Bien plus que des mètres carrés

Paris, June 2, 2015

Gecina is announcing that it has signed a preliminary agreement to acquire a portfolio of two iconic and complementary office assets from Ivanhoé Cambridge for 1.24 billion euros

Recurrent net income (Group share) growth forecast revised upwards significantly to +6% for 2015

Gecina has today signed a preliminary agreement to acquire the PSA group's historic headquarters in Paris' central business district and the T1&B towers in La Défense, occupied by Engie (formerly GDF-Suez), from Ivanhoé Cambridge for 1.24 billion euros (including commissions and fees). These two real estate assets, with highly complementary profiles, are perfectly in line with the Group's strategy to realign itself around the office market. With this acquisition, Gecina is once again confirming its leading position in the Paris Region's best office districts. This operation will be accretive thanks to an immediate net economic return of approximately 5%, enabling Gecina to revise its recurrent net income (Group share) forecast upwards for 2015, with over 6% growth expected compared with 2014.

Assets with profiles that dovetail perfectly

With its current tenant's expected departure, the 33,600 sq.m PSA building offers a unique opportunity to carry out a major redevelopment operation, repositioning the asset in line with the highest European standards, while capitalizing on its outstanding visibility and location in Paris' central business district, between Place de l'Etoile and La Défense. For their part, the T1&B towers (88,600 sq.m), with leases that have been renewed for 12 years, offer secure revenues over the long term. Ideally located for current and future public transport services, they are also fully benefiting from the regeneration of the La Défense market. Lastly, these buildings, which were delivered in 2008 and are BREEAM Plus, HQE Operation and LEED Gold certified, make up one of the most iconic units in La Défense.

Accretive operation thanks to the continued optimization of the financial structure as well

Offering the combined benefit of potential value creation and secure long-term revenues, the acquisition of this portfolio will enable Gecina to continue optimizing its financial structure by using part of its available resources and arranging new financing facilities in a still positive market environment. Thanks to the financing for this transaction, the cost of debt will continue to be reduced, with an average cost of less than 3% expected for 2015. In addition, the divestment of 800 million euros of mature or non-strategic assets, as announced for 2015, will make it possible to maintain the LTV target of 40%. Based on these elements, the transaction will immediately increase the Group's recurrent net income. This accretive impact will be further strengthened after the PSA group's current headquarters have been redeveloped.

Finalization planned for mid-July to mid-August 2015

The transaction is expected to be finalized between mid-July and mid-August 2015 once the standard suspensive conditions have been cleared. Notably on account of the shareholding links between Ivanhoé Cambridge and Gecina, this operation will be classed as a related-party agreement. It was unanimously approved by Gecina's Board of Directors (with the exception of the proposed directors from the concert formed by Ivanhoé Cambridge and Blackstone, who did not vote, in accordance with the procedure for related-party agreements and the Board of Directors' bylaws) after analyzing the report from the real estate expert appointed by the company (CBRE) and the reports from the independent financial and real estate experts (Cushman & Wakefield and Ernst & Young) appointed by the Board of Directors. The transaction will be submitted to shareholders at the general meeting on April 2016 in line with the procedure for related-party agreements.

2015 forecasts revised upwards

Since January 1, 2015, Gecina has secured nearly 1.6 billion euros of investments, with the operation announced today following the acquisition of City 2 in Boulogne for 188 million euros, which is scheduled to be delivered at the end of the second half of 2015 and is fully prelet to Solocal, as well as the acquisition of Sky 56 in Lyon Part-Dieu, to be delivered in 2018, for 136 million euros. Gecina is therefore able to announce that it is revising its recurrent net income (Group share) forecast for 2015 upwards, with growth expected to come in at over 6% versus 2014.

This major operation represents a significant step forward with Gecina's leadership strategy on the Paris office market and the Company is benefiting from the full support of its shareholders to continue moving forward with its development.

Gecina, a leading real estate group

Gecina owns, manages and develops property holdings worth 10.3 billion euros at December 31, 2014, with 90% located in the Paris Region. This real estate company's business is built around France's largest office portfolio, as well as residential assets, student residences and healthcare facilities. Gecina has put sustainable innovation at the heart of its strategy to create value, anticipate its customers' expectations and invest while respecting the environment, thanks to the dedication and expertise of its staff.

Gecina is a French real estate investment trust (SIIC) listed on Euronext Paris, and is part of the FTSE4Good, DJSI Europe and World, Stoxx Global ESG Leaders, Euronext 100 and Vigeo indices. In line with its commitments to the community, Gecina has created a company foundation, which is focused on protecting the environment and supporting all forms of disability.

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