	1970/2007	17,640	17,640	GEC 4
72 72300 Louailles				
ZAC Ouest Park	2010	31,646	31,646	GEC 4
76 76120 Le Grand-Quevilly				
5, avenue Victor Grignard – ZI du Grand-Launay	2001	15,820	15,820	GEC 4
76320 Caudebec-les-Elbeuf				
7, rue des Chennevières	1960	39,140	39,140	GEC 4
76800 Saint-Étienne-du-Rouvray				
Rue Michel Poulmarch	1988	6,564	6,564	GEC 4
77 77000 Vaux-le-Pénil				
Zac du Tertre-Chérisy	2002	70,607	70,607	GEC 4
77230 Moussy-le-Neuf				
"Lieu-dit le Marais" – ZA La Barogne – 5, rue de la Fontaine des Bries – Bât A & B	2010	54,084	54,084	GEC 4
78 78190 Trappes				
Rue Enrico Fermi	1966	56,804	56,804	GEC 4
6, avenue Georges Politzer	2006	8,045	8,045	GEC 4
84 84091 Avignon				
63, rue du Petit-Mas – ZI de Courtine	1978	3,722	3,722	GEC 4
86 86060 Poitiers				
ZI de la République – Centre de Gros – BP 1002	1969	2,615	2,615	GEC 4
91 91180 Saint-Germain-lès-Arpajon				
Rue des Cochets (Arcturus)	2000	19,592	19,592	GEC 4
Rue des Cochets (Beethoven)	2002	29,868	29,868	GEC 4
91380 Chilly-Mazarin				
27-35, rue Hélène Boucher	2003	23,757	23,757	GEC 4
91420 Morangis				
3-5, rue Louis Braille	2007	7,440	7,440	GEC 4
91470 Forges-les-Bains				
ZA Bajolet	1991	4,586	4,586	GEC 4
92 92390 Villeneuve-la-Garenne				
50-58, rue du Vieux-Chemin	1989	5,073	5,073	GEC 4
93 93123 La Courneuve				
1-5, avenue Louis Blériot	1968	12,142	12,142	GEC 4
93200 Saint-Denis				
164, rue du Landy and 41/43, rue Pleyel	1971	6,372	6,372	GEC 4
95 95946 Roissy-en-France				
16, rue de Lièvres – ZI Paris Nord 2	1986	6,621	6,621	GEC 4
Total "logistics" France		934,822	934,822	

	Year	Logistics surface area (in sqm.)	Total surface area (in sqm.)	Company
Other countries				
Pamplona (Spain)				
Chagall Desarrollo – C / Olite 40 4° Derecha	2004	18,956	18,956	Chagall Desarrollo
Irun (Spain)				
Denis Inversiones (Plaza Euskadi – Edificio Zaisa)	-	114	114	Denis Inversiones
Varsovie (Poland)				
Księża Ziemowita Street No.59 – Warsaw	2000	24,653	24,653	Haris Inves
Budapest (Hungary)				
Leshegyi str. 12276/5, Leshegyi Industrial Park	2003/2007	31,383	31,383	Braque Ingatlan
Kampenhout (Belgium)				
Ernst Belgie	-	21,678	21,678	Ernst Belgium
Total "logistics" other countries		96,784	96,784	
TOTAL "LOGISTICS" IN OPERATION		1,031,606	1,031,606	
Assets under development				
69				
69960 Corbas	Under construction			
9, avenue du 24 août 1944		10,465	10,465	GEC 4
77				
77230 Moussy-le-Neuf	Under construction			
"Lieu-dit le Marais" – ZA La Barogne		39,947	39,947	GEC 4
TOTAL LOGISTICS PROPERTY UNDER DEVELOPMENT		50,412	50,412	
GRAND TOTAL LOGISTICS PROPERTY		1,082,018	1,082,018	

Logistics property holding

	Logistics surface area (in sqm.)	Total surface area (in sqm.)
Paris region	304,991	304,991
Lyon	82,141	82,141
Other regions	547,690	547,690
Other countries	96,784	96,784
Logistics property portfolio in operation at December 31, 2010	1,031,606	1,031,606
Programs under construction and land reserves	50,412	50,412
TOTAL LOGISTICS PORTFOLIO AT DECEMBER 31, 2010	1,082,018	1,082,018

Hotels

	Year	Number of rooms	Hotel surface area (in sqm.)	Number of beds	Healthcare surface area (in sqm.)	Total surface area (in sqm.)	Company
Hotels							
06	06650 Opio						
	Village Club Med Opio Domaine de la Tour Chemin de la Tourreviste	1989	502	29,489		29,489	Gecotel
26	26790 Rochegude						
	Château de Rochegude	1750	25	1,916		1,916	Investibail Transactions
73	73150 Val-d'Isère						
	Village Club Med le Legettaz	1990	376	17,460		17,460	Gecotel
	73210 Peisey-Vallandry						
	Village Club Med Plan-Peisey	2005	280	25,367		25,367	Gecotel
	73214 Aime-La Plagne						
	Village Club Med La Plagne	1990	436	17,991		17,991	Gecotel
	Total hotels		1,619	92,223	-	92,223	
	GRAND TOTAL HOTELS PROPERTY		1,619	92,223	5,268	435,611	527,834

Residential

75

	Year	Number of housing units	Housing units surface area (in sqm.)	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Total surface area (in sqm.)	Company
In operation							
Paris 1st district							
184, rue de Rivoli – 2, rue de l'Échelle	1880	12	1,252	259	661	2,172	Gecina
Paris 2nd district							
6 bis, rue Bachaumont	1905	11	967	463	600	2,030	Gecina
Paris 3rd district							
7-7 bis, rue Saint-Gilles	1987	42	2,713	-	116	2,829	Gecina
Paris 6th district							
1, place Michel Debré	1876	14	955	-	231	1,186	Gecina
Paris 7th district							
262, boulevard Saint-Germain	1880	6	560	611	146	1,317	Gecina
266, boulevard Saint-Germain	1880	11	960	-	141	1,101	Gecina
Paris 8th district							
44, rue Bassano – 11, rue Magellan	1907	34	4,335	590	-	4,925	Gecina
80, rue du Rocher	1903	16	1,938	-	179	2,117	Gecina
51, rue de Rome	1865	12	1,149	138	363	1,650	Gecina
165, boulevard Haussmann	1866	12	1,142	420	196	1,758	Gecina
3, rue Treilhard	1866	11	780	296	316	1,392	Gecina
21, rue Clément-Marot	1880	10	1,452	649	-	2,101	Gecina
Paris 9th district							
13-17, cité de Trévise	1998	44	2,766	-	-	2,766	Gecina
Paris 10th district							
41-47, rue de la Grange-aux-Belles	1967	88	5,102	195	466	5,763	Gecina
166-172, quai de Jemmapes	1982	139	8,753	-	-	8,753	Gecina
Paris 11th district							
8, rue du Chemin-Vert	1969	42	2,200	-	713	2,913	Gecina
Paris 12th district							
18-20 bis, rue Sibuet	1992	63	4,423	73	-	4,496	Gecina
9-11, avenue Ledru-Rollin	1997	62	3,055	-	177	3,232	Gecina
25, avenue de Saint-Mandé	1964	82	3,625	-	141	3,766	Gecina
25-27, rue de Fécamp – 45, rue de Fécamp	1988	33	2,511	-	181	2,692	Gecina
46, boulevard de Reuilly – 38, rue Taine	1972	159	8,548	-	2,655	11,203	Gecina
220, rue du Faubourg Saint-Antoine	1969	125	6,485	-	1,019	7,504	Gecina
24-26, rue Sibuet	1970	158	9,708	85	-	9,793	Gecina
Paris 13th district							
20, rue du Champ-de-l'Alouette	1965	53	3,886	570	369	4,825	Gecina
53, rue de la Glacière	1970	53	646	-	99	745	Gecina
49-53, rue Auguste-Lançon – 26, rue de Rungis -55/57, rue Brillat Savarin	1971	40	3,413	1,799	-	5,212	Gecina
2-12, rue Charbonnel – 53, rue de l'Amiral-Mouchez – 65-67, rue Brillat Savarin	1966	181	12,007	-	491	12,498	Gecina
22-24, rue Wurtz	1988	67	4,405	-	248	4,653	Gecina
10-18, passage Foubert	1989	92	6,233	-	-	6,233	Gecina
Paris 14th district							
26, rue du Commandant-René-Mouchotte	1966	316	19,706	-	-	19,706	Gecina
3, villa Brune	1970	108	4,689	-	-	4,689	Gecina

	Year	Number of housing units	Housing units surface area (in sqm.)	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Total surface area (in sqm.)	Company
Paris 15th district							
44-50, rue Sébastien-Mercier	1971	40	2,464	-	569	3,033	Gecina
18-20, rue Tiphaine	1972	80	4,877	1,897	177	6,951	Gecina
37-39, rue des Morillons	1966	37	2,212	212	312	2,736	Gecina
12, rue Chambéry	1968	30	890	-	-	890	Gecina
6, rue de Vouillé	1969	588	28,216	730	1,147	30,093	Gecina
199, rue Saint-Charles	1967	58	3,234	-	-	3,234	Gecina
159-169, rue Blomet – 334-342, rue de Vaugirard	1971	320	21,517	-	7,475	28,992	Gecina
191, rue Saint-Charles – 17, rue Varet	1960	210	12,356	-	-	12,356	Gecina
76-82, rue Lecourbe – rue François Bonvin (Bonvin-Lecourbe)	1971	247	13,875	5,061	480	19,416	Gecina
10, rue du Docteur-Roux – 189-191, rue de Vaugirard	1967	222	13,035	2,755	-	15,790	Gecina
74, rue Lecourbe	1971	93	8,042	186	4,213	12,441	Gecina
22-24, rue Edgar-Faure	1996	85	6,774	-	301	7,075	SAS Parigest
26, rue Linois (Tour H15)	1979	191	11,534	-	-	11,534	SCI H15
89, rue de Lourmel	1988	23	1,487	-	245	1,732	Gecina
39, rue de Vouillé	1999	84	6,292	-	135	6,427	SAS Parigest
168-170, rue de Javel	1962	85	5,817	135	-	5,952	Gecina
148, rue de Lourmel – 74-86, rue des Cévennes – 49, rue Lacordaire	1965	316	21,980	190	612	22,782	Gecina
85-89, boulevard Pasteur	1965	260	16,434	-	-	16,434	Gecina
27, rue Balard	1995	64	5,798	-	-	5,798	SAS Parigest
Paris 16th district							
6-14, rue de Rémusat – Square Henri-Paté	1962	185	16,038	-	1,022	17,060	Gecina
17-19, rue Mesnil – 48, rue Saint-Didier	1963	217	12,813	-	173	12,986	Gecina
46 bis, rue Saint-Didier	1969	42	2,056	-	670	2,726	Gecina
Paris 17th district							
169-183, boulevard Péreire – 7-21, rue Faraday – 49, rue Laugier	1882	41	4,171	-	476	4,647	Gecina
10, rue Nicolas-Chuquet	1995	54	3,159	-	460	3,619	Gecina
169, boulevard Péreire (parking lots)	1882	-	-	-	-	-	Gecina
28, avenue Carnot	1882	24	2,315	-	-	2,315	SAS Parigest
30, avenue Carnot	1882	15	1,274	-	-	1,274	SAS Parigest
32, avenue Carnot	1882	9	1,016	-	189	1,205	SAS Parigest
Paris 18th district							
234, rue Championnet	1980	208	12,243	-	-	12,243	Gecina
40, rue des Abbesses	1907	33	1,951	-	188	2,139	Gecina
Paris 19th district							
8-10, rue Manin	1967	113	6,213	-	-	6,213	Gecina
25-31, rue Pradier – 63, rue Fessart	1965	203	14,569	-	655	15,224	Gecina
Paris 20th district							
59-61, rue de Bagnolet	1979	57	3,227	-	101	3,328	Gecina
44-57, rue de Bagnolet	1992	30	1,926	-	308	2,234	Gecina
162, rue de Bagnolet	1992	32	2,305	79	55	2,439	Gecina
42-52 et 58-60, rue de la Py – 15-21, rue des Montiboeufs	1967	142	8,004	488	-	8,492	Gecina
20-24, rue de la Plaine – 15-17, rue de Lagny	1965	217	12,585	-	-	12,585	Gecina
19-21, rue d'Annam	1981	56	2,866	-	-	2,866	Gecina
Total buildings in operation in Paris		6,807	425,929	17,881	29,471	473,281	

	Year	Number of housing units	Housing units surface area (in sqm.)	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Total surface area (in sqm.)	Company
77 77420 Champs-sur-Marne 6, boulevard Copernic	2010	136	2,659			2,659	GEC 7
78 78000 Versailles 7, rue de l'Amiral-Serre	1974	75	5,577	-	-	5,577	Gecina
Petite place -7-9, rue Sainte-Anne – 6, rue Madame – 20, rue du Peintre Le Brun	1968	193	14,229	553	1,715	16,497	Gecina
78100 Saint-Germain-en-Laye 17, rue Félicien-David	1966	41	2,996	-	-	2,996	Gecina
78150 Le Chesnay 16-20, rue Pottier	1980	147	8,147	-	443	8,590	SAS Parigest
78600 Maisons-Laffitte 21-31, rue des Côtes	1982	47	3,854	-	-	3,854	Gecina
56, avenue de Saint-Germain	1981	64	5,046	-	-	5,046	Gecina
92 92000 Courbevoie (Paris-La Défense) 3-6, square Henri-Regnault	1974	224	12,694	-	-	12,694	Gecina
92100 Boulogne-Billancourt 94-98, rue de Bellevue	1974	63	4,474	-	-	4,474	Gecina
59 bis-59 ter, rue des Peupliers – 35 bis, rue Marcel-Dassault	1993	37	2,945	-	79	3,024	Gecina
175, boulevard Jean-Jaurès	1994	49	3,001	-	-	3,001	SAS Parigest
108, rue de Bellevue – 99, rue de Sèvres	1968	319	24,603	-	-	24,603	SAS Parigest
92200 Neuilly-sur-Seine 47-49, rue Perronet	1976	46	3,503	-	-	3,503	Gecina
92300 Levallois-Perret 136-140, rue Aristide-Briand	1992	73	4,699	-	-	4,699	Gecina
92350 Le Plessis-Robinson 25, rue Paul-Rivet	1997	132	11,265	250	-	11,515	Gecina
92400 Courbevoie 9-15, rue Adélaïde	1969	38	2,407	310	-	2,717	Gecina
4-8, rue Victor-Hugo – 8-12, rue de l'Abreuvoir – 11, rue de L'industrie	1966	202	13,977	142	1,825	15,944	Gecina
6, rue des Vieilles-Vignes	1962	55	2,775	-	-	2,775	Gecina
8-12, rue Pierre-Lhomme	1996	96	5,344	-	-	5,344	Gecina
43, rue Jules-Ferry – 25, rue Cayla	1996	58	3,574	-	-	3,574	Gecina
3, place Charras	1985	67	4,807	-	-	4,807	Gecina
92410 Ville-d'Avray 14-18, rue de la Ronce	1963	159	15,902	-	-	15,902	Gecina
1-33, avenue des Cèdres – 3-5, allée Forestière – 1, rue du Belvédère de la Ronce	1966	550	40,243	-	1,095	41,338	Gecina
92600 Asnières 46, rue de la Sablière	1994	87	6,130	-	-	6,130	SAS Parigest
93 93200 Saint-Denis 29-33 rue Proudhon – Avenue Georges Sand	2010	115	8,130		487	8,617	Gecina
93350 Le Bourget 5, rue Rigaud	2008	238	4,648			4,648	GEC 7

	Year	Number of housing units	Housing units surface area (in sqm.)	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Total surface area (in sqm.)	Company	
94	94410 Saint-Maurice							
	1-5, allée des Bateaux-Lavois – 4, promenade du Canal	1994	87	6,382	-	-	6,382	Gecina
	Total buildings in operation in Paris region		3,398	224,011	1,255	5,644	230,910	
	Total buildings in operation in Paris and Paris region		10,205	649,940	19,136	35,115	704,191	
69	Lyon 3rd district							
	100, cours La Fayette	1965	218	17,683	1,884	-	19,567	Gecina
	15-33, rue Desaix	1963	280	17,164	1,077	-	18,241	Gecina
	Lyon 4th district							
	104-110, rue Hénon	1966	93	7,899	283	-	8,182	Gecina
	Lyon 5th district							
	85-92, quai Pierre-Scize	1890	101	7,900	-	1,638	9,538	Gecina
	Lyon 7th district							
	11, rue Simon Fryd	2010	77	5,012	-	-	5,012	Gecina
	7, rue Simon Fryd	2010	152	3,258	-	-	3,258	GEC 7
	Lyon 9th district							
	La Clairière – 176, rue de Saint-Cyr	1972	120	9,987	-	-	9,987	Gecina
	69130 Écully							
	20-24, chemin de Charrière-Blanche	1968	426	35,718	-	380	36,098	Gecina
	Total buildings in operation in Lyon and Lyon region		1,467	104,621	3,244	2,018	109,883	
01	01280 Prevessin-Moens							
	“La Bretonnière” – Route de Mategnin – Le Cottage mail du Neutrino	2010	133	10,460	-	-	10,460	Gecina
13	13008 Marseille							
	116, avenue Cantini – Quartier Le Rouet	2010	80	5,493	418	-	5,910	Gecina
	13778 Fos-sur-Mer							
	Les Jardins	1966	36	2,967	-	-	2,967	Gecina
33	33000 Bordeaux							
	26-32, rue des Belles-Îles	1994	99	2,034	-	-	2,034	GEC 7
	33400 Talence							
	11, avenue du Maréchal-de-Tassigny	2000	150	3,621	-	933	4,554	GEC 7
	36, rue Marc Sangnier	1994	132	2,740	-	-	2,740	GEC 7
	33600 Pessac							
	80, avenue du Docteur Schweitzer	1995	92	1,728	-	-	1,728	GEC 7
59	59000 Lille							
	Tour V Euralille – Avenue Willy Brandt	2009	191	4,738	-	-	4,738	GEC 7
	Total buildings in operation in other regions		913	33,780	418	933	35,131	
	TOTAL RESIDENTIAL PROPERTY IN OPERATION		12,585	788,342	22,798	38,066	849,206	
	Properties for sale by unit							
75	Paris 12th district							
	173 bis, rue de Charenton (Saint-Éloi II)	1965	-	-	-	90	90	Gecina
	26-36, rue Claude-Decaen – 42-46, rue de Fécamp	1965	-	-	-	-	-	Gecina

	Year	Number of housing units	Housing units surface area (in sqm.)	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Total surface area (in sqm.)	Company
Paris 13th district							
84, boulevard Massena (Tour Bologne)	1972	1	60	189	120	369	Gecina
Paris 14th district							
83-85, rue de l'Ouest	1978	13	817	-	-	817	Gecina
8-20, rue du Commandant-René-Mouchotte	1967	1	42	-	-	42	Gecina
Paris 15th district							
22, rue de Cherbourg – 25, rue de Chambéry	1965	1	40	-	-	40	Gecina
3, rue Jobbé-Duval	1900	5	223	-	-	223	Gecina
Paris 16th district							
4, rue Poussin	1880	-	-	-	-	-	Gecina
8-9, avenue Saint-Honoré-d'Eylau	1880	1	158	-	-	158	Gecina
Paris 17th district							
38-40, rue de Lévis	1966	15	989	-	466	1,455	Gecina
121, rue de Courcelles	1908	13	956	-	210	1,166	Gecina
81, rue Jouffroy-d'Abbans	1880	-	46	-	-	46	Gecina
54, rue de Prony	1885	1	267	-	-	267	Gecina
4, rue Meissonnier	1885	-	-	-	-	-	Gecina
6-8, rue Meissonnier	1885	-	-	-	-	-	Gecina
169-183, boulevard Péreire – 7-21, rue Faraday – 49, rue Laugier	1882	49	4,748	122	-	4,870	Gecina
Paris 19th district							
25-29, rue des Lilas	1970	-	-	-	-	-	Gecina
104-106, rue Petit – 16, allée de Fontainebleau	1977	1	66	-	-	66	SAS Parigest
Total buildings for sale by unit in Paris		101	8,410	311	886	9,608	
77 77350 Le Mée							
349, rue Libération	-	-	-	-	-	-	Gecina
78 78000 Versailles							
13, avenue du Général-Pershing	1972	1	83	-	-	83	Gecina
33 bis, rue Saint-Antoine	2000	-	-	-	-	-	Gecina
78100 Saint-Germain-en-Laye							
31, avenue Saint-Fiacre – 10-28, rue Marie-Stuart	1987	4	600	-	-	600	Gecina
78170 La Celle-Saint-Cloud							
16-22 bis, avenue de Circourt	1966	1	105	-	-	105	Gecina
78380 Bougival							
12-18, côte de la Jonchère	1982	1	116	-	-	116	Gecina
78390 Bois-d'Arcy							
2, rue Toulouse-Lautrec	1966	-	-	-	-	-	Gecina
1-17, rue René-Laennec (Croix-Bois-d'Arcy)	1969	-	-	-	-	-	Gecina
78400 Chatou							
3, avenue de la Faisanderie	1972	3	183	-	-	183	Gecina
78510 Triel-sur-Seine							
207, rue Paul Doumer	1966	-	-	-	-	-	Gecina
91 91380 Chilly-Mazarin							
5, rue des Dalhias	1972	1	94	-	-	94	Gecina

	Year	Number of housing units	Housing units surface area (in sqm.)	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Total surface area (in sqm.)	Company	
92	92130 Issy-les-Moulineaux							
	134, rue Verdun	1971	-	-	-	-	Gecina	
	92160 Antony							
	254-278, rue Adolphe-Pajeaud	1972	29	1,500	129	1,629	Gecina	
	17-25, avenue Jeanne-d'Arc	1973	6	371	-	371	Gecina	
	92190 Meudon							
	7, rue du Parc – 85, rue de la République	1966	173	14,856	-	14,856	Gecina	
	92200 Neuilly-sur-Seine							
	1/2/3/5/7/9, rue Théophile-Gautier – 2, rue Casimir Pinel	1930	1	8	-	8	Gecina	
	163-165, avenue Charles-de-Gaulle	1967	1	65	-	65	Gecina	
	77, rue Perronet	1963	13	612	-	612	Gecina	
	92210 Saint-Cloud							
	165-185, boulevard de la République	1966	12	933	231	1,165	Gecina	
	9-11, rue Pasteur	1964	5	455	-	455	Gecina	
	92290 Châtenay-Malabry							
	148, rue d'Aulnay	1973	107	5,954	-	5,954	Gecina	
	97, avenue Roger-Salengro	1972	18	1,201	-	1,201	Gecina	
	92310 Sèvres							
	Allée des Acacias – 15-17, route de Gallardon	1973	2	118	-	53	171	Gecina
	92380 Garches							
	17-21, rue Jean-Mermoz	1974	3	219	-	-	219	Gecina
	12, rue Sylvain-Vigneras	1972	4	244	-	-	244	Gecina
	92400 Courbevoie							
	102-110, avenue Marceau – 175-181, rue Jean-Pierre-Timbaud	1966	5	315	-	-	315	Gecina
94	94000 Créteil							
	1-15, passage Saillenfait	1971	7	503	-	-	503	Gecina
	94100 Saint-Maur-des-Fossés							
	4, quai du Parc – 69, rue Gabriel-Péri	1966	1	98	-	-	98	Gecina
	94160 Saint-Mandé							
	7, rue de l'Amiral-Courbet	1975	13	900	-	-	900	Gecina
	Total buildings for sale by unit in Paris region		411	29,532	360	53	29,945	
69	Lyon 2th district							
	1-3 et 12-22, cours Bayard – 44, rue Quivogne	1895	-	-	-	-	-	Gecina
	Total buildings for sale by unit in Lyon and Lyon region		-	-	-	-	-	

		Year	Number of housing units	Housing units surface area (in sqm.)	Offices surface area (in sqm.)	Retail surface area (in sqm.)	Total surface area (in sqm.)	Company
13	13013 Marseille							
	Avenue Merlaud-Ponty	1961	-	-	-	-	-	Gecina
14	14460 Colombelles							
	Ground	-	-	-	-	-	-	Gecina
	14730 Giberville							
	Ground	-	-	-	-	-	-	Gecina
45	45000 Olivet							
	Source 2107	1967	-	-	-	-	-	Gecina
57	57250 Moyeuve							
	Plateau de Froidcul	-	-	-	-	-	-	Gecina
74	74600 Seynod							
	3-8, avenue de Baal	-	-	-	-	-	-	Gecina
	Total buildings for sale by unit in other regions		-	-	-	-	-	
	TOTAL RESIDENTIAL PROPERTY FOR SALE BY UNIT		512	37,942	672	939	39,553	
	Assets under development							
75	Paris 13 th district							
	75, rue du Château des Rentiers	under construction	183	4,168			4,168	GEC 7
	Paris 15 th district							
	4, rue Chambéry	under construction	14	565	161	-	726	Gecina
	3-9, rue de Villafranca	under construction					-	GEC 8
92	92100 Boulogne-Billancourt							
	Rue Marcel Bontemps, îlot B3 lot B3abc ZAC Séguin Rives-de-Seine	under construction	68	4,452			4,452	Gecina
	92410 Ville-d'Avray							
	Éco-quartier – 20, rue de la Ronce	under construction	202	10,560		2,400	12,960	Gecina
13	13014 Marseille							
	137, avenue du Merlan	under construction	125	7,878			7,878	Gecina
	TOTAL RESIDENTIAL PROPERTY UNDER DEVELOPMENT		592	27,623	161	2,400	30,185	
	GRAND TOTAL RESIDENTIAL PROPERTY		13,689	853,907	23,631	41,405	918,943	

Summary of residential property portfolio

	Number of housing units	Residential surface area <i>(in sqm.)</i>
Paris	7,040	442,706
Residential part of primarily residential assets	6,807	425,929
Residential part of primarily commercial assets	233	16,777
Paris region	3,406	224,552
Residential part of primarily residential assets	3,398	224,011
Residential part of primarily commercial assets	8	541
Lyon	1,514	107,455
Residential part of primarily residential assets	1,467	104,621
Residential part of primarily commercial assets	47	2,834
Other regions	913	33,780
Residential part of primarily residential assets	913	33,780
Residential part of primarily commercial assets	0	0
Residential property portfolio in operation at December 31, 2010	12,873	808,494
Miscellaneous programs for sale by unit at December 31, 2010	512	37,942
Residential part of primarily residential assets	512	37,942
Residential part of primarily commercial assets	0	0
Programs under construction and land reserves	628	29,080
TOTAL RESIDENTIAL PROPERTY PORTFOLIO AT DECEMBER 31, 2010	14,013	875,516
Residential part of primarily residential assets	13,689	853,907
Residential part of primarily commercial assets	324	21,609

Healthcare property

		Year	Number of rooms	Hotel surface area (in sqm.)	Number of beds	Healthcare surface area (in sqm.)	Total surface area (in sqm.)	Company
Healthcare								
01	01000 Bourg-en-Bresse							
	Clinique Convert – 62, route de Jasseron	1974/2003			164	17,550	17,550	Gecimed
07	07500 Guilhaumand-Granges							
	Clinique Pasteur Valence – 294, boulevard du Général-de-Gaulle	1968/1998			199	17,276	17,276	Gecimed
09	09270 Mazères							
	Faubourg du Cardinal d'Este	1987			80	3,306	3,306	Gecimed
11	11000 Carcassonne							
	84, route de Montréal	1953/2006			148	12,000	12,000	Gecimed
13	Marseille 8th district							
	Clinique Monticelli – 88, rue du Commandant Rolland	1950/1996			42	4,069	4,069	Gecimed
	Clinique Rosemont – 61-67, avenue des Goumiers	1964/2000			117	6,702	6,702	Gecimed
	Marseille 9th district							
	CHP Clairval – 317, boulevard du Redon	1990			289	31,035	31,035	Gecimed
	Marseille 12th district							
	Provence Santé (Beauregard) – 12, impasse du Lido	1950/1991			326	20,698	20,698	Gecimed
	13651 Salon-de-Provence							
	Clinique Vignoli – 114, avenue Paul Bourret	1900			54	4,850	4,850	Gecimed
	13781 Aubagne							
	Clinique La Bourbonne	1968/1972			120	9,249	9,249	Gecimed
14	14050 Caen							
	CHP Saint-Martin Caen – 18, rue des Roquemonts	1993			167	36,631	36,631	Gecimed
22	22310 Plancoët							
	Clinique Bran de Fer – Rue Velleda	1971			105	5,970	5,970	Gecimed
26	26200 Montélimar							
	Clinique Kennedy – Avenue Kennedy	1975			116	12,466	12,466	Gecimed
32	32410 Castéra-Verduzan							
	"Lieu-dit au Conte"	2009			84	4,150	4,150	Gecimed
	33000 Bordeaux							
	Clinique Tourny – 54, rue Huguerie	19 th C. /1980			55	6,277	6,277	Gecimed
33	33608 Pessac							
	Clinique Saint-Martin Pessac – Allée des Tulipes	1976-1995			185	16,527	16,527	Gecimed
34	34094 Montpellier							
	Clinique Rech – 10, rue Hyppolyte Rech	mid-19 th C./2003			182	13,930	13,930	Gecimed
35	35171 Bruz							
	Clinique du Moulin – Carcé	19 th C. /1995			72	5,147	5,147	Gecimed
44	44046 Nantes							
	Clinique Sourdille – 3, place Anatole France	1928/2000			50	7,057	7,057	Gecimed

		Year	Number of rooms	Hotel surface area (in sqm.)	Number of beds	Healthcare surface area (in sqm.)	Total surface area (in sqm.)	Company
45	45500 Gien 2 ter, avenue Jean Villejean	2010			142	11,556	11,556	Gecimed
53	53810 Changé Clinique Notre-Dame-de-Pritz – Route de Niaflès	1965/1996			50	1,978	1,978	Gecimed
59	59552 Lambres-lez-Douai Clinique Saint-Amé – Rue Georges-Clémenceau	1998/2001			145	15,713	15,713	Gecimed
	59553 Esquerchin Clinique de l'Escrebieux – 984, rue de Quiery	1997			75	3,405	3,405	Gecimed
60	60350 Pierrefonds Clinique Eugénie – 1, sente des Demoiselles	1998			42	2,161	2,161	Gecimed
62	62320 Rouvroy Clinique du Bois-Bernard – Route de Neuvilleuil	1974/1998			186	22,170	22,170	Gecimed
63	63670 La Roche-Blanche Clinique de l'Auzon	1970			100	5,172	5,172	Gecimed
	63830 Durtol Clinique Grand-Pré – Lieu-dit "Les Chaves"	1976/1999			144	7,500	7,500	Gecimed
69	69134 Ecully Clinique Mon Repos – 11, chemin de la Vernique	early 19th/1991			98	5,028	5,028	Gecimed
71	71100 Chalon-sur-Saône Clinique Sainte-Marie – 4, allée Saint-Jean-des-Vignes	1988			197	9,539	9,539	Gecimed
76	76000 Le Havre 505, rue Irène Joliot-Curie	2010			356	33,388	33,388	Gecimed
77	77640 Jouarre Clinique du Château de Perreuse	1873			96	5,139	5,139	Gecimed
78	78125 Vieille-Église-en-Yvelines Clinique d'Yvelines – Route de Rambouillet	1939/1997			120	6,042	6,042	Gecimed
	78130 Chapet Clinique Bazincourt – Route de Verneuil	early 20 th /1984			60	5,092	5,092	Gecimed
85	85000 La Roche-sur-Yon 96, boulevard des Belges and 32 rue Abbé Billaud	2009			75	3,750	3,750	Gecimed
	96, boulevard des Belges and 32 rue Abbé Billaud	2009			35	1,961	1,961	Gecimed
91	91480 Quincy-sous-Sénart CHP Claude Galien – 20, route de Boussy	1996			235	20,481	20,481	Gecimed
92	92130 Issy-les-Moulineaux Labo Diderot – 30/32, rue Diderot	1985				211	211	Gecimed

		Year	Number of rooms	Hotel surface area (in sqm.)	Number of beds	Healthcare surface area (in sqm.)	Total surface area (in sqm.)	Company
93	93250 Villemomble 36, rue de la Montagne Savart	2008			116	5,206	5,206	Gecimed
	93604 Aulnay-sous-Bois Clinique Aulnay – 11, avenue de la République	1934/1998			191	11,567	11,567	Gecimed
	Total healthcare in operation		-	-	5,018	411,949	411,949	
	Development							
74	74100 Annemasse 17-19, avenue Mendès-France	under construction			250	23,662	23,662	Gecimed
	Total healthcare under development		-	-	250	23,662	23,662	
	GRAND TOTAL HEALTHCARE		-	-	5,268	435,611	435,611	

DOCUMENTATION

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Annual disclosure document 2010/2011

(Article 221-1-1 of the AMF's general regulations)

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
Financial information published in the French official gazette (BALO)			
Periodic publications – Commercial and industrial companies (Annual Financial Statements) – Financial year from January 1, 2009 to December 31, 2009	June 4, 2010	BALO no. 67 case no. 1003075	http://balo.journal-officiel.gouv.fr
Information filed with the court registrar			
Delegation of powers for formalities dated March 22, 2010	File no. 27215 of March 25, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the minutes of the Board of Directors' Meeting of February 8, 2010: change of directors	File no. 31600 of April 12, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the minutes of the Board of Directors' Meeting of February 8, 2010: capital increase – amendments to the by-laws	File no. 31600 of April 12, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
By-laws update as of February 8, 2010	File no. 31600 of April 12, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the minutes of the Board of Directors' Meeting of February 16, 2010: change of Chairman	File no. 31600 of April 12, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Letter from Predica dated February 16, 2010: change of permanent representative	File no. 31600 of April 12, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the minutes of the Ordinary General Meeting of Shareholders on May 10, 2010: change of alternate Statutory Auditors	File no. 78486 of September 10, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the minutes of the Board of Directors' Meeting of July 27, 2010: capital increase – amendments to the by-laws	File no. 80156 of September 16, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract from the minutes of the Board of Directors' Meeting of March 2, 2010: opening of a subscription period for the company savings plan	File no. 80156 of September 16, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
Extract of the minutes of the Combined General Meeting of June 15, 2009: delegation of authority to the Board of Directors for the capital increase	File no. 80156 of September 16, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr
By-laws update as of July 27, 2010	File no. 80156 of September 16, 2010	Registrar of the Paris Commercial Court	www.infogreffe.fr

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
Notice to attend Shareholders' General Meetings			
Notice of Meetings – General Meetings of shareholders and unitholders – Notice of Meeting serving as invitation to attend	March 29, 2010	BALO no. 38 case no. 1000915	http://balo.journal-officiel.gouv.fr www.gecina.fr
	March 27, 28 and 29, 2009	French legal announcement journal (Le Publicateur légal) 37, case number 9138667 Gecina website	
Notice to attend	April 22 and 23, 2010	French legal announcement journal (Le Publicateur légal) 47, case number 9244182	
Various notices			
Board of Directors Meeting of February 8, 2010: Capital increase – resignation of directors Messrs. Truan, Durand and Gonzalez – cooptation of directors: Ms. Rivero Lopez de Carrisoza, Messrs. Donnet and Nicol – amendments to the by-laws	March 25 and 26, 2010	French legal announcement journal (Le Publicateur légal) 36, case number A9138679	
Board of Directors Meeting of February 16, 2010: appointment of a director and the Chairman: Mr. Michel – change of Predica's permanent representative: Mr. Duchamp – amendments to the by-laws	March 25 and 26, 2010	French legal announcement journal (Le Publicateur légal) 36, case number A9138679	
Combined General Meeting of shareholders of May 10, 2010: Appointment of alternate Statutory Auditors; Messrs. Castagnac and Nicolas	July 10, 11, 12 and 13, 2010	French legal announcement journal (Le Publicateur légal) 80, case number A9585623	
Board of Directors Meeting of July 27, 2010: capital increase and amendments to the by-laws	August 10 and 11, 2010	French legal announcement journal (Le Publicateur légal) 92, case number A9629503	
Reports and Reference Document			
Gecina - Activity report 2009		Gecina website	www.gecina.fr
Gecina 2009 Reference Document	March 19, 2010	Gecina website	www.gecina.fr
Gecina – Semi-annual Financial report 2010	August 6, 2010	Gecina website	www.gecina.fr
2010 presentations			
Gecina – 2009 annual results	March 3, 2010	Gecina website	www.gecina.fr
Gecina – <i>Investor Day</i>	June 30, 2010	Gecina website	www.gecina.fr
Gecina – 1 st half-year results 2010	July 28, 2010	Gecina website	www.gecina.fr
General Meeting			
Notice of Meeting serving as an invitation to attend – Ordinary General Meeting of May 10, 2010	March 29, 2010	Gecina website	www.gecina.fr
Invitation to attend – Ordinary General Meeting of May 10, 2010 <i>[Press release]</i>	March 30, 2010	Gecina website	www.gecina.fr
Notice to attend General Meeting 2010	April 26, 2010	Gecina website	www.gecina.fr
Invitation to attend – Ordinary General Meeting of May 10, 2010	April 27, 2010	Gecina website	www.gecina.fr
2010 General Meeting presentation	May 10, 2010	Gecina website	www.gecina.fr
Details of votes at the Meeting	May 18, 2010	Gecina website	www.gecina.fr
Minutes of the General Meeting of May 10, 2010	July 29, 2010	Gecina website	www.gecina.fr

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
Press releases and other communications			
<i>Press release:</i> Gecina signs with Carmignac Gestion at 10-12 place Vendôme, Paris 1st arrondissement.	January 5, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> appointment of the Board secretary	January 18, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> replacement of directors	February 8, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Gecina no. 1 real estate company according to the 2009 Novethic-ADME survey	February 10, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> replacement of the Chairman	February 16, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> 2009 annual results	March 3, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Gecina leases the "Origami" property to Barclays Capital and signs its first "Green lease"	March 9, 2010	Gecina website	www.gecina.fr
MIPIM 2010: Gecina will attend three conferences alongside its partner cities	March 12, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Gecina obtains a building permit to build its "VELUM" property on the Labuire Mixed Development Zone (ZAC) in Lyon	March 17, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> arrangements for availability or consultation of the 2009 Reference Document	March 19, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> complaint from the Minority Shareholders' Defense Association	March 29, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Successful convertible bond issue for Gecina	April 7, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> two new rental transactions for commercial properties: winning "gamble" for Gecina!	April 21, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Business in Q1-2010	May 11, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> minutes of the Ordinary General Meeting of May 10, 2010	May 11, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> disposal of commercial property assets	May 19, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Gecina installs the France head office of Laboratoire Roche in the "Horizons" building in Boulogne-Billancourt (92)	May 25, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> enhanced financial flexibility	May 26, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Gecina re-lets the Dauphiné Part-Dieu property in Lyon	June 8, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Gecina installs the head office of Carrefour Management in the "Anthos" building in Boulogne-Billancourt (92)	June 17, 2010	Gecina website	www.gecina.fr

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
Press release: Gecina asserts its ambitions in office and healthcare properties (<i>Investor Day</i>)	June 30, 2010	Gecina website	www.gecina.fr
Press release: Gecina now holds 75% of SCI Beaugrenelle	July 12, 2010	Gecina website	www.gecina.fr
Press release: 1 st half-year results 2010	July 28, 2010	Gecina website	www.gecina.fr
Press release: Arrangements for availability or consultation of the 2010 half year report serving as an update to the 2009 Reference Document	August 6, 2010	Gecina website	www.gecina.fr
Press release: appointment as Chief Financial Officer (Mr. Gilles Bonnier)	September 2, 2010	Gecina website	www.gecina.fr
Press release: successful EMTN bond issue for Gecina	September 13, 2010	Gecina website	www.gecina.fr
Press release: Standard & Poor's upgrades Gecina to BBB-	October 4, 2010	Gecina website	www.gecina.fr
Press release: Élisabeth Blaise joins Gecina as Chief Financial and non-financial Communications Officer	October 7, 2010	Gecina website	www.gecina.fr
Press release: Gecina joins Fondation Palladio	October 22, 2010	Gecina website	www.gecina.fr
Press release: an 8th students residence, Campuséa, inaugurated at Champs-sur-Marne (77)	October 22, 2010	Gecina website	www.gecina.fr
Press release: revenues as of September 30, 2010	November 5, 2010	Gecina website	www.gecina.fr
Sustainable Development: Gecina, leading real estate company	November 10, 2010	Gecina website	www.gecina.fr
Press release: Gecina disposes of its equity interest in Eiffage and focuses on growth	November 16, 2010	Gecina website	www.gecina.fr
Press release: Gecina hires Florent de Malherbe as Development Director within the Commercial Real Estate Division	November 17, 2010	Gecina website	www.gecina.fr
Press release: Baudouin Delaporte joins Gecina as Director of Residential investment	November 18, 2010	Gecina website	www.gecina.fr
Press release: Gecina completes €440 million of office acquisitions while diversifying risk	November 23, 2010	Gecina website	www.gecina.fr
MAPIC 2010: the new Beaugrenelle at MAPIC: Gecina goes to Cannes for business	November 24, 2010	Gecina website	www.gecina.fr
Press release: Gecina receives "Trophées des SIIC 2010" award.	December 1, 2008	Gecina website	www.gecina.fr
Press release: Gecina unveils "Gecina for change" and creates "Ecolab Gecina"	December 7, 2010	Gecina website	www.gecina.fr
Press release: Validation of a new policy to support the operational strategy	December 10, 2010	Gecina website	www.gecina.fr

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
<i>Press release:</i> First stone laid for the Savoie Nord private hospital	December 14, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> €50 million investment for the construction of the Annemasse private hospital	December 17, 2010	Gecina website	www.gecina.fr
<i>Press release:</i> Successful EMTN bond issue of €500 million with a 168 bp spread	January 25, 2011	Gecina website	www.gecina.fr
Market transactions			
Issue and admission of a loan with nominal value of €285,000,052.60	March 31, 2010	Visa no. 0910 Gecina website	www.amf-france.org www.gecina.fr
Launch of an Ornane bond issue (<i>Press release</i>)	March 31, 2010	Gecina website	www.gecina.fr
Determination of the final procedures for the Ornane (<i>Press release</i>)	March 31, 2010	Gecina website	www.gecina.fr
Ornane convertible bond issue: AMF approval (<i>Press release</i>)	March 31, 2010	Gecina website	www.gecina.fr
Transaction note, Ornane bond issue	March 31, 2010	Gecina website	www.gecina.fr
Ornane bond issue: exercise of the excess allocation option (<i>Press release</i>)	April 1, 2010	Gecina website	www.gecina.fr
Successful convertible bond issue for Gecina (<i>Press release</i>)	April 7, 2010	Gecina website	www.gecina.fr
Notice to Ornane bondholders – Adjustment of the conversion rate (<i>Press release</i>)	May 28, 2010	Gecina website	www.gecina.fr
Treasury bills program of €500,000,000	June 16, 2010	Gecina website	www.gecina.fr
Distribution of the EMTN bond issue prospectus	July 6, 2010	Gecina website	www.gecina.fr
Prospectus of the EMTN bond issue program (in English)	July 6, 2010	Gecina website	www.gecina.fr
Distribution of the first supplement to the EMTN bond issue program	August 31, 2010	Gecina website	www.gecina.fr
First supplement to the basic prospectus of the bond issue program of July 5, 2010 (in English)	August 31, 2010	Gecina website	www.gecina.fr
Successful EMTN bond issue for Gecina (<i>Press release</i>)	September 13, 2010	Gecina website	www.gecina.fr
Setting the final terms for the EMTN bond issue program (in English)	September 17, 2010	Gecina website	www.gecina.fr
Treasury bills program of €500,000,000	November 2, 2010	Gecina website	www.gecina.fr
Arrangements for access to or consultation of the second supplement to the basic prospectus of the bond issue program of July 5, 2010	January 25, 2011	Gecina website	www.gecina.fr
Second supplement to the basic prospectus of the bond issue program of July 5, 2010 (in English)	January 25, 2011	Gecina website	www.gecina.fr
Success of €500 million EMTN bond issue (<i>Press release</i>)	January 25, 2011	Gecina website	www.gecina.fr

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
AMF financial disclosures and decisions			
Annual reports and Reference Document			
Filing of a Reference Document	March 22, 2010	Deposit file n° D.10-0130 Gecina website	www.amf-france.org www.gecina.fr
Basic prospectus approved on the occasion of debt securities admission program for a maximum amount of €2 billion	July 5, 2010	Visa No. 10-219 Gecina website	www.amf-france.org www.gecina.fr
Updating the Reference Document	August 6, 2010	Update slip n° D.10-0130-A01 Gecina website	www.amf-france.org www.gecina.fr
Supplement to the basic prospectus approved on the occasion of a debt security admission program for a maximum amount of €2 billion	August 30, 2010	Visa No. 10-297	www.amf-france.org
Supplement to the basic prospectus approved on the occasion of a debt securities admission program for a maximum amount of €2 billion	January 24, 2011	Visa No. 11-022	www.amf-france.org
AMF financial disclosures and decisions			
Individual declarations			
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	January 19, 2010	Decision and disclosure No. 210D0270	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	March 17, 2010	Decision and disclosure No. 210D1022	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	March 17, 2010	Decision and disclosure No. 210D1023	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	March 17, 2010	Decision and disclosure No. 2010D1024	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	March 24, 2010	Decision and disclosure No. 210D1418	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	April 14, 2010	Decision and disclosure No. 210D1809	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	May 31, 2010	Decision and disclosure No. 210D2168	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 22, 2010	Decision and disclosure No. 210D5397	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	November 22, 2010	Information No. 210D5398	www.amf-france.org

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	December 6, 2010	Decision and disclosure No. 210D5685	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	December 22, 2010	Decision and disclosure No. 210D5948	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	December 22, 2010	Decision and disclosure No. 210D5949	www.amf-france.org
Individual declaration of transactions by persons specified under Article L. 621-18-2 of the French Monetary and Financial Code on company shares	January 25, 2011	Decision and disclosure No. 211D0345	www.amf-france.org

Other regulated information

Monthly disclosure on the total number of voting rights and company shares

Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	January 5, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	February 4, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	March 3, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	April 8, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	May 4, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	June 9, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	July 5, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	August 5, 2010	Gecina website	www.gecina.fr

Published Information	Publication/filing date	Publication media and/or place of filing	Information available at
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	November 2, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	December 2, 2010	Gecina website	www.gecina.fr
Statement of voting rights Disclosure on the total number of voting rights and shares (under article 223-16 of the AMF's general regulation)	January 7, 2011	Gecina website	www.gecina.fr
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Permanent information			
Documentation - Annual Disclosure Document 2009/2010	2009 Financial report Page 221	Gecina website	www.gecina.fr
Other regulated information			
Details of share buyback programs			
Description of share buyback program approved by the Ordinary General Meeting of May 10, 2010		Gecina website	www.gecina.fr
Other regulated information			
Declaration of transactions on treasury shares			
Presentation of the half-year report on Gecina's liquidity contract	January 6, 2010	Gecina website	www.gecina.fr
Presentation of the half-year report on Gecina's liquidity contract	July 5, 2010	Gecina website	www.gecina.fr
Presentation of the half-year report on Gecina's liquidity contract	January 7, 2011	Gecina website	www.gecina.fr
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Statutory Auditors' fees			
Statutory Auditors' fees	2009 Financial report (page 192)	Gecina website	www.gecina.fr
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Chairman's 2009 Report on Internal Control and Corporate Governance	209 Financial report (pages 173 to 189)	Gecina website	www.gecina.fr
Compensation of the Chairman of the Board of Directors	March 4, 2010	Gecina website	www.gecina.fr
Publication of details on the CEO's variable compensation and severance benefits	March 26, 2010	Gecina website	www.gecina.fr
Publication of details on the CEO's severance benefits	November 08, 2010	Gecina website	www.gecina.fr

Map of Gecina's website (www.gecina.fr)**Overview**

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18.1. Documents accessible to the public

Copies of this Reference Document are available free of charge from Gecina, 14-16, rue des Capucines, 75002 Paris, and can be downloaded from the websites of Gecina (www.gecina.fr) and the Autorité des Marchés Financiers (www.amf-france.org).

Availability of articles of incorporation and by-laws (Appendix 1.24).

Person responsible for the Reference Document

Mr. Christophe Clamageran, CEO of Gecina (hereinafter the "Company" or "Gecina").

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18.2. Historical financial information

In accordance with Article 28 of European Regulation 809/2004 of April 29, 2004, this Reference Document incorporates by reference the following information, to which readers are invited to refer:

- for the year ended December 31, 2008: the consolidated financial statements and the related Statutory Auditors' report included on pages 27 to 60 and 183 of the Reference Document filed with the AMF on April 9, 2009 under reference D.09-0222.

- for the year ended December 31, 2009: the consolidated financial statements and the related Statutory Auditors' report included on pages 31 to 62 and 193 of the Reference Document filed with the AMF on March 22, 2010 under reference D.10-0130;

These documents are available on the AMF and Gecina websites:

www.gecina.fr

www.amf-france.org

18.3. 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 232 presents an accurate picture of the development of the business, earnings and financial situation of the company and all the companies included in the consolidation group, as well as a description of the main risks and uncertainties facing them.

I have received a completion letter from the Statutory Auditors in which they indicate that they have verified the information relating to the financial situation and financial statements given in this document and that they have reviewed the entire document.

The historical financial information relating to the year ended December 31, 2010 presented in this document is the subject of reports by the Statutory Auditors, which appear on pages 199 to 201 of this document. The report on annual financial statements, for the year ended December 31, 2010, which appears on page 201 of this Document, contains an observation. The consolidated financial statements for the year ended December 31, 2009, presented in the Reference Document filed with the AMF under number D.10-0130 on March 22, 2010, are the subject of a report by the Statutory Auditors, which appears on page 193 of that document and contains an observation. The consolidated financial statements for the year ended December 31, 2008, presented in the Reference Document filed with the AMF under number D. 09-0222 on April 9, 2009, are the subject of a report by the Statutory Auditors, which appears on page 183 of that document."

Christophe Clamageran

Chief Executive Officer

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Since the Reference Document also contains the annual financial report, the statement by the person responsible refers to information from the management report. In the document's current form, this information can be found in various sections.

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