

Gecina: proposed public offer on Foncière de Paris

A New Milestone in Gecina's Strategy

- *Cash Offer of 150 euros per Foncière de Paris share, or Share Offer of 6 Gecina shares for every 5 Foncière de Paris shares tendered.*
- *Cash Offer representing a premium of 10% over the cash offer proposed by Eurosic, and Share Offer representing a premium of 12% over the share offer proposed by Eurosic based on the respective EPRA NNNAV.*
- *Simple, clear and attractive Offer, providing Foncière de Paris' shareholders with either immediate monetization or the opportunity to become shareholders of the largest office property company in Europe with a strong capital markets profile combining liquidity and visibility.*
- *Combination in line with Gecina's strategy, reinforcing its leadership in prime Paris offices, through the acquisition of a high quality and complementary property portfolio.*
- *Transaction offering significant value creation potential for Gecina's shareholders, strongly accretive to Recurring Net Income per share from day one.*
- *Fully-financed Offer and reiteration of the 40% LTV guidance.*
- *Success of the Offer subject to an acceptance level of over 50% of Foncière de Paris' share capital and voting rights.*

Paris, France – May 19th, 2016 – Gecina (Euronext Paris: GFC), a French real estate investment trust (SIIC), today announces that it has filed with the French Autorité des Marchés Financiers (AMF), following the approval from its Board of Directors, a public tender offer targeting all the issued and to be issued shares of Foncière de Paris (Euronext Paris: FDPA), a French real estate investment trust (SIIC) which owns a property portfolio mostly comprising offices located in Paris and its immediate surroundings.

Through the public tender offer filed by Gecina ("the Offer"), all Foncière de Paris shareholders will be offered:

- for the Foncière de Paris shares:
 - either to receive 150 euros for each Foncière de Paris share tendered (dividend 2015 detached) ("Cash Offer") ;
 - or to receive 6 new Gecina shares for every 5 Foncière de Paris shares tendered (2015 dividend detached) ("Share Offer");
- and, for Foncière de Paris' subordinated bonds redeemable in shares (« OSRA »):
 - either to receive 206.82 euros for each Foncière de Paris OSRA tendered (2015 coupon attached) (« Cash Offer OSRA ») ;
 - or to receive 54 Gecina shares (2015 coupon detached) and a cash payment of 488.65 euros for every 35 Foncière de Paris OSRA tendered (2015 coupon attached) (« Cash & Share Offer OSRA »)

Bernard Michel, Gecina's Chairman of the Board, stated:

« The proposed acquisition of Foncière de Paris is a unique opportunity for Gecina's shareholders. It is perfectly in line with the Group's repositioning strategy and will create substantial value, with an accretive impact on Gecina's Recurring Net Income per share. The transaction is also very compelling for Foncière de Paris' shareholders, who will be offered the choice between a cash offer crystallizing immediate value, and a share offer providing them with access to both a liquid stock and the development potential of Gecina over time. »

Philippe Depoux, Gecina's Chief Executive Officer, added:

« At the beginning of 2015, we announced an ambitious strategic repositioning in order to further strengthen our leadership in prime office property, particularly in Paris. Today, we are seizing the opportunity to accelerate the implementation of this strategy, by proposing the acquisition of a company holding a high-quality asset portfolio, presenting strong geographical fit with Gecina's own assets. Foncière de Paris' portfolio would strengthen our network in Paris and would make Gecina a major player in offices in the hyper-center of Paris, the largest office market in Continental Europe. We share with Foncière de Paris a common vision in our approach to clients and management of key accounts, and we firmly believe that joining our forces would enable us to broaden our offering through the combination of our assets and our expertise. »

Strategic rationale

Foncière de Paris is a property company active in the acquisition and leasing of office buildings. It owns a 2.6 billion euros property portfolio, mainly comprised of prime office assets located in Paris and the Western Crescent.

- The combination between Gecina and Foncière de Paris is perfectly in line with Gecina's strategy, which was announced at the beginning of 2015.
- It will strengthen Gecina's leadership in the Paris prime office market with a combined office portfolio valued at around 11 billion euros, mainly located in Paris and around the main hubs of the "Greater Paris", and providing a well-balanced combination of mature assets and assets with value creation potential.
- Foncière de Paris' assets are highly complementary with Gecina's, offering access to central and attractive areas of Paris (notably the 6th, 7th, 9th and 10th districts) where Gecina currently has a limited footprint.
- Foncière de Paris' development pipeline will also be a good complement to Gecina's, and will provide the Group with additional value creation potential in the coming years.
- Finally, the combination with Foncière de Paris will allow Gecina to welcome a talented team with a recognized know-how, complementary to its own teams'.

The proposed acquisition of Foncière de Paris therefore represents a new step in Gecina's development as it reinforces its position as a specialist in the Paris office property market, at the edge of innovation in terms of urban workspace, energy efficiency, greening of its buildings and well-being of their occupants, whilst fitting perfectly with its value creation strategy.

Value creation

For Gecina's shareholders

A combination with Foncière de Paris represents a major step forward in the implementation of Gecina's strategy of reinforcing its leadership in office property, shortly after the disposal of its Healthcare property portfolio. The proposed transaction fits perfectly with the Group's investment criteria both in terms of type and location of the property portfolio and in financial terms. Gecina's offer implicitly values Foncière de Paris' office portfolio at around €7,200 per sq.m¹, corresponding to an estimated yield of around 5%, for an office portfolio almost entirely located within the city of Paris.

Gecina's shareholders will benefit from the transaction's strong value creation potential, from a real estate, operational and financial standpoint, based on a significant accretion of Gecina's Recurring Net Income per share from day one. Moreover, the share of assets located in the city of Paris, where rent prospects are the most favorable, will increase significantly. Lastly, the committed pipeline will represent over 9% of the total value of the combined portfolio on a proforma basis as of December 31st 2015.

The transaction will also generate potential synergies estimated at around 15 million euros per annum, mainly through economies of scale, optimization of platforms and the mutual sharing of asset management practice, as well as through financing cost savings.

The transaction will enable Gecina to benefit from particularly attractive financing terms in the current market. In addition, Gecina intends to maintain a leverage ratio post transaction in line with its target Loan-To-Value (LTV) ratio of 40%, allowing the Group to maintain a sound balance sheet and to pursue its selective investment strategy. This transaction is fully financed through a dedicated bank credit line and the proceeds from the divestment of the Healthcare portfolio, which will be completed in July.

For Foncière de Paris' shareholders

This clear, simple and very attractive offer provides Foncière de Paris' shareholders with the opportunity to either crystallize the full value of their stake in Foncière de Paris, or receive shares in Gecina. By opting for the latter option, they will become shareholders of the largest office property company in Europe, with a strong value creation potential and shares offering great liquidity and visibility in the capital markets.

The Cash Offer represents a 37% premium on Foncière de Paris' share price as of March 4th 2016, the last trading day prior to the announcement of Eurosic's proposed offer, and a 19% premium on EPRA NNNAV as of December 31st 2015, in both cases after adjustment for the dividend related to fiscal year 2015. The Cash Offer also represents a 10% premium over the cash offer articulated by Eurosic.

Based on Gecina's share price as of May 17th 2016, the Share Offer values Foncière de Paris' share at 152.5 euros, representing a 40% premium on Foncière de Paris' share price as of March 4th 2016 (dividend 2015 detached). Based on the respective EPRA NNNAV as of December 31st 2015 (dividend 2015 detached), the Share Offer represents a 12% premium on the share offer articulated by Eurosic.

The Offer also represents a premium of around 9% on property appraisal values as of December 31st 2015¹.

¹ Assumption of 50% of Foncière de Paris' shareholders tendering to Gecina's Share Offer and 50% tendering to the Cash Offer.

For employees and clients

Gecina shares with Foncière de Paris a common set of values and the same approach to clients and key accounts management. The combination of assets and teams will facilitate the sharing of expertise in all the activities along the property value chain.

Moreover, the combination of the two groups will generate new opportunities for each company's employees, who will be part of a group ideally positioned to seize further expansion opportunities going forward.

Timetable and conditions

The Offer is subject to an acceptance level of over 50% of Foncière de Paris' share capital and voting rights at closing of the Offer.

The transaction is also subject to the approval by Gecina's shareholders meeting, and by the French Competition authority.

Availability of documents regarding the Offer

Pursuant to French regulations, Gecina's Offer and draft information document, which sets out the terms and conditions of the Offer, remain subject to review by the Autorité des Marchés Financiers (AMF).

The draft information document will be available on the websites of Gecina (www.gecina.fr) and the Autorité des Marchés Financiers (www.amf-france.org) and a copy will be available free of charge from Gecina (14-16, rue des Capucines - 75002 Paris) and Goldman Sachs (5, avenue Kleber - 75116 Paris).

The main provisions of the draft information document will also be included in the Gecina press release pursuant to Article 231-16 of the AMF's General Regulation. Information relating to Gecina's legal, financial and accounting aspects will be made publicly available, pursuant to the provisions of Article 231-28 of the AMF's General Regulation, no later than the day preceding the opening of the Offer, according to the same modalities.

In this transaction, Goldman Sachs acted as financial advisor and Herbert Smith Freehills as legal advisor to Gecina.

Gecina, a leading real estate group

Gecina owns, manages and develops property holdings worth 12.9 billion euros at December 31, 2015, with 90% located in the Paris Region. The Group is building its business around France's leading office portfolio and a diversification division with 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 SBF 120, Euronext 100, FTSE4Good, DJSI Europe and World, Stoxx Global ESG Leaders 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.

www.gecina.fr

GECINA CONTACTS

Financial communications

Samuel Henry-Diesbach
Tel: +33 (0)1 40 40 52 22
samuelhenry-diesbach@gecina.fr

Virginie Sterling
Tel: +33 (0)1 40 40 62 48
virginiesterling@gecina.fr

Brunswick

Laurent Perpère, Jérôme Biscay, Christophe Menger
Tel.: +33 (0)1 53 96 83 83

Press relations

Brigitte Cachon
Tel: +33 (0)1 40 40 62 45
brigittecachon@gecina.fr

Armelle Miclo
Tel: +33 (0)1 40 40 51 98
armellemiclo@gecina.fr

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Pursuant to French laws and regulations, the public tender offer and the draft offer document of Gecina, which sets out the terms and conditions of the public tender offer, remain subject to review by the Autorité des Marchés Financiers. Investors and shareholders in France are strongly advised to read the draft offer document referenced in this press release and any amendments and supplements to such document as it contains important information regarding the contemplated transaction and related matters.

The draft offer document is available on the websites of Gecina (www.gecina.fr) and the Autorité des Marchés Financiers (www.amf-france.org) and a copy can be obtained free of charge from Gecina (14-16, rue des Capucines - 75002 Paris) and Goldman Sachs (5, avenue Kleber - 75116 Paris).

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