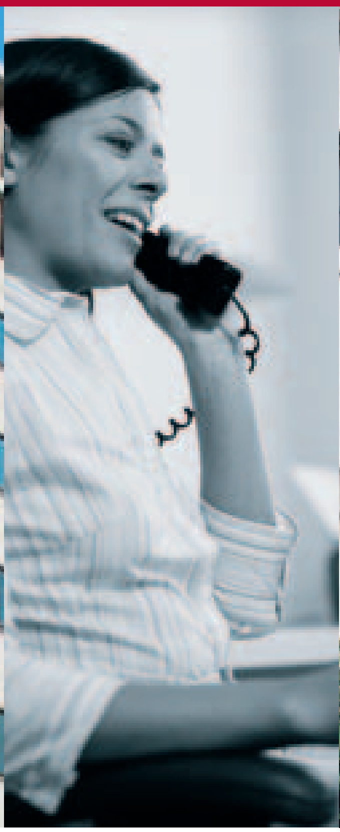
Annual Report 2004

gecina

contents

44, avenue des Champs-Élysées
75008 Paris

7, rue de l'Amiral Serre
78000 Versailles

gecina

A real estate company on a European scale, GECINA represents the leading private listed player in residential and commercial real estate rentals in the Paris and Lyons regions.

The combination of a holding of almost 19,000 apartments with a network of 1,150,000 sq. m. of offices and retail outlets offers an original profile, **combining profitability with security.**

Active policies of asset valuation and pursuit of opportunist acquisitions and disposals account for GECINA's value creation.

Group services form part of a quality approach, thanks to **internal controls over expertise** that generates value added.

As a listed French real estate investment trust (SIIC) since 2003, GECINA is a tax-free vehicle that provides a high yield.

Real estate,

a multi-faceted business

- GECINA's business is property rentals. Day-to-day performance is based on rental management of the group's property assets, from real estate asset management to renting out assets on the real estate market, and on the quality of its investments.

- Real estate restructuring operations, construction for own account, and development of real estate reserves carried out by the group contribute to its expansion and valuation.

- Group expertise is offered to third parties, through LOCARE, ranked amongst the ten leading Paris brokers, and COMPAGNIE FONCIERE DE GESTION, dedicated to property asset management.

At the heart of urban renewal

Recourse to the latest techniques and materials, space optimization, prevention of environmental risks...aside from straightforward property asset rentals, GECINA's clients benefit from high value-added services from a group of experts focused on real estate. Their daily activities form part of the pursuit of efficiency and quality to better satisfy the demands of a diversified client base composed of major international companies in various sectors (luxury goods, banks, building, local authority services, etc.) alongside almost 20,000 private individuals. GECINA is thus organized into three distinct operating arms (residential, commercial and marketing), each answering to market logic and specific clients.

A cross-disciplinary arm for asset development and management is responsible for investments and thus participates in the economic, social and environmental dynamic of the Paris and Lyons regions where Group assets are located.

Experience of blending activities (residential, offices and retail outlets) in town centers, acquired over many years by GECINA, is a harbinger of the new life balance sought by residents and users. Large-scale projects, carried out jointly with local partners, such as the Labuire development plan in Lyons, rehabilitation of the Beaugrenelle mall in the 15th arrondissement of Paris, or construction of a mixed building of offices and retail outlets in the immediate area of the major development projects in Boulogne Billancourt, to the west of Paris, illustrate this action. From site rehabilitation to development, via restructuring and construction, the architectural and technical elements of the Group's investment projects contribute to improvement the urban environment.

The new Beaugrenelle mall

In association with Apsys, one of the leaders in commercial real estate, the project for the new Beaugrenelle mall fits with an overall urbanism policy aimed at breathing new life into the Front de Seine district and improving its quality of life. The project includes, notably, opening up of the mall onto the Seine, transformation of rue Linois into an area pleasant for strolling, and reconfiguration of rue Keller. After a competition, this project was awarded to French architects Valode & Pistre. The rehabilitation under consideration is based on simple principles: transparency, fluidity, natural light and comfort. Following the arrival of around 100 new names in a sales area extended to 45,000 sq. m., the mall will propose a commercial offering that will complement existing local retail outlets and services. An Ipsos poll carried out in January 2005 of 700 local and 15th arrondissement residents revealed that nine out of ten were in favor of the project.

16, rue Linois
Centre Commercial
Beaugrenelle (project)
75015 Paris

1,018,000 sq. m. of offices **130,000 sq. m.** of retails and **1,299,000 sq. m.** of residential space

Evolution as a potential

momentum driver

- Over recent years, GECINA has experienced unprecedented expansion to become the French leader and one of the European leaders in the sector.
- New real estate, financial and strategic know-how has expanded group expertise, leading to a faster reaction to evolution in the real estate markets.
- Since spring 2005, a new majority shareholder, Spanish property company METROVACESA, is GECINA's new partner in a fresh growth phase.

A symbolic head office

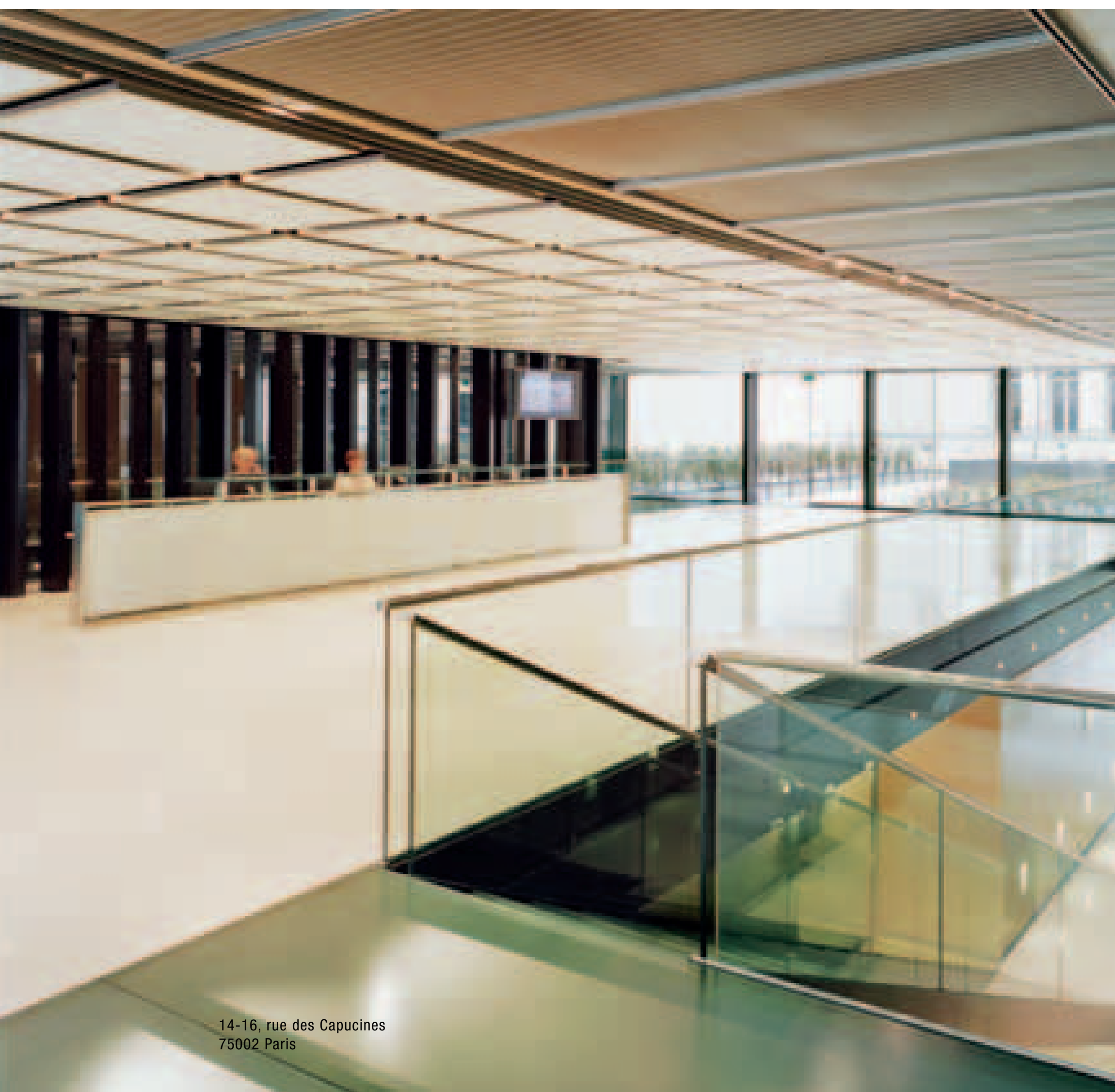
In December 2004, GECINA installed its new headquarters in a 10,570 sq. m. building located at 14-16, rue des Capucines in Paris's 2nd arrondissement. Acquired in 2002, the building is at a prestigious address in the heart of the business district, between place de l'Opéra, place de la Madeleine and place Vendôme.
A restructuring of the complex, designed by architects Naud and Poux, resulted in a real transformation of the building. Its geometry was restored in all its purity. With the emphasis on transparency, perspective and fluidity, this led to the emergence of a state-of-the-art building, that is both bright and functional.

The site has been optimized by opening up the basement, in which meeting rooms, a restaurant, a cafeteria and an auditorium have been built. Indoor amenities by Dal Sasso put the finishing touches on the complex's contemporary spirit, with major concerns being the comfort and well-being of future users and the pursuit of high quality in terms of finish and materials, without neglecting security constraints.

Equipment, furniture, space organization and location...head office staff thus enjoy the best work conditions. As a symbol of GECINA's commercial real estate expertise, this new address contributes to the renewal of the Group's cultural identity.

A new visual identity

With a more balanced form, a more dynamic design, and a signature affirmed by the adoption of a capital G, GECINA's new logo embodies its recent development. In recent years, the Group has invested in new businesses, assets and activities, which are expressed in this visual identity, adopted in December 2004. The colors, too, have changed. Blue has given way to dark red, of which the strength and shine inspire action, associated with gray, a synonym for reason and precision.



14-16, rue des Capucines
75002 Paris

Almost
€9 billion
in assets for rent

€5.5 billion
market
capitalization

Questions for

Antoine Jeancourt-Galignani and Serge Grzybowski

In 2004, GECINA posted solid 17.4% growth in diluted current cash flow after tax per share. How do you analyze this performance?

S. G.: This is well above the goal that we set for ourselves of near double-digit growth. We kept our commitment as started in these pages last year and during the fiscal year we have begun implementing the Group's strategy of redeployment. We have invested €540.9 million in commercial real estate with high net yield of 8.7%. The combined influence of these acquisitions and the continued sale of low-yield residential real estate assets along with the nearly €8 million in synergies derived from the GECINA's merger with SIMCO, translated into renewed improvement in operating margins. EBITDA (excluding net income from sales of real estate holdings) rose to 79.2% of consolidated rental income in 2004, as opposed to 77.7% in 2003. At the same time, the decline in the average cost of borrowing, from 4.79% in 2003 to 4.37% in 2004, helped reduce net financial expenses. All of these circumstances contributed to the sharp increase in current cash flow in 2004.

A. J.-G.: These significant gains were achieved despite competitive real estate markets. The same is true for the strategic redeployment of the commercial real estate business and the progressive constitution of a vector of growth based on an increased number of high added value operations. These improvements have enabled us to make a significantly higher payout. Cash dividend payment has been increased to €3.70 per share. This is a 51% increase over the net dividend and 10.4% above the gross dividend paid in 2004. This year's proposed dividend will allow our shareholders to take advantage of the exemptions of SIIC *(Sociétés d'Investissements Immobiliers Cotées)* tax system. Some shareholders will also benefit from measures compensating for the elimination of the *avoir fiscal* tax credit. All of these serve to enhance the status of GECINA's share as a high-yield equity.

Indeed, what advantages do the exemptions of the new SIIC tax system offer in terms of creating value?

S. G.: The SIIC tax system makes it possible to carry out arbitrage operations without excessive tax impact and to boost the performance of the Group. This is an essential factor in the deployment of our strategy to improve yields on the real estate asset portfolio. Thus, we took advantage of market conditions in the first half of 2005 to sell some commercial properties at maturity and some non-strategic assets. The building at 3/5 boulevard de la Madeleine in Paris's 1st arrondissement, totally renovated by the Group in 2002 was thus sold for a yield of 5.5%. The transaction was thus carried out at a price 70% above the cost of the building when it was completed. A portfolio of eight assets was also sold for €74.5 million. We will also continue to sell residential properties with yields of around 4%.

Antoine Jeancourt-Galignani
Chairman

Serge Grzybowski
Chief Executive Officer

The other aspect of this policy is the acquisition of real estate assets offering greater profitability, as mentioned earlier. This is what led us to implement an active investment policy in 2004. In a market where yields on premium office buildings are close to 5%, assets acquired offering net yields of 8.7% were a fine opportunity. The choice for this investment was also enhanced by the consistent rent income they produce and by the quality of their tenants, who are mainly listed international corporations. In the first half of 2005, a new development project enriched the Group's holdings. The headquarters of the Figaro newspaper, located at 37 rue du Louvre in Paris's 2nd arrondissement, is being acquired. Major restructuring will be carried out beginning at the end of the year when the facility is vacated. New investment projects are being studied. We are also looking into opportunities being offered by the temporary extension of the SIIC tax regime favoring companies that provide real estate contribution in kind to listed real estate companies.

Could you tell us about GECINA's rental activity since the beginning of the year?

S. G.: It has been very satisfactory. The Group published a significant 15% increase in consolidated rental income to €132.03 million, according to IFRS standards, in the first quarter of 2005. Acquisitions carried out in 2004 had a real impact on these results, however the 9.12% progression in rent for commercial real estate on a constant basis and excluding properties for sale also weighed in their favor. This attests to the Group's experience and the competitiveness of its commercial real estate offer. For the full year this cannot be reproduced. Acquisitions made in 2004 will enter the like-for-like scope and certain assets will be vacated even as they are being commercialized.

What are the consequences of the application of IFRS standards?

S. G.: There is almost no impact on consolidated rental income. The main issue is accounting for derivative instruments and for investment real estate at its fair value. The estimated impact was an increase of €487.5 million in earnings for 2004 and an increase of €745.0 million in shareholders' equity as of December 31, 2004.

On June 7, 2005, Metrovacesa became the majority shareholder in GECINA, with 68.54% of its capital… Is a new page in GECINA's history being written?

A. J.-G.: After many years of cooperation and support, AGF and Azur-GMF decided to take their profits. The Metrovacesa Group easily dominated. Aside from their offering price, the Spanish company's performance and professionalism in our business lines instilled confidence. Metrovacesa can bring GECINA the support of a keen organization and place the entire entity in a pan-European perspective. On June 7, GECINA's Board of Directors noted the results of the takeover bid for GECINA shares and defined the new governance policy. A proposal is thus put to the approval of the Shareholders' Meeting to increase the number of board seats to 18 and to renew its composition. The new Board will propose the nomination of Joaquin Rivero, as Chairman of the Board of GECINA, with me as co-Chairman. Serge Grzybowski should join the Board and remain CEO of GECINA.

Recognized and

complementary skills

GECINA's Board of Directors

as of December 31, 2004

Antoine Jeancourt-Galignani
Chairman of the Board

Michel Pariat[1]
Vice Chairman

Charles Ruggieri[1]
Chairman, Batipart

Christian de Gournay[2]
Chairman of the Executive Board, Cogédim

Bertrand Letamendia[3]
Chief Real Estate Officer, AGF

Azur Vie[3]
represented by Bruno Legros
Chief Investment Officer Azur GMF

GMF Vie[3] **represented by Sophie Beuvaden**
Chief Executive Delegate, Finance Division, Azur-GMF

Anne-Marie de Chalambert[2]
Chairman and Chief Executive Officer, Generali Immobilier Conseil

Laurent Mignon[3]
Chief Executive Officer, AGF

Jean-Paul Sorand[4]
Chairman's Delegate Director

Bertrand de Feydeau[5]
Chief Executive Officer, Economic Affairs, Association Diocésaine de Paris

Philippe Geslin[5]
Chairman, Banque Française de l'Orient

Françoise Monod[5]
Attorney

Prédica[5] **represented by Jean-Pierre Bobillot**
Deputy Chief Executive Officer, Prédica

Jean-Alain Daniel
Board Secretary

GECINA's Board of Directors

as of June 29, 2005

Joaquín Rivero Valcarce[6]
Chairman of the Board
Chairman of Metrovacesa

Antoine Jeancourt-Galignani
Co-Chairman of the Board

Patrick Arrosteguy[6]

Bancaja[6]

Domingo Díaz de Mera Lozano[6]
Member of the Board of Directors of Metrovacesa, Chairman and Delegate Counselor of Grupo de Empresas HC and Global Consulting

Santiago Fernández Valbuena[6]
Deputy Chairman of the Board of Directors of Metrovacesa, CFO for the Telefonica Group

Bertrand de Feydeau[5]
Chief Executive Officer, Economic Affairs, Association Diocésaine de Paris

Philippe Geslin[5]
Chairman, Banque Française de l'Orient

Serafin Gonzales Morcillo[6]
Professor at the University of Saragossa

José Gracia Barba[6]
Member of the Board of Directors of Metrovacesa, Chairman of Megasigma

Serge Grzybowski[6]
Chief Executive Officer of GECINA

Joaquín Meseguer Torres[6]
Member of the Board of Directors of Metrovacesa, Managing Director for Individual Buyers

Françoise Monod[5]
Attorney

Luis Portillo Muñoz[6]
Member of the Board of Directors of Metrovacesa

Prédica[5] **represented by Jean-Pierre Bobillot**
Deputy Chief Executive Officer, Prédica

Javier Sanahuja Escofet[6]
Member of the Board of Directors of Metrovacesa, CFO for Sacresa Terrenos Promocion

Román Sanahuja Pons[6]
Member of the Board of Directors of Metrovacesa, Chairman of the Sacresa Group

Michel Villatte[6]
Chief Executive Officer of Prédica

Auditor (Censeur)

Antonio Truan Laka[7]
Managing Director, Advisor to the Chairman of Metrovacesa

Jean-Alain Daniel
Board Secretary

From left to right:

Antoine Jeancourt-Galignani
Chairman

Serge Grzybowski
Chief Executive Officer

Méka Brunel
Development Director

Philippe Carrot
Lyons Regional Director

Karl Delattre
Chief Executive Officer of LOCARE

Yves Dieulesaint
Director of Residential Property

Michel Gay
Financial and Administrative Director

André Lajou
Director of Commercial Property

Denis Outin
Human Resources Director

Corporate Management
as of December 31, 2004

Appointments and Compensation Committee

Laurent Mignon[3]
Chairman

Sophie Beuvaden[3]
Christian de Gournay[2]
Françoise Monod[5]
Antoine Jeancourt-Galignani[8]

Audit Committee

Philippe Geslin[5]
Chairman

Bertrand Letamendia[3]
Jean-Pierre Bobillot[5]
Bruno Legros[3]

Quality and Sustainable Development Committee

Charles Ruggieri[1]
Chairman

Anne-Marie de Chalambert[2]
Bertrand de Feydeau[5]
Jean-Paul Sorand[4]
Reporter

Executive Management

Serge Grzybowski[6]
Chief Executive Officer

Independent Statutory Auditors

Mazars & Guérard
PricewaterhouseCoopers Audit

Independent Alternate Auditors

Pierre Coll
Dominique Duret-Ferrari

(According to the French law, details of Directors' compensation and terms of office are provided in the management report. The conditions of the organization and preparation of the Board and the Group's internal control are presented in the Chairman's report.)

Executive Committee

Antoine Jeancourt-Galignani
Chairman

Serge Grzybowski
Chief Executive Officer

Méka Brunel
Development Director

Philippe Carrot
Lyons Regional Director

Karl Delattre
Chief Executive Officer of LOCARE

Yves Dieulesaint
Director of Residential Property

Michel Gay
Financial and Administrative Director

André Lajou
Director of Commercial Property

Denis Outin
Human Resources Director

[1] *The Shareholders' Meeting of June 29, 2005, is informed of the expiry on the same date of the mandate of a Director.*
[2] *Director whose resignation was noted by the Shareholders' Meeting of June 29, 2005.*
[3] *Director whose resignation was noted by the Board on March 14, 2005.*
[4] *The Shareholders' Meeting of June 29, 2005, is informed of the expiry on the same date of the mandate of a Director who exercised functions with the General Management between December 20, 2002, and January 31, 2005.*
[5] *The Shareholders' Meeting of June 29, 2005, is informed of the expiry on the same date of the mandate of this Director, whose re-election was proposed to the Shareholders' Meeting.*
[6] *Election to the Board of Directors proposed to the Shareholders' Meeting of June 29, 2005.*
[7] *Election as Auditor (Censeur) proposed to the Shareholders' Meeting of June 29, 2005.*
[8] *Appointments only.*

The leading listed French

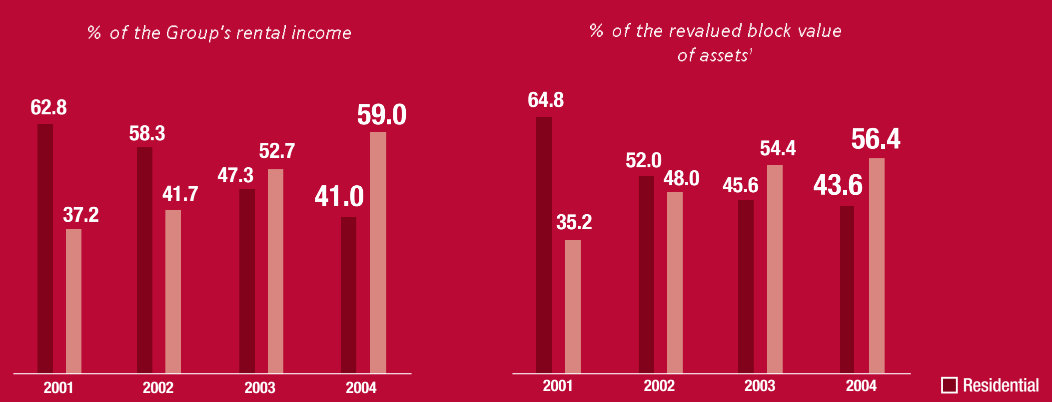
property owner

Consolidated data

(in millions of euros unless otherwise stated)	2001	2002	2003	2004
• Rental income	**267.3**	**293.7**	**493.2**	**493.2**
Commercial properties	99.4	122.5	259.8	291.1
Residential properties	167.9	171.2	233.4	202.1
• Revalued block value of assets as of December 31[1]	**4,091.7**	**8,403.8**	**7,111.9**	**8,068.0**
Commercial properties	1,440.7	4,029.9	3,871.5	4,548.1
Residential properties	2,652.0	4,373.9	3,240.4	3,519.9
• Revalued unit value of assets as of December 31[2]	**4,543.7**	**9,017.9**	**7,793.4**	**8,810.5**
Commercial properties	1,479.0	4,075.2	3,915.3	4,593.7
Residential properties	3,064.7	4,942.7	3,878.1	4,216.8
• Gross return on assets (rental income/revalued block value of assets[1])	**6.53%**	**6.21%[3]**	**6.93%**	**6.11%[4]**
• Total surface area of real estate assets as of December 31	**1,722,868 sq.m.**	**2,771 699 sq.m.**	**2,248,710 sq.m.**	**2,446,273 sq. m.**
Commercial properties	536,189 sq. m.	1,014 167 sq. m.	929,621 sq. m.	1,147,349 sq. m.
Residential properties	1,186,679 sq. m.	1,757 532 sq. m.	1,319,089 sq. m.	1,298,924 sq. m.
• Number of apartments as of December 31	**16,671**	**24,400**	**19,044**	**18,698**
• Investments	**50.9**	**2,453.0**	**131.4**	**630.4**
• Disposals	**315.3**	**334.9**	**1,521.8**	**131.1**

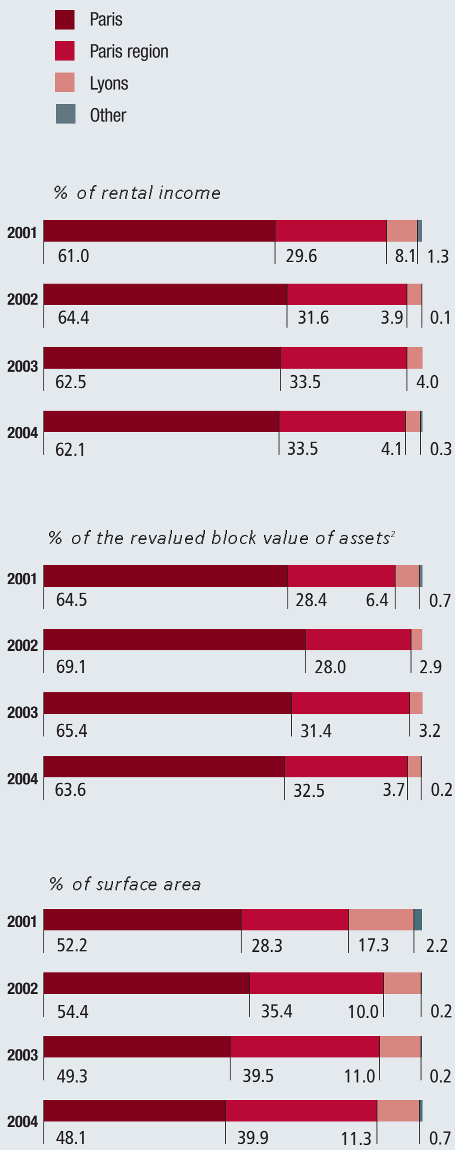
[1] On the basis of block valuation appraisals, net selling prices, of real estate assets.
[2] On the basis of unit valuation appraisals, net selling prices, of residential properties and of block valuation appraisals, net selling prices, of commercial premises.
[3] On the basis of 2002 pro forma GECINA-SIMCO rental income of 522.1 million euros.
[4] On the basis of receipted rents on December 31, 2004, which totaled 514 million euros, gross yield on real estate assets stands at 6.37%.

Change in residential and commercial business

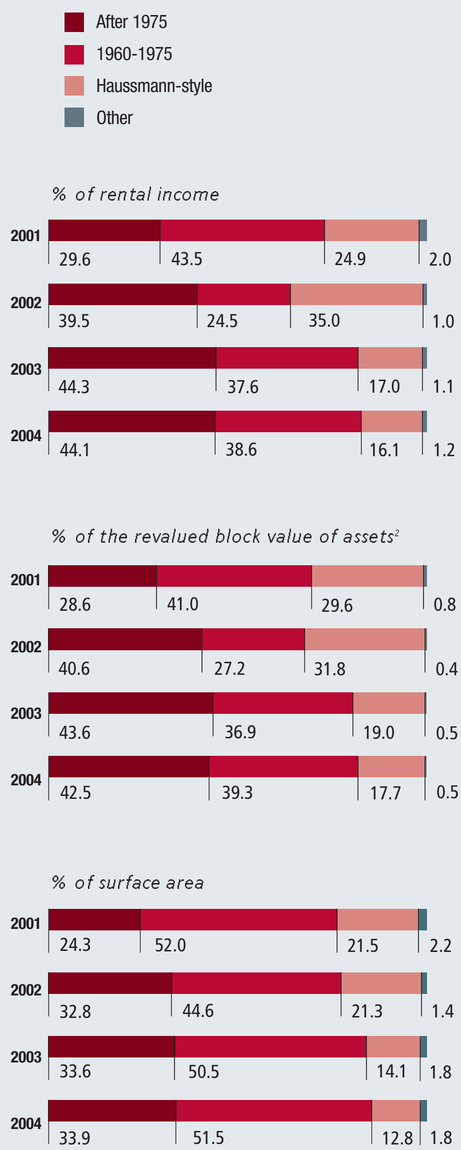


[1] On the basis of block valuation appraisals, net selling prices, of real estate assets.

Geographic breakdown of properties in operation[1]



Breakdown of properties in operation by type[1]



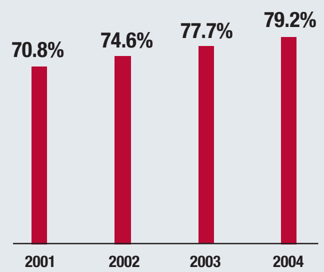
[1] Excluding properties for sale and buildings acquired or under construction during the year, lands and La Rente Immobilière.
[2] On the basis of block valuation appraisals, net selling prices, of real estate assets.

Performance

ahead of objectives

Operating margin

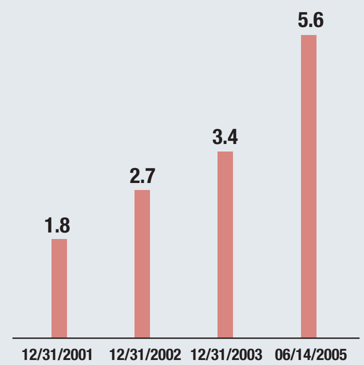
EBITDA[1] / rental income



[1] *Excluding net income from disposals.*

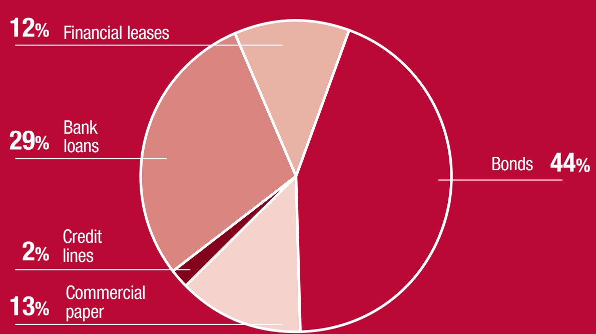
GECINA's stock market capitalization

in billions of euros



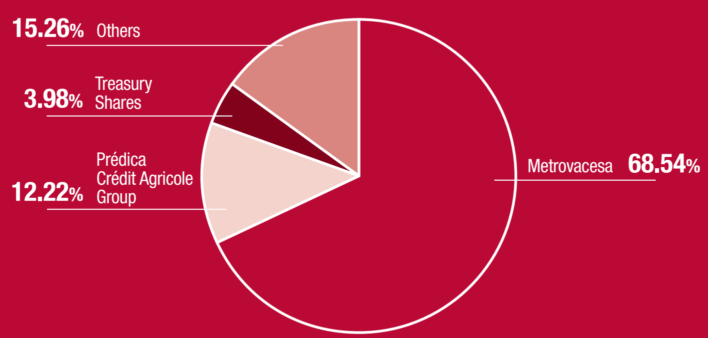
Breakdown of gross financial debt

as of December 31, 2004



GECINA's shareholding structure

on June 14, 2005



Consolidated financial data

(in millions of euros unless otherwise stated)	2001	2002	2003	2004
• EBITDA	189.1	219.1	383.4	390.7
• Net financial expense	65.9	72.7	150.8	119.5
• EBITDA[1]/net financial expense	2.87 x	3.01 x	2.54 x	3.27 x
• Pre-tax current cash flow[1]	123.2	146.3	232.6	271.3
• Current cash flow after tax[1]	90.6	110.3	229.0	258.7
• Diluted pre-tax current cash flow[1 2]	130.7	151.5	243.9	273.4
• Diluted current cash flow after tax[1 2]	93.6	112.5	240.3	260.8
• Net income, Group share	113.3	130.9	535.5	174.8
• Net financial debt as of December 31	1,421.0	3,993.0	2,513.0	2,931.1
• Shareholders' equity as of December 31	1,113.3	3,515.4[3]	3,773.1	3,857.1
• Revalued net block asset value after tax as of December 31[4]	1,923.5	2,937.7	4,043.9	4,673.9
• Revalued net unit asset value after tax as of December 31 [5]	2,215.4	3,329.8	4,725.3	5,416.4
• Diluted revalued net block asset value after tax[4 6]	2,156.8	3,390.7	4,423.6	4,726.3
• Diluted revalued net unit asset value after tax [5 6]	2,448.7	3,782.7	5,105.0	5,468.8
• Net financial debt / revalued net block asset value as of December 31[4]	34.73%	47.75%	35.33%	36.46%
• Net financial debt / revalued net unit asset value as of December 31[5]	31.27%	44.48%	32.25%	33.37%
• Net financial debt / shareholders' equity as of December 31	1.28 x	1.98 x	0.65 x	0.75
• Total dividends	69.3	108.2	138.3	219.7[7]

Per share data[8]

(in euros)	2001	2002	2003	2004
• Pre-tax current cash flow[1]	3.32	3.77	4.11	4.50
• Diluted pre-tax current cash flow [1 2]	3.18	3.58	3.80	4.46
• Current cash flow after tax[1]	2.44	2.83	4.04	4.29
• Diluted current cash flow after tax[1 2]	2.28	2.65	3.74	4.26
• Net income, Group share	3.05	3.37	9.46	2.90
• Diluted revalued net block asset value after tax[4 6]	52.87	54.53	69.05	78.37
• Diluted revalued net unit asset value after tax[5 6]	60.02	60.83	79.68	90.68
• Net dividend	1.80	2.00	2.45	3.70[7]
• Gross dividend	2.70	3.00	3.35	-

Number of shares[8]

	2001	2002	2003	2004
• Number of shares comprising the share capital as of December 31	38,476,100	54,092,752	58,038,246	62,101,841
• Number of shares excluding treasury shares as of December 31	36,796,524	52,652,818	56,432,164	59,382,715
• Diluted number of shares excluding treasury shares as of December 31[6]	40,796,978	61,879,826	64,065,585	60,309,847
• Average number of shares excluding treasury shares	37,125,948	38,874,050	56,609,724	60,324,857
• Diluted average number of shares excluding treasury shares[2]	41,126,402	42,331,052	64,243,145	61,251,989

[1] Excluding net income from disposals.
[2] Diluted by existing convertible bonds in 2001 and 2002, outstanding convertibles bonds in addition to options to subscribe for and purchase shares in 2003, in addition to options to subscribe for and purchase shares in 2004.
[3] After restatement of the balance sheet as of January 1, 2003.
[4] On the basis of block valuation appraisals, net selling prices, of real estate assets.
[5] On the basis of unit valuation appraisals, net selling prices, of residential properties and of block valuation appraisals, net selling prices, of commercial premises.
[6] Diluted by convertible bonds outstanding on December 31, 2001, and December 31, 2002, outstanding convertibles bonds in addition to options to subscribe for and purchase shares on December 31, 2003, and options to subscribe for and purchase shares on December 31, 2004.
[7] Subject to the approval of the Shareholders' Meeting of June 29, 2005, and a dividend payment base of 59,382,715 shares.
[8] Data restated to account for the split of the par value of shares as of January 2, 2004.

Emphasis on the quality

In 2004, GECINA confirmed its status as a major stock investment in its sector at the European level with a 25% increase in the share price and enhanced financial communication.

A SIIC with clout

In less than four years, GECINA's stock market capitalization has risen threefold, exceeding €5.5 billion in June 2005. This growth was accompanied by a major change in shareholder structure. On March 14, 2005, Spanish property company Metrovacesa acquired 30% of GECINA's capital from AGF and Groupe Azur-GMF. This acquisition was followed by a public offer to buy all of GECINA's shares, for which settlement/delivery took place on June 7, 2005. At this date, Metrovacesa held 68.54% of GECINA alongside Crédit Agricole life assurance subsidiary Prédica (12.22%), and free float (15.26%), the balance (3.98%) being held in treasury.

Registered shares

Since January 7, 2004, all GECINA shares must be registered shares. Approved by the Shareholders' Meeting of December 17, 2003, this form enables shareholders to benefit from personalized services that include announcements of Shareholders' Meetings, participation in Shareholders' Meetings without having to obtain a certificate freezing shares, and invitations to events for individual shareholders. An in-house team manages "pure" registered shares with no custody fees and reduced brokerage commissions. There are also "administered"registered shares that allow shareholders to continue to work with their brokers. The account is therefore managed under the conditions practiced by the broker firm.

Regular and detailed information

In 2004, GECINA continued to improve the quality of its financial communication by adding new indicators to bolster its financial information. The number of press releases was increased and more diversity was introduced into the subjects announced (appointments, divestments, investments, new rentals, etc.) in order to provide greater regularity and transparency with regard to major events in the life of the Group. Information is put online at www.gecina.fr as soon as it is announced in order to ensure equal access to information for all shareholders, whatever their profile and nationality.

A grassroots approach and dialogue

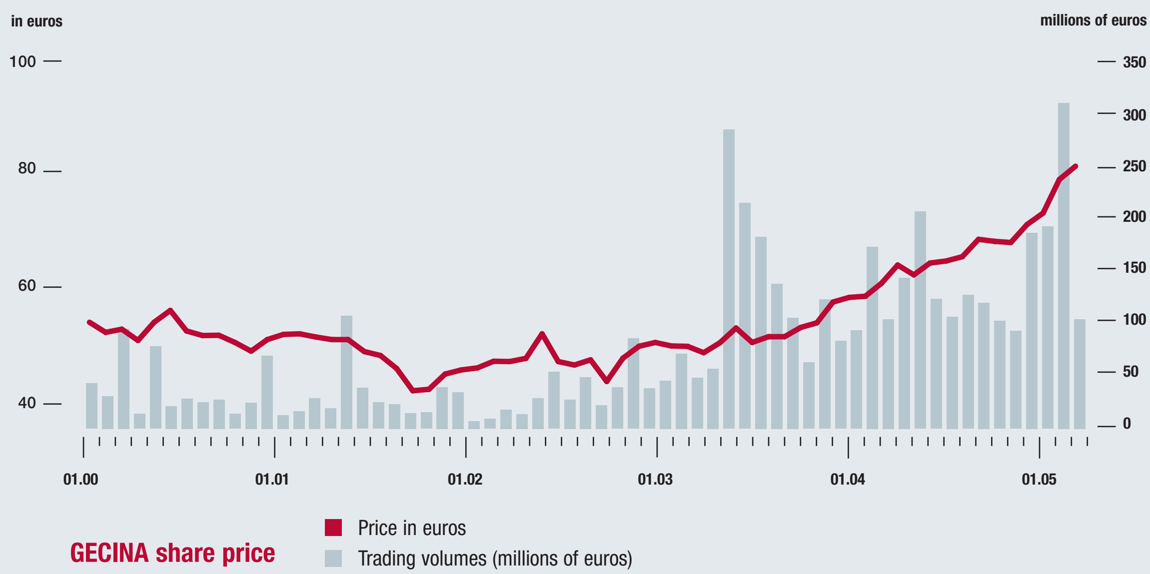
GECINA is committed to establish and maintain dialogue with its shareholders. Throughout the year, management is in regular contact with the financial and economic press, financial analysts, investors and individual shareholders. With institutional shareholders, analysts and journalists, these contacts take the form of conferences, meetings organized on the occasion of the publication of annual and half-year results, group or individual meetings.

Special efforts are being made for private shareholders. For the second time, GECINA participated in the Actionaria shareholding promotion event, which was held in Paris on November 19 and 20, 2004. In addition, dedicated services were created to maintain close contact:

- a free telephone service for direct dialogue with the Investor Relations team;
- an e-mail address.

In addition to financial notices addressed regularly to all shareholders, whether registered or managed registered holding at least 20 shares, further written information, a letter to shareholders and a guide for the registered shareholder, has been added to that already available. In 2005, GECINA wishes to reinforce its communication with individual shareholders. The Group will thus participate in shareholder meetings in Lille, organized by the *Cercle de Liaison des Informateurs Financiers en France* (CLIFF) and *Fédération Française des Clubs d'Investissements* (FFCI), and in Lyons under the aegis of the *Investir* newspaper.

# of information



GECINA share price

GECINA shareholders' calendar

- **June 29, 2005**
  Shareholders' Meeting to approve the 2004 financial statements
- **July 1, 2005**
  Dividend paid
- **July 27, 2005**
  Publication of 2005 half-year results after the stock exchange closes
- **July 28, 2005**
  SFAF financial analysts' meeting on 2005 half-year results
- **October 15, 2005 (at the latest)**
  Publication of rental income in the third quarter of 2005
- **November 8, 2005**
  Investir meeting of individual shareholders in Lyons
- **November 18 and 19, 2005**
  GECINA stand at the Actionaria shareholding promotion event in Paris – Porte Maillot (Paris 17)
- **December 13, 2005**
  CLIFF-FFCI meeting of individual shareholders in Lille

GECINA shares

- **Number of shares**
  62,101,841 on June 14, 2005
- **ISIN code**
  FR0010040865
- **Stock Exchange**
  Euronext Paris - Eurolist
  Service à Règlement Différé (SRD)
- **Indexes**
  CAC Next 20, SBF 120, MSCI, EPRA

Contacts

- **Financial Communication**
  Financial analysts, investors and press relations:
  Laurence Bousquet +33 1 40 40 52 21
  Individual shareholders:
  Régine Willemyns +33 1 40 40 62 44
  actionnaire@gecina.fr
- **Secretary General**
  Securities and Stock Market
  +33 1 40 40 62 69
  titres&bourse@gecina.fr

153, rue de Coucelles
75017 Paris

17-21, rue Jean Mermoz
92380 Garches

commercial resi

Thanks to an active, selective expansion policy initiated in 2001, GECINA now represents the largest office and store rental network in Paris and the region. A source of growth and value creation, in 2004 these assets contributed almost 60% of Group rental income.

dential services

Composed of 18,700 apartments, the residential real estate assets offer consistent, diversified revenues, which give the Group a low risk profile. Ongoing asset rationalization is resulting in a further improvement in GECINA's performance.

The Group's dedicated subsidiary, LOCARE is building experience as a real estate service company, specialized in rental transactions and sales of products from the Group and large institutional investors. In 2004, an asset management consultancy and new home sales activity were started up.

Asset

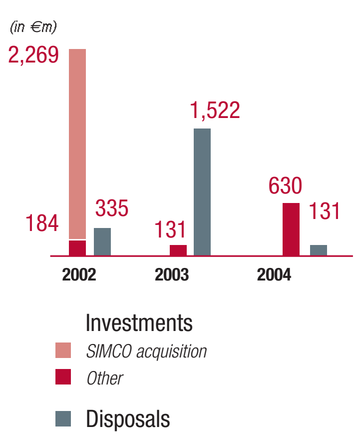
strategy

A dynamic that creates value

GECINA is fully dedicated to the pursuit of a strategy of profitable growth based on improving the total yield on the entire asset portfolio. In 2004, this strategy was implemented by optimizing asset sales, making significant investments in commercial property and speeding up the exploitation of sources of value creation already within the Group's portfolio.

A fruitful restoration of asset balance

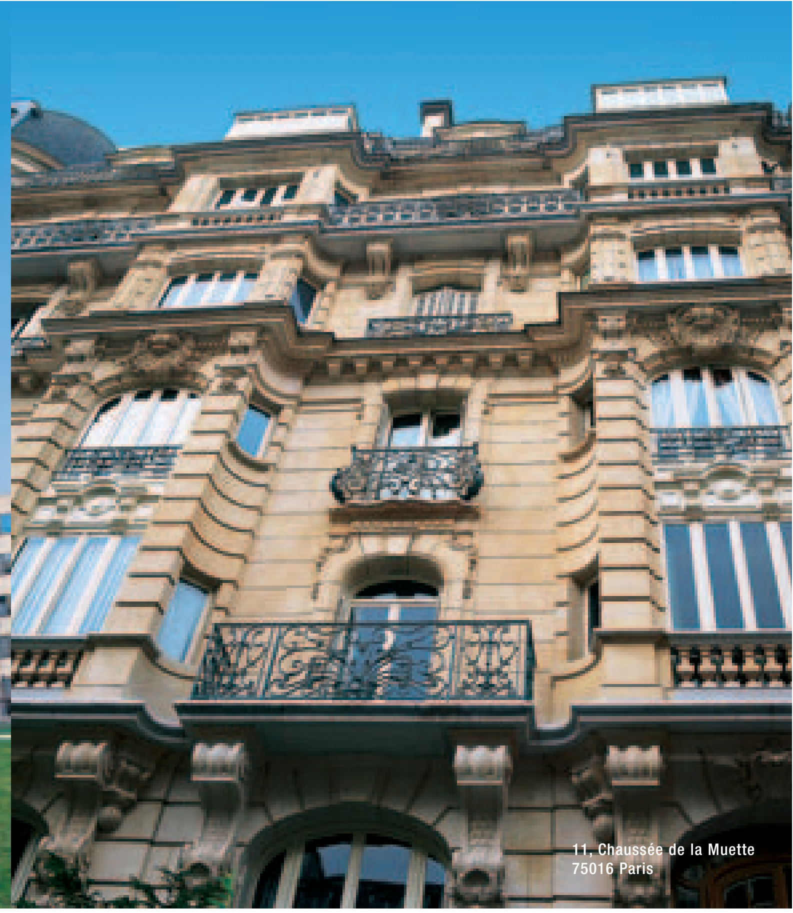
Resolutely committed to a strategy of value creation based on steady growth in current cash-flow per share since 2001, GECINA's asset strategy aims at aiming the portfolio towards higher-yield assets. This in effect means downsizing the share of residential property in the Group's business and placing greater weight on commercial property. During an initial period, this strategy focused on disposals of residential assets with an annual yield of less than 5%. Revenue on these sales, which were made after the merger with SIMCO, was first used for purposes of reducing Group debt. In 2004, these flows were redeployed to investments providing a yield of over 7.5%. This strategy has now been enhanced through active management of the commercial property portfolio aimed at optimizing Group performance and minimizing rental risk. Since asset rotation has been provided for in the 2003 Act on listed real estate investment trusts (SIICs), such arbitrage is now possible without excessive tax consequences.



Accelerated rationalization of residential assets

For several years now, GECINA has carried out a policy of disposal of low-yield rental investments in residential property. Buildings to be offered for sale are chosen on the basis of an analysis of their individual profitability and a calculation of the cost of needed renovations. Given a slow rate of rent increases because of limited tenant turnover, high valuations and high renovation costs, residential buildings in the classic "Haussmann" style provide a lower average return than the average for the Group's residential holdings. Hence, these make up an important part of the assets sold. GECINA's total asset sales in 2002, 2003 and 2004 came to over €330 million, €1.522 million and €131 million, respectively, with sales of residential property at €315, €1,515 and €106.5 million, respectively.
Sales of individual residential units in 2004 amounted to a total surface of 34,000 sq. m., comprising 388 apartments and almost 4,000 sq. m. in offices and ground-floor stores. In order to maximize the resources freed up by disposals, the Group has referred unit sales as opposed to block sales, since the latter imply sales at a discount.
The sales price of apartments in a very buoyant market was an average of 8.5% higher than the most recent appraisals, providing a net yield on disposals of 3.4%. The target for unit sales in 2005 is €120 million. Property disposals in 2004 and 2005 are part of a multi-year arbitrage plan that provides for €500 million in disposals of low-yield assets.
At the same time, the Group has continued to dispose of residential assets that do not meet the criteria of middle-range upscale buyers. Hence, on January 31, 2005, GECINA sold the long-term lease on a building located at 22-24, rue Balard and rue des Cévennes in Paris's 15th arrondissement.

1, Quai Marcel Dassault
92150 Suresnes



11, Chaussée de la Muette
75016 Paris

The building was acquired by the municipal real estate authority for conversion to low-cost housing, including 110 housing units, offices and a club for young municipal employees. The sales price was €14.6 million.

Redeployment to commercial real estate is effectively under way

In accordance with its strategic objectives, in 2004, GECINA began redeploying resources to commercial real estate. Three portfolios, with a total surface of 230,000 sq. m., were acquired in May and June at a total cost of €540.9 million. These acquisitions were made in strict conformity with the Group's investment criteria: They generate immediate and secure rental income, have first-quality tenants, are of significant size and have prospects for long-term appreciation and a high yield. Rental income flows begin in the year of acquisition: Total rentals were €27.1 million in 2004 according their scope not for the full year and are expected to reach €49.2 million in 2005. Close to 60% of the portfolio of office buildings acquired from Standard Life Investment on May 25 comprises firm leases for eight years or more. With a total surface of 90,000 sq. m., these five buildings are located in the 12th arrondissement of Paris and in the suburban towns of Montrouge, Suresnes and Poissy. They are rented to multinational companies. The three building complexes acquired from the Deutsche Bank group on June 9 are rented by Thalès. They are located at Saint-Quentin-en-Yvelines (85,000 sq. m.), at Brétigny in the Essonne (17,000 sq. m.) and at Chevilly-Larue in the Val-de-Marne (15,000 sq. m.). Some 80% of total rental income is under binding leases of over six years. The investments were bought on a net yield of 8.7%. By December 31, 2004, the appraised value of these properties had increased by 4% over the acquisition price, and total rentals have been re-estimated by over €3 million. In order to reinforce the growth potential and performance of its commercial properties, the Group has also undertaken a strategy of sales of non-strategic or mature assets. In 2004, four assets, three of them located in the 8th arrondissement of Paris and one in Levallois-Perret (92), were sold for €24.6 million. In 2005, these operations were followed by sale of a building belonging to Société des Immeubles de France, located at 3/5, boulevard de la Madeleine – Paris 1st. Totally renovated in 2002 and with a total surface of 13,000 sq. m., made up of both offices and stores, this building was sold for €152 million once net yield of 5.5%. In the first half of 2005, the Group also took advantage of the dynamism of the market for investment in commercial property in France to sell, after a call for tender, a portfolio of eight assets located in Boulogne-Billancourt, Neuilly-sur-Seine, Noisy-le-Grand and Meudon-la-Forêt (€74.5 million). The goal for block sales of commercial buildings in 2005 is €250 million.

Building up organic growth

With a dedicated asset management team, in 2004 the Group launched operations to enhance the value of property already held. Heavy construction or reconstruction operations, aimed at creating a portfolio of top-class assets, provide a unique opportunity to increase rental income and enhance the value of Group holdings, given that the cost is less than future market value. These projects create value either by permitting the asset to be retained in the portfolio, with a positive impact in terms of both yield and net asset value, or by permitting its resale under favorable market conditions.

In Lyons, the Dauphiné Part-Dieu project, which required capital expenditures of less than €30 million, has delivered in February 2004 (see box).
The Volney-Capucines project, completed in the closing months of 2004, has become the new Group headquarters.
At the same time, the project for restructuring and relaunching the Beaugrenelle shopping center in Paris's 15th arrondissement, initiated in 2003, has made significant progress, as the Paris City Council as approved changes in the land-use plan (POS) and pre-marketing of the center to major chains has begun. The building permit was requested, and a file submitted to the commission for retail facilities (CDEC), in the first half of 2005.
This operation, in which Apsys, a major operator in commercial real estate, has a 50% stake, is the most important restructuring of a shopping center within Paris's city limits. The future shopping center will have a total surface of around 45,000 sq. m. GLA.
The delivery should occur in 2009.

Three projects went into their operational phase in 2004. Work began at 122, avenue du Général Leclerc in Boulogne-Billancourt in December 2004, with the approval of the appropriate CDEC, agreement for office space and a building permit. The project includes construction of a building with considerable architectural and environmental qualities, to provide 8,800 sq. m. in office space and 2,500 sq. m. in retail space, on Group-owned land. Work is projected to be completed in 2006. The potential net yield should be about 8%. Work on the building at 159, avenue Charles-de-Gaulle in Neuilly (92) was also launched in 2004.
This office building of 3,800 sq. m. was acquired in May 2003. Together with 157, avenue Charles-de-Gaulle,

Asset acquisitions realized

Date of acquisition	Address (Departments indicated by postal code)	Surface (all commercial)	Date of construction
May 25, 2004	2-12, rue des Pirogues – Paris 12th	12,564 sq. m.	1998
May 25, 2004	35, boulevard Romain Rolland – Montrouge (92)	10,429 sq. m.	1999
May 25, 2004	25-31, boulevard Romain Rolland – Montrouge (92)	6,709 sq. m.	2000
May 25, 2004	1, quai Marcel Dassault – Suresnes (92)	12,692 sq. m.	2003
May 25, 2004	16 et 26, rue de la Faisanderie – Poissy (78)	48,398 sq. m.	2002
May 27, 2004	153, rue de Courcelles – Paris 17th	21,681 sq. m.	1991
June 9, 2004	2, avenue Gay Lussac – Saint-Quentin-en-Yvelines (78)	85,054 sq. m.	1985-88
June 9, 2004	Z.I. Les Bordes – Brétigny-sur-Orge (91)	17,139 sq. m.	1975
June 9, 2004	25, rue du Pont de Halles – Chevilly-Larue (94)	15,442 sq. m.	1977-96

Block disposals realized

Date of sale	Address (Departments indicated by postal code)	Surface	Date of construction
September 30, 2004	7-9, rue Tronchet – Paris 8th	2,964 sq. m. commercial	-
November 24, 2004	123, rue du Faubourg Saint-Honoré – Paris 8th	1,383 sq. m. commercial	1880
November 24, 2004	10, rue Saint-Philippe-du-Roule – Paris 8th	1,468 sq. m. commercial	1880
December 16, 2004	35, rue d'Alsace – Levallois-Perret (92)	1,800 sq. m. commercial	1977
January 31, 2005	22-34, rue Balard – Paris 15th	10,385 sq. m. commercial*	1971
February 16, 2005	3-5, boulevard de la Madeleine – Paris 1st	13,516 sq. m. commercial	2002
February 25, 2005	10, boulevard de la Paix – Poissy (78)	1,993 sq. m. commercial**	1972
May 30, 2005	50, rue Reinhardt et 51, rue Diaz – Boulogne-Billancourt (92)	1,120 sq. m. commercial	1980
May 30, 2005	218, boulevard Jean Jaurès – Boulogne-Billancourt (92)	1,293 sq. m. commercial	1988
May 30, 2005	148, route de la Reine – Boulogne-Billancourt (92)	4,605 sq. m. commercial	1997
May 30, 2005	150, route de la Reine – Boulogne-Billancourt (92)	4,666 sq. m. commercial	1990
May 30, 2005	4, allée Ferrand – Neuilly-sur-Seine (92)	878 sq. m. commercial	1992
May 30, 2005	2-4, rue Andréas Beck et 5-7, rue Jeanne Braconnier– Meudon-la-Forêt (92)	6,315 sq. m. commercial	1988
May 30, 2005	4-10, la Courtin Mont-d'Est – Noisy-le-Grand (93)	4,675 sq. m. commercial	1985
May 30, 2005	4-10, la Courtine Mont-d'Est –Noisy-le-Grand (93)	4,818 sq. m. commercial	1980

* *9,252 sq. m. residential and 1,133 sq. m. commercial.*
** *1,872 sq. m. residential and 121 sq. m. commercial.*

also owned by the Group, it will form an ensemble of over 10,000 sq. m.. When delivered at the end of this year, the renovated building will also permit the tenant at 157 to increase his office space. The cost of the operation is estimated at €26 million, including the cost of acquiring the building. The Labuire rehabilitation project was initiated at end-2004 (see box).

One new project is being examined: a restructuring at 122, rue Réaumur/7-9, rue Saint Joseph in Paris 2nd.
The acquisition of the traditional offices of the French newspaper Le Figaro in 2005, located at 37, rue du Louvre in the heart of Paris 2nd, with a total surface of over 8,000 sq. m., is another addition to Group holdings. Heavy restructuring will begin once the newspaper vacates the premises, probably at year-end.

Real estate reserves for phased development

GECINA's assets in Lyons include land reserves that provide the Group with a potential for development that can be adapted to the absorptive capacities of the local market. New projects are launched progressively. The Dauphiné Part-Dieu project, started in the fall of 2002 , was completed on February 3, 2004, in advance of the target date. The building has a total surface of 13,000 sq. m. of office space, located on a plot at 74-78 and, rue de la Villette (Lyons). It has an exceptional location, less than 300 meters from the Part-Dieu railroad station, and offers exceptional technical facilities. Space in the building is being progressively leased, at among the highest rates in the Lyons market. Occupancy rate was at 64% in May 2005.

The Labuire project also took a new step forward in 2004. Last fall, the plan for development of this former industrial site, five hectares that have lain vacant for several years although located five minutes from the center of Lyons, was presented to the public by Senator Gérard Collomb, Mayor of Lyons and President of Greater Lyons community, Antoine Jeancourt-Galignani, Chairman of GECINA, and Rémy Weber, Chairman of La Lyonnaise de Banque. Owner of 60% of the land, GECINA, in partnership with La Lyonnaise de Banque and the Greater Lyons community, will be the developer and contracting authority for the program, which will include a 5,000 sq. m. park, a public services such as a school, nursery school and gymnasium, with a total surface of 8,000 sq. m.; 750 apartments (64,000 sq. m.) and 68,000 sq. m. of office space. The last major project in the Part-Dieu area, Labuire, will be a real new neighborhood, located at the intersection of Boulevard Vivier Merle and Avenue Félix Faure. Its balance roster of activities corresponds to the growing demand for mixed urban areas. The April Group is already prepared to acquire 14,500 sq. m. of land for its new corporate headquarters, which will accommodate nearly 700 employees in 2007. Demolition work and rehabilitation of the land began in the winter of 2004. Marketing of lots picked up speed in the first half of 2005, with a call to potential investors and promoters of business real estate. The work schedule projects completion of the entire project with the four to eight coming years.

LABUIRE Development Project,
72-86, avenue Félix Faure
and 106, boulevard Vivier Merle
69003 Lyons

An increasing proportion of assets with a surface area greater than 5,000 sq. m.:

71% of rental revenues in 2004

A reduced rental risk:

no single tenant exceeded

2.7% of receipted rents as of December 31, 2004

23-29, rue de Châteaudun
75009 Paris

Despite a challenging market, the commercial real estate arm demonstrated the solidity of its market positioning with a high 95.6% occupancy level and a 4.3% rise in rental revenues on a constant scope of consolidation.

A major contribution to valuation of the Group

A stabilized rental market in the Ile-de-France region

In 2004, GDP climbed from 0.5% to 2.2%, thanks to more sustained consumer spending. Conversely, investment by companies and job creation remained at a low level. Against this backdrop, the office rental market experienced more dynamic activity, which, however, did not translate to an upturn in rental levels.

Immediately available space remained stable in 2004, standing at 3 million sq. m. at the year-end. Space firmly available in less than one year also made no progress, totaling 3.8 million sq. m. in December 2004[1]. However, this consolidation was not uniform, covering contrasting regional situations. The decline in supply is marked in Paris. Conversely, supply in La Défense and in the business district to the west of Paris registered a slight increase, whereas the outer suburbs saw a sharper increase in supply[2].

Year-end vacancies in Ile-de-France stood at 6.3%. In Paris, this indicator remained the lowest in the Ile-de-France region, reaching 5.8% at end-2004 in the central business district. It reached 8.6% on the La Défense market and 9.6% in the West North business sector[3]. The increase in deliveries of new and restructured programs that took place in 2004 was offset by an estimated 12.8% increase in demand relative to 2003, reaching 1.9 million sq. m. Transactions of less than 5,000 sq. m. breathed new life into the market, to represent 61% of surfaces marketed in 2004, up 21% from 2003. 69% of transactions for more than 5,000 sq. m., which totaled 57 in 2004, concerned new or restructured buildings[4]. Paris garnered almost 44% of transactions in the Ile-de-France region. The return of users[5] was prompted, notably, by a more significant adjustment in rental levels than elsewhere. Despite a stabilization in the fourth quarter, the Paris market was the hardest hit by the decline in rental levels. Average weighted rents for new or restructured buildings located in Paris slid by 8% in 2004, and reached 11% in the central business district. Most transactions were completed on rents of less than €450 excluding VAT and service charges/sq. m./year. Contracts for more than €600 were occasional and in decline. Overall, rents in the Paris region for new or restructured buildings registered an average 4% decline for 2004, to €296 excluding VAT and service charges/sq. m./year[6]. This decline was accompanied by an accentuation of commercial advantages granted by the renter (rental franchises, progressive rent structures, etc), which deepened the difference between apparent and economic rents.

1 Source: CB Richard Ellis Bourdais.
2 Source: Atis Real Auguste Thouard.
3 Source: Atis Real Auguste Thouard.
4 Source: CB Richard Ellis Bourdais.
5 Source: CB Richard Ellis Bourdais.
6 Source: CB Richard Ellis Bourdais.

64, rue de Lisbonne - rue Murillo
75008 Paris

A lackluster Lyons market[7]

Following a particularly active 2003, transactions returned to an average level in 2004. Placed demand thus declined 5% in 2004 to 163,000 sq. m. Space available in one year rose 16% to 311,600 sq. m. at the end of the year, reflecting second-hand surfaces. However, rental levels held in a range of €120 excluding VAT and service charges/sq. m./year to €200 excluding VAT and service charges/sq. m./year, the average rent at La Part-Dieu standing at €185 excluding VAT and service charges/sq. m./year.

A mixed retail outlet market[8]

New surface area production in 2004 was particularly low. As in Paris, large restructuring operations were few. The offer of high quality locations in the capital were rare and much sought-after by the luxury brands. "Prime" rents in new transactions rose to a range of €3,000 to €5,000/sq. m./year (in zone A), with a record €9,000 reached on the avenue des Champs-Elysées. In 2004, the major names expressed a strong preference for malls. In France as a whole, rental values stabilized.

A record investment market

€12.1 billion were committed to the French property market in 2004, overtaking the previous record of €12 billion in 2001. Attractions of the French market have been confirmed: liquidity and fluidity of real estate assets, diversity of users, competitive yields. Initially, the least risky traditional products were sought by investors who had, however, broadened their search criteria, in terms of both location, unitary amounts or the condition of premises. Offices accounted for 84% of 2004 contracts, of which 97% concerned rented assets, either as a whole or in part. The proportion of investments in the provinces increased from 8% of volumes invested in 2003 to 14% in 2004. The Lyons market confirmed its place as France's second-largest, with commitments totaling €400 million in 2004[9]. Commercial real estate accounted

Prime rentals in Europe in 2004 *(sq. m./year – excluding VAT and operation costs)*

London West End	1,140 €
Paris	625 €
Frankfurt	408 €
Madrid	300 €

Source: CB Richard Ellis Bourdais

Prime office yields in Europe in 2004

Paris	5.30%
London West End	5.25%
Frankfurt	5.30%
Madrid	5.00%

Source: CB Richard Ellis Bourdais

[7] *Source: Atis Real Auguste Thouard.*
[8] *Source: Cushman & Wakefield Healy & Baker.*
[9] *Source: Atis Real Auguste Thouard.*

Capitalization rates of appraisals carried out on GECINA's commercial real estate assets on December 31, 2004

Paris	6.25% - 10%
Paris region	6.25% - 11%
Lyons	8% - 10%

GECINA commercial rental properties by size as of December 31, 2004

	% of rental income	% of total area
Less than 2,000 sq. m.	9%	7%
2,000 sq. m. to 5,000 sq. m.	20%	22%
5,000 sq. m. to 10,000 sq. m.	31%	27%
More than 10,000 sq. m.	40%	44%

for 7% of investment volumes, business premises and warehouses accounting for 7%[10].

Following three years of US, then German, domination, French investors took over as the most active investors in 2004, with 36.5% of commitments. German and US investors continued to operate, accounting for 26% and 18.5% investments, respectively. Amongst the sellers, French and North American players continued to supply the market, accounting for 60% and 28% respectively. Sales were largely the product of disposals (77% in 2004 compared with 61% in 2003). User sales accounted for only 8.5% of 2004 sales, developer sales accounting for the balance, i.e., 14.5%. Capital flows into the corporate property investment market led to a fall in yields, the "prime" level thus losing between 0.5% and 1% over the year. At end-December 2004, immediate yields reached 5.3% in the Paris central business district for the best products in prime locations, 5.5% for boutiques, 5.75% for malls and 8.5% for business premises[11].

A diversified market with many players

Corporate real estate assets are owned by many leasing operators, including listed real estate firms, insurance companies, SCPI investment vehicles and a growing number of foreign operators. With a total of 48 million sq. m., Ile-de-France is considered to be Europe's leading office market, ahead of London, and also one of the most diversified[12]. Office space in Ile-de-France basically involves three main central markets: the central Paris business district, the western suburbs of Paris, and the secondary office areas of Paris (Front de Seine, Montparnasse, Gare de Lyons/Bercy/Paris Rive Gauche). At the same time, other areas are emerging like the northwest suburbs of Paris (Clichy, Saint-Ouen and Saint-Denis), and in general, all the municipalities in the immediately surrounding suburbs, such as Montreuil, Charenton and Montrouge. Further out in the suburbs, there are micro markets at Saint-Quentin, Marne-la-Vallée, Vélizy-Villacoublay, etc.

Lyons represents France's second-largest office market, behind the Ile-de-France region. Total office space for rent is estimated at four million sq. m. at end-2004.

As of December 31, 2004, the GECINA Group owned 1,147,349 sq. m. of offices and stores, 1,023,453 sq. m. of which were in Paris and its suburbs, a figure that represents less than 2% of office space (excluding stores) in Ile-de-France. While the leading listed French property company, GECINA does not have a dominant position in the commercial real estate market. At the same time, the Group's rental transactions accounted for approximately 3% of the demand satisfied in Ile-de-France.

[10] Source: CB Richard Ellis Bourdais.
[11] Source: CB Richard Ellis Bourdais.
[12] Source: ORIE/IAU RIF.

A quality portfolio

As of December 31, 2004, the GECINA Group's portfolio of commercial assets was valued at €4.55 billion, with €4.45 billion located in Paris and its suburbs. The value of commercial assets in the first, second, eighth, sixteenth and seventeenth arrondissements represented 46.3% of total commercial assets, while the value of assets in the western suburbs (Boulogne, Levallois, Issy-les-Moulineaux, etc.) accounted for 24.1%.

These assets form a varied offering in terms of both types of office space (Haussmann-style, recent constructions, stores on the ground floor, etc.) and rental surface area (from small to large). The large space segment was reinforced in 2004, with acquisitions carried out in the first half of 2004 integrating 10 assets of an average space of more than 20,000 sq. m. On December 31, 2004, the proportion of office buildings with more than 5,000 sq. m. accounted for 71% of the commercial real estate arm's rental income compared with 60% on December 31, 2003.

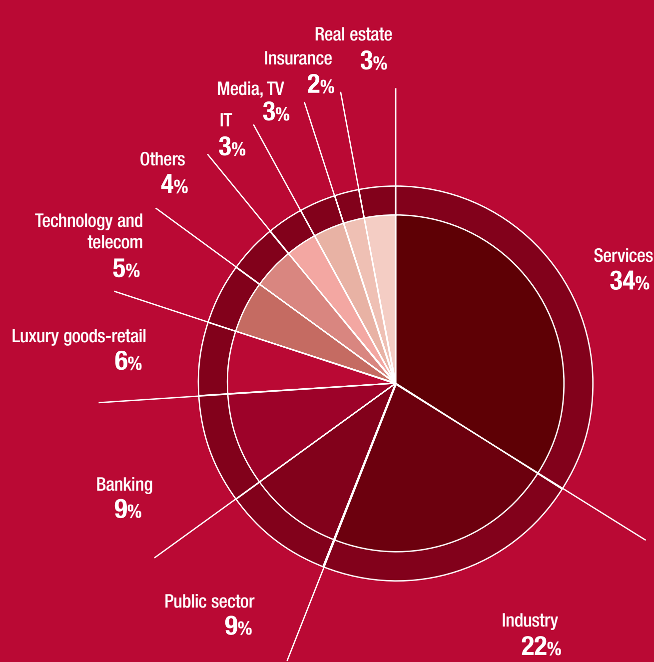
This diversity makes it possible to satisfy a wide range of clients and provides a buffer in the event of an economic downturn. GECINA's corporate clients work in many sectors, thereby reducing the Group's rental risks. As of December 31, 2004, the ten largest renters accounted for only 18.6% of the Group's rental income. With an annual rent of €14.1 million, the largest user represented 2.7% of receipted rents on December 31, 2004. The fifth and tenth largest accounted for €9.7 million and €5.3 million, respectively, representing 1.9% and 1% of rents receipted by the Group on December 31, 2004. At the same time, rents for the ten largest commercial properties contributed 19.0% of receipted rents on December 31, 2004.

12% surge in commercial real estate sales

2004 rental revenues of the commercial real estate arm rose 12% to €291.1 million, representing 59% of the Group's rental sales. This increase was accounted for by acquisitions carried out in 2004, made up of office buildings with a total surface area of almost 230,000 sq. m., and by a 4.3% increase in rents of the arm on a comparable structure and excluding space for sale.

Against a backdrop of challenging conditions in the cycle trough of the commercial real estate market, the arm's organic growth confirmed the quality of GECINA's commercial real estate assets, making possible the re-renting of 38,941 sq. m. on a rent 1% higher on average than that on the previous lease. Furthermore, 19,553 sq. m. have been rented out on a first lease:
2ter, boulevard Saint-Martin – Paris 10th

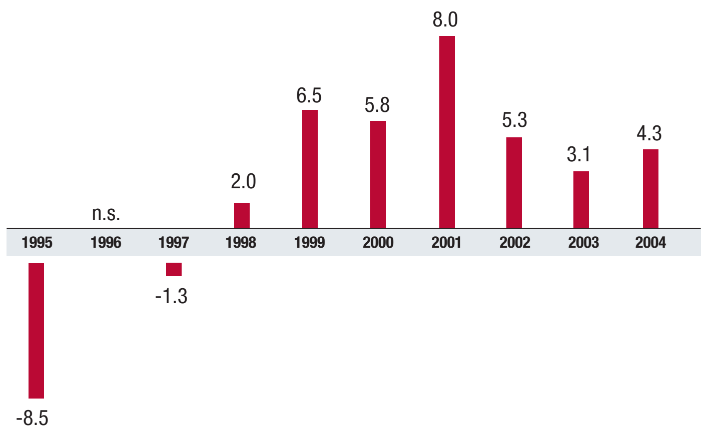
Rental income breakdown by business sector in 2004




16 and 26, rue de la Faisanderie
78300 Poissy

Financial occupancy rate of commercial properties (%)

Growth in commercial rental income on a constant basis and excluding properties for sale (%)



(6,300 sq. m.), 34, rue de la Fédération – Paris 15th (7,020 sq. m.), 262, boulevard Saint-Germain – Paris 6th (611 sq. m.). Occupancy levels over the year registered a slight improvement, rising from 94.9% in December 2003 to 95.6% in December 2004.

The 4.3% rise on a constant scope of consolidation at the commercial real estate arm in 2004 exceeded rent indexing over the period: the benchmark building cost indices rose by an average of around 3%. Indices for the second and third quarters of 2004, published on October 15, 2004, and January 12, 2005, respectively, revealed rises of more than 5%, which will affect rents in financial year 2005.

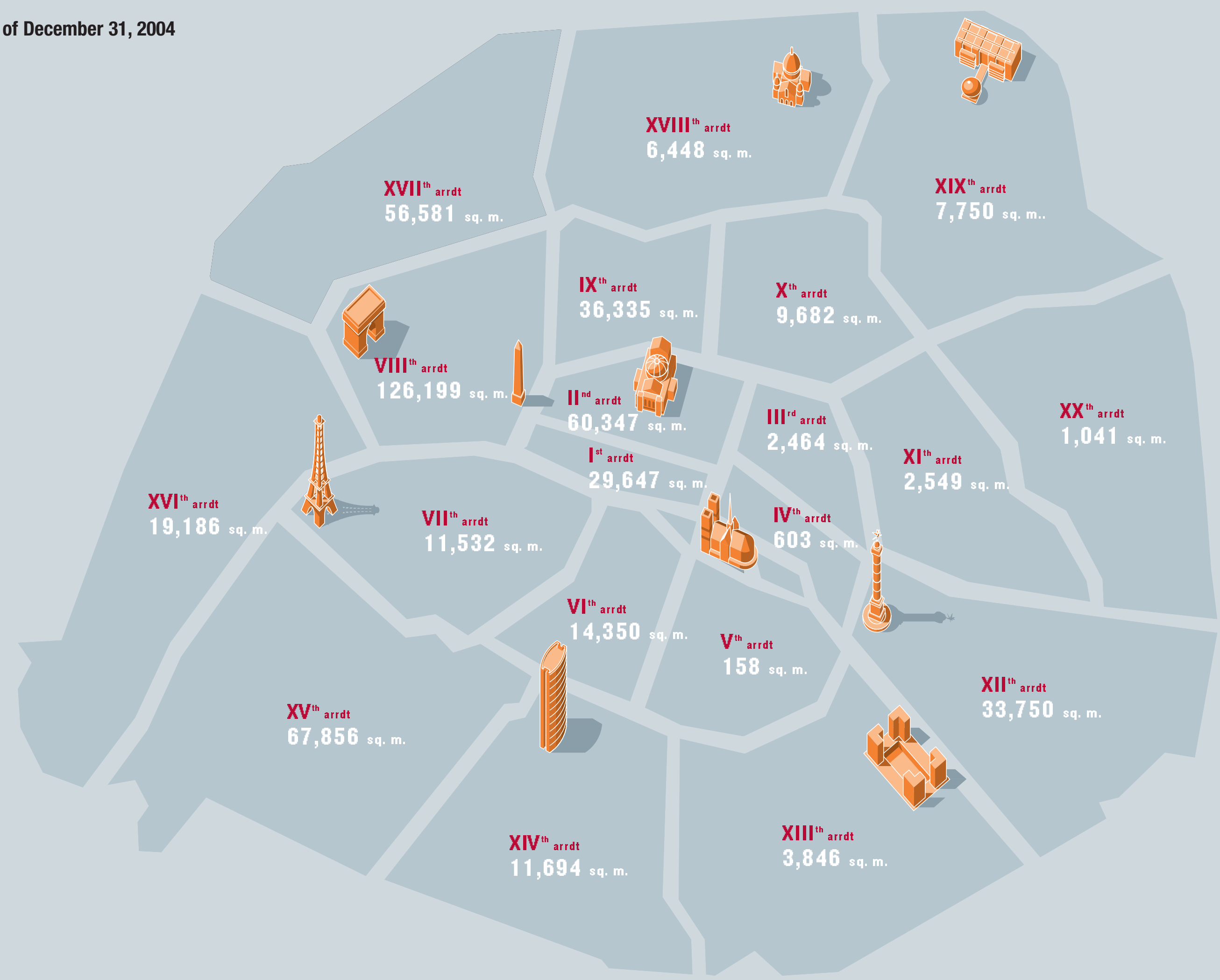
Commercial lease schedule for assets located in Paris and its suburbs as of December 31, 2004

Year	By lease expiry date				By three-yearly period			
	Offices *(sq. m.)* *(I)*	Retail *(sq. m.)* *(II)*	Commercial *(sq. m.)* *(I+II)*	Rents average *(€/sq. m./yr)*	Offices *(sq. m.)* *(I)*	Retail *(sq. m.)* *(II)*	Commercials *(sq. m.)* *(I+II)*	Rents average *(€/sq. m./yr)*
2005	84,801	12,366	97,167	413	175,571	27,930	203,501	369
2006	57,193	7,956	65,149	271	144,302	23,633	167,935	322
2007	72,962	14,143	87,105	273	159,464	25,022	184,486	320
2008	53,595	9,108	62,703	293	15,369	155	15,524	517
2009	57,603	6,032	63,635	381				
2010	177,096	7,308	184,405	215				
2011	97,083	5,484	102,567	312				
2012	54,028	8,684	62,711	372				
2013 and +	76,407	11,894	88,301	409				

159, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine

Commercial assets

as of December 31, 2004



Paris

502,019 sq. m.

Paris region

521,434 sq. m.

Lyons

119,655 sq. m.

Others

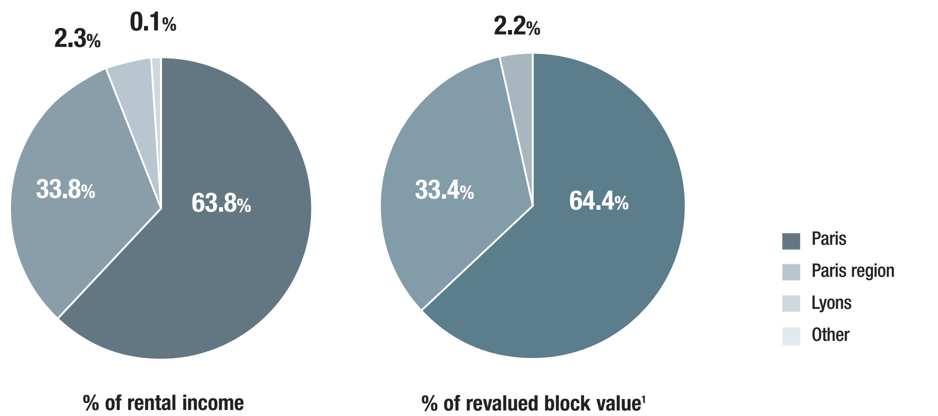
4,241 sq. m.

Commercial assets

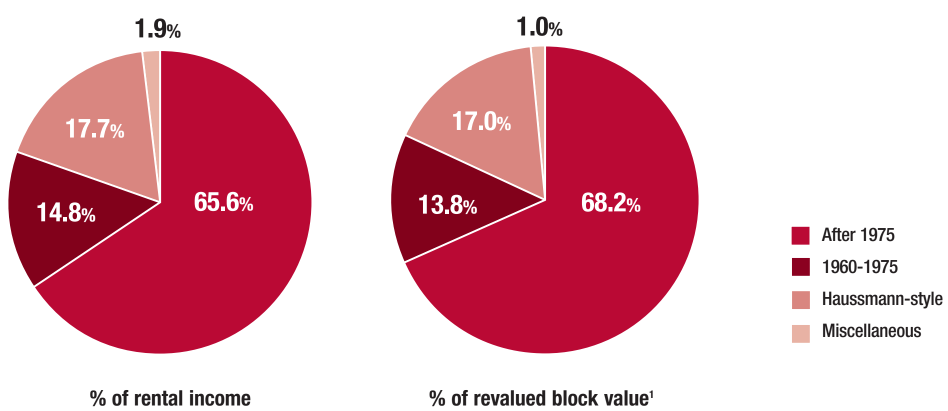
Commercial properties comprising 1,147,349 sq. m. of offices and stores as of December 31, 2004.

Excellent locations with 328,295 sq. m. in the first, second, eighth, ninth, sixteenth and seventeenth arrondissements and 266,943 sq. m. in the western suburbs (Boulogne, Courbevoie, Levallois, etc.).

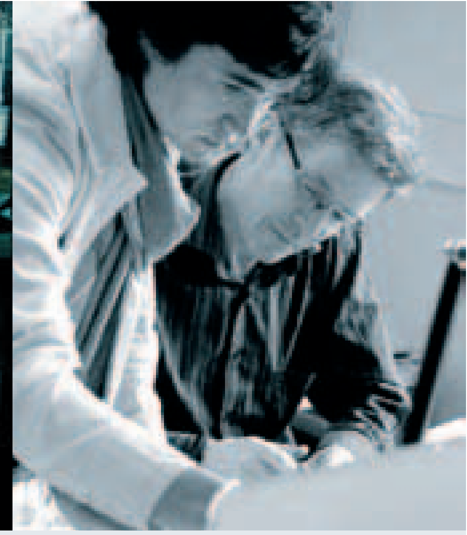
Geographic breakdown of commercial properties
as of December 31, 2004



Breakdown of commercial properties by type
as of December 31, 2004



[1] On the basis of block valuation appraisals, net selling prices, of commercial real estate assets.



14-16, rue des Capucines
75002 Paris

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
	Primarily commercial properties in operation as of December 31, 2004						
75	**Paris 1st**						
	7, place de Valois - 11, rue des Bons-Enfants	1800	0	0	1,028	1,028	GECITER
	55, boulevard de Sébastopol	1880	8	577	763	1,340	GECINA
	10/12, place Vendôme	1750	0	0	8,823	8,823	SIF
	16, rue Duphot	1988	0	0	1,405	1,405	GECINA
	8/10, rue Villedo	1970	0	0	1,366	1,366	GECITER
	1, boulevard de la Madeleine	1996	6	548	1,828	2,376	SIF
	Paris 2nd						
	35, avenue de l'Opéra - 6,rue Danielle Casanova	1878	10	545	1,739	2,284	GECITER
	64, rue Tiquetonne - 48, rue Montmartre	1850	52	4, 484	5,719	10,203	GECINA
	26/28, rue Danielle Casanova	1800	3	252	1,130	1,382	GECITER
	36, rue des Jeûneurs	1869	11	630	1,205	1,835	GECITER
	5, rue de Marivaux	1790	0	0	1,420	1,420	GECITER
	3, rue du Quatre-Septembre	1870	6	343	1,094	1,437	GECINA
	10, rue du Quatre-Septembre						
	79, rue de Richelieu - 1, rue Ménars	1870	1	105	2,555	2,660	GECITER
	120, rue Réaumur	1880	0	0	1,198	1,198	GECITER
	4, rue de la Bourse	1750	10	823	3,952	4,775	GECITER
	38, rue des Jeûneurs	1870	5	307	3,617	3,924	GECITER
	37, boulevard des Capucines	1880	0	0	584	584	GECINA
	3, place de l'Opéra	1870	0	0	4,591	4,591	GECITER
	31/35, boulevard des Capucines	1992	0	0	5,753	5,753	SCI CAPUCINES
	5, boulevard Montmartre	1995	17	1,342	6,135	7,477	SCI du 5 bld Montmartre
	29/31, rue Saint-Augustin	1996	6	445	4,805	5,250	SCI Saint-Augustin
	14/16, rue des Capucines	2005	0	0	10,570	10,570	GECITER
	Paris 3rd						
	4, rue Beaubourg	1928	0	0	2,329	2,329	GECITER
	Paris 6th						
	77/81, boulevard Saint-Germain	2002	0	0	14,141	14,141	SCI 77/81 bld St-Germain
	Paris 7th						
	3/7, rue de Monttessuy	1994	1	97	8,450	8,547	SCI Monttessuy
	Paris 8th						
	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	1	33	2,579	2,612	GECITER
	50, rue des Mathurins	1840	0	0	913	913	GECITER
	43, avenue de Friedland - rue Arsène Houssaye	1867	0	0	1,672	1,672	GECITER
	31, rue d'Amsterdam	1895	9	760	1,335	2,095	GECINA
	57, avenue Franklin D Roosevelt -						
	24, rue du Colisée	1890	4	127	1,708	1,835	GECITER
	169, boulevard Haussmann	1880	8	661	1,069	1,730	GECINA
	41, avenue Montaigne - 2, rue de Marignan	1924	2	106	1,958	2,064	GECITER
	64, rue de Lisbonne - rue Murillo	1987	0	0	4,700	4,700	GECINA
	59/61, rue du Rocher	1964	0	0	3,657	3,657	GECINA
	44, avenue des Champs-Elysées	1925	0	0	5,023	5,023	SIF

Commercial assets

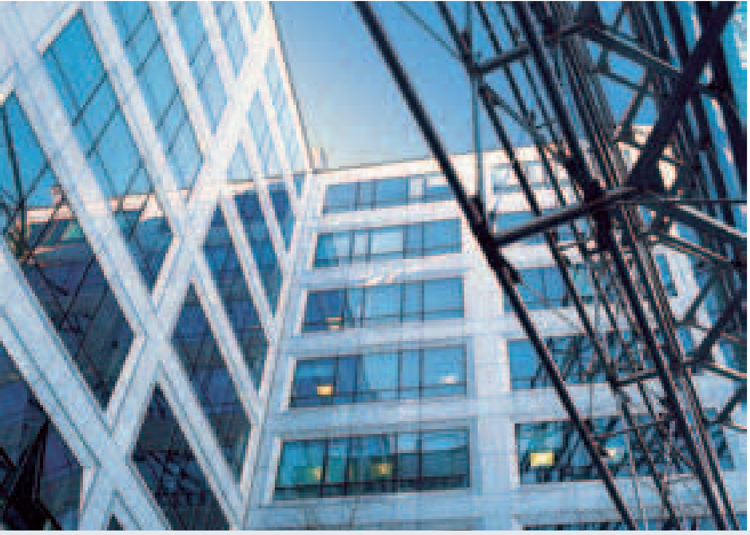
9-15, avenue Matignon
75008 Paris

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
75	30, place de la Madeleine	1900	2	279	1,891	2,170	SIF
	29, rue du Colisée	1950	0	0	686	686	SIF
	5, rue Tronchet	1890	8	242	1,222	1,464	SIF
	18/20, place de la Madeleine	1930	0	0	3,204	3,204	SA SPIPM
	75, rue du Faubourg Saint-Honoré	1800	1	15	274	289	SA Hôtel d'Albe
	6, rue de Penthièvre	1850	0	0	1,795	1,795	GECITER
	5, rue Royale	1850	1	128	2,149	2,277	GECITER
	26, rue de Berri	1971	0	0	2,840	2,840	GECITER
	38, avenue George V - 53, rue François Ier	1961	0	0	1,352	1,352	GECITER
	50, rue de Londres	1993	0	0	1,480	1,480	GECITER
	66, avenue Marceau	1997	0	0	4,660	4,660	SIF
	9/15, avenue Matignon	1997	35	2,585	9,477	12,062	SIF
	24, rue Royale	1996	0	0	2,896	2,896	SIF
	55, avenue George V	1995	0	0	8,575	8,575	SA Hôtel d'Albe
	Parking George V	1977	0	0	0	0	SA Hôtel d'Albe
	8, avenue Delcassé	1988	0	0	9,783	9,783	SA Hôtel d'Albe
	55, rue d'Amsterdam	1996	0	0	11,363	11,363	SCI du 55 rue d'Amsterdam
	162, rue du Faubourg Saint-Honoré	1953	0	0	1,941	1,941	GECITER
	89/91, rue du Faubourg Saint-Honoré	1972	0	0	758	758	SIF
	17, rue du Docteur Lancereaux	1972	0	0	5,428	5,428	GECINA
	20, rue de la Ville-l'Evêque	1967	0	0	5,450	5,450	GECINA
	27, rue de la Ville-l'Evêque	1962	0	0	3,169	3,169	GECINA
	7, rue de Bucarest	1972	0	0	2,749	2,749	GECINA
Paris 9th							
	21, rue Auber - 24, rue des Mathurins	1866	6	300	1,227	1,527	GECITER
	44, rue Blanche	1890	12	957	1,158	2,115	GECITER
	21, rue Drouot -12, rue de Provence	1861	5	140	857	997	GECITER
	32, boulevard Poissonnière - 2, rue du Faubourg Montmartre	1900	0	0	1,138	1,138	GECITER
	1/3, rue de Caumartin	1780	4	266	2,608	2,874	SIF
	6, rue d'Amsterdam (Le Vermeer)	1990	0	0	1,771	1,771	GECINA
	26/28, rue Saint-Georges	1995	0	0	3,383	3,383	SA 26,28 rue Saint-Georges
	23/29, rue de Châteaudun	1995	0	0	11,968	11,968	SA 23,29 rue de Châteaudun
	32, boulevard Haussmann	2002	0	0	3,050	3,050	SIF
Paris 10th							
	21, rue d'Hauteville	1850	11	750	1,850	2,600	GECINA
	2 ter, boulevard Saint-Martin - 1 ter, rue René Boulanger	1972	0	0	6,400	6,400	GECINA
Paris 12th							
	2/12, rue des Pirogues	1998	0	0	5,461	5,461	GECITER
	2/12, rue des Pirogues	1998	0	0	7,103	7,103	GECITER
	193, rue de Bercy	1972	0	0	15,899	15,899	GECINA
	58/62, quai de la Rapée (parkings)	1990	0	0	0	0	S.P.L.
Paris 14th							
	11, boulevard Brune	1973	0	0	2,781	2,781	GECINA
	37/39, rue Dareau	1988	0	0	4,857	4,857	GECINA
	69, boulevard Brune - 10/18, rue des Mariniers	1970	0	0	2,221	2,221	GECINA

12-12 bis, rue de Torricelli
75017 Paris

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
75	**Paris 15th**						
	33, avenue du Maine (Tour Maine-Montparnasse - 50e étage)	1991	0	0	1,822	1,822	GECINA
	7/11, place des 5 Martyrs du Lycée Buffon	1992	0	0	8,355	8,355	GECITER
	28/28 bis, rue du Docteur Finlay - 5, rue Sextius Michel	1960	0	0	3,444	3,444	GECITER
	31, quai de Grenelle (Mercure)	1973	0	0	8,250	8,250	GECINA
	34, rue de la Fédération	1973	0	0	6,579	6,579	GECINA
	Paris 16th						
	43, avenue Marceau - 14, rue Bassano	1928	0	0	1,314	1,314	GECITER
	100, avenue Paul Doumer	1920	0	0	294	294	GECINA
	58/60, avenue Kléber	1992	0	0	4,789	4,789	SA SADIA
	28, rue Dumont d'Urville	1880	0	0	1,382	1,382	GECINA
	17, rue Galilée	1960	0	0	680	680	GECITER
	24, rue Erlanger	1965	0	0	5,956	5,956	GECITER
	Paris 17th						
	63, avenue de Villiers	1880	8	406	2,912	3,318	GECITER
	12/12 bis, rue Torricelli	1800	0	0	2,620	2,620	GECITER
	45, avenue de Clichy - 2/4, rue Hélène	1991	0	0	3,900	3,900	GECINA
	32/34, rue Guersant	1992	0	0	13,175	13,175	SP2
	16, rue Médéric	1970	0	0	1,338	1,338	GECINA
	153, rue de Courcelles	1991	0	0	21,681	21,681	SCI 153, rue de Courcelles
	251, boulevard Pereire	1973	0	0	2,792	2,792	GECINA
	Paris 18th						
	88/92, boulevard Ney	1972	0	0	6,260	6,260	GECINA
	Paris 19th						
	43 bis/45, rue d'Hautpoul	1977	12	786	2,988	3,774	GECINA
	96/100, rue Petit	1977	0	0	4,185	4,185	SA PARIGEST
	SUBTOTAL PROPERTIES IN OPERATION PARIS		**309**	**21,425**	**392,187**	**413,612**	
78	**Montigny-le-Bretonneux (78180)**						
	1, avenue Niepce	1984	0	0	4,050	4,050	GECINA
	5/9, avenue Ampère	1986	0	0	5,534	5,534	GECINA
	4, avenue Newton	1978	0	0	4,398	4,398	GECINA
	6, avenue Ampère	1981	0	0	3,204	3,204	GECINA
	Guyancourt (78280)						
	3/9, rue Hélène Boucher	1990	0	0	10,242	10,242	GECINA
	Saint-Quentin-en-Yvelines (78280)						
	2, avenue Gay Lussac	1985-1988	0	0	85,054	85,054	SAS PARIGEST
	Poissy (78300)						
	16 et 26, rue de la Faisanderie	2002	0	0	48,398	48,398	SAS rue de La Faisanderie Poissy
91	**Brétigny-sur-Orge (91220)**						
	ZI Les Bordes	1975	0	0	17,139	17,139	SAS PARIGEST
92	**Puteaux (Paris-La-Défense) (92000)**						
	La Défense - Tour Franklin	1973	0	0	12,637	12,637	GECINA
	La Défense - Tour Atlantique	1970	0	0	6,376	6,376	GECINA
	La Défense - Tour Franklin	1973	0	0	4,559	4,559	GECINA

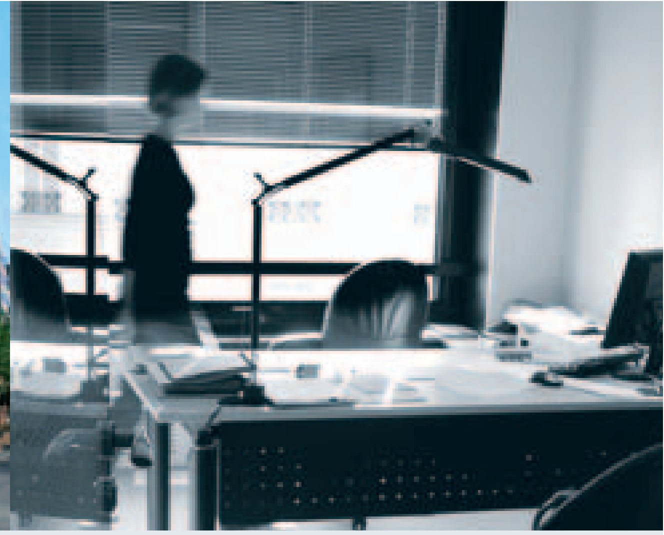
Commercial assets



25-31, boulevard Romain Rolland
92120 Montrouge

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
92	**Courbevoie (Paris-La-Défense) (92052)**						
	Le Lavoisier - 4, place des Vosges	1989	0	0	8,473	8,473	GECITER
	Boulogne-Billancourt (92100)						
	40, rue de l'Est	1989	0	0	2,024	2,024	GECINA
	37/39, rue Marcel Dassault	1993	0	0	1,343	1,343	GECINA
	73/77, rue de Sèvres	1973	0	0	5,790	5,790	GECINA
	218, boulevard Jean Jaurès	1988	0	0	1,293	1,293	GECINA under offer
	32/36, rue de Bellevue	1988	0	0	4,006	4,006	GECINA
	220/224, boulevard Jean Jaurès	1988	0	0	1,986	1,986	GECINA
	50, rue Reinhardt - 51, rue Diaz	1980	0	0	1,120	1,120	GECITER under offer
	52, rue Belle Feuille	1980	0	0	1,066	1,066	GECITER
	150, rue Gallieni - rue Henri Martin	1970	0	0	542	542	GECINA
	150, route de la Reine	1990	0	0	4,666	4,666	SCI du 150 route de la Reine under offer
	148, route de la Reine	1997	0	0	4,605	4,605	SCI du 150 route de la Reine under offer
	42/44, rue de Bellevue	1989	0	0	4,121	4,121	GECITER
	38, rue Vauthier	1974	0	0	3,181	3,181	GECINA
	Clichy (92110)						
	98, boulevard Victor Hugo	1970	0	0	5,361	5,361	GECINA sold on 31 March 2005
	6, boulevard du Général Leclerc	1972	0	0	7,728	7,728	GECINA
	Montrouge (92120)						
	35, boulevard Romain Rolland	1999	0	0	10,429	10,429	GECITER
	25/31, boulevard Romain Rolland	2000	0	0	6,709	6,709	GECITER
	Issy-les-Moulineaux (92130)						
	12, boulevard des Îles	1991	0	0	5,370	5,370	GECINA
	Suresnes (92150)						
	10, rue Chevreul	1991	0	0	2,680	2,680	GECINA
	1, quai Marcel Dassault	2003	0	0	12,692	12,692	SAS 1 quai M. Dassault Suresnes
	Vanves (92170)						
	66/68, rue Jean Bleuzen	1990	0	0	2,960	2,960	GECINA
	17/19, rue Ernest Laval	1976	0	0	1,518	1,518	GECINA
	Neuilly-sur-Seine (92200)						
	159/161, avenue Achille Peretti - 17, rue des Huissiers	1914	0	0	3,830	3,830	GECITER
	12/16, boulevard du Général Leclerc	1973	8	541	15,867	16,408	GECINA
	157, avenue Charles-de-Gaulle	1959	0	0	5,605	5,605	GECITER
	6 bis/8, rue des Graviers	1959	0	0	4,544	4,544	GECINA
	195, avenue Charles-de-Gaulle	1960	0	0	1,338	1,338	GECINA
	4, allée Ferrand	1992	0	0	878	878	GECINA under offer
	163/165, avenue Achille Peretti	1970	0	0	2,536	2,536	GECINA
	163/165, avenue Charles-de-Gaulle	1967	0	0	1,680	1,680	GECINA
	La Défense (92215)						
	47, rue Louis Blanc	1992	0	0	7,609	7,609	GECINA
	Levallois-Perret (92300)						
	97, rue Anatole France	1986	0	0	1,379	1,379	GECINA
	109/113, rue Victor Hugo	1992	0	0	4,459	4,459	GECINA
	68 bis, rue Marjolin	1980	0	0	3,640	3,640	GECITER
	16, rue Paul Vaillant Couturier	1982	0	0	2,078	2,078	GECINA

2-4, quai Michelet
92300 Levallois-Perret



Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
92	101/109, rue Jean Jaurès	1988	0	0	7,174	7,174	GECINA
	2/4, quai Michelet	1996	0	0	32,960	32,960	SNC Michelet
	55, rue Deguingand	1974	0	0	4,525	4,525	SAS PARIGEST
	Meudon-la-Forêt (92360)						
	2/4, rue Andréas Beck - 5/7, rue Jeanne-Braconnier	1988	0	0	6,315	6,315	GECINA under offer
	Rueil-Malmaison (92500)						
	8, rue Henri Becquerel - 6, rue E. et A. Peugeot	1987	0	0	4,500	4,500	GECINA
	55/57, avenue de Colmar - 97/101, avenue Victor Hugo	1988	0	0	2,950	2,950	GECINA
	Cours Ferdinand de Lesseps (VINCI 1)	1992	0	0	25,663	25,663	SP1
	Place de l'Europe (VINCI 2)	1993	0	0	9,786	9,786	SP1
93	**Montreuil (93100)**						
	46, rue de Lagny - 88/92, rue Robespierre	1971	0	0	1,218	1,218	GECINA
	Noisy-le-Grand (93160)						
	4/10, la Courtine Mont-d'Est	1985	0	0	4,675	4,675	GECINA under offer
	4/10, la Courtine Mont-d'Est	1980	0	0	4,818	4,818	GECINA under offer
	Bagnolet (93170)						
	59, rue Charles Delescluze	1972	0	0	850	850	GECINA
94	**Créteil (94000)**						
	9/11, rue Georges Enesco	1975	0	0	9,054	9,054	GECINA
	Vincennes (94300)						
	5/7, avenue de Paris	1988	0	0	3,579	3,579	GECINA
	9, avenue de Paris	1971	0	0	2,375	2,375	GECINA
	Chevilly-Larue (94550)						
	25, rue du Pont de Halles	1977-1996	0	0	15,442	15,442	SAS PARIGEST
	SUBTOTAL PROPERTIES IN OPERATION PARIS REGION		**8**	**541**	**492,581**	**493,122**	
	SUBTOTAL PROPERTIES IN OPERATION PARIS + PARIS REGION		**317**	**21,966**	**884,768**	**906,734**	
01	**Saint-Génis-Pouilly (01630)**						
	Technoparc GESSIEN - Bâtiment E'	1989	0	0	731	731	GECINA
	Technoparc - Bâtiment E	1989	0	0	731	731	INVESTIBAIL TRANSACTIONS
26	**Rochegude (26790)**						
	Château de Rochegude	1750	0	0	1,916	1,916	INVESTIBAIL TRANSACTIONS
69	**Lyons 2nd**						
	27, quai Saint-Antoine	1650	0	0	350	350	GECINA
	28, quai Saint-Antoine	1650	0	0	45	45	GECINA
	29/30, quai Saint-Antoine	1650	6	460	2,373	2,833	GECINA
	Lyons 3rd						
	19/21, cours de la Liberté	1850	14	549	1,773	2,322	GECINA
	74, rue de Bonnel	1986	0	0	1,950	1,950	GECINA
	21, rue François Garcin	1989	0	0	1,848	1,848	GECINA
	19, rue de la Villette	1986	0	0	3,903	3,903	GECINA
	74/78 et 82, rue de la Villette (Part-Dieu)	2004	0	0	13,087	13,087	GECITER

Commercial assets

74, rue de Bonnel
69003 Lyon

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
69	**Lyons 7th**						
	174, avenue Jean Jaurès	1950/70/94	0	0	3,783	3,783	GECINA
	174/188, avenue Jean Jaurès - 42, rue Pré-Gaudry	1950/70/94	0	0	12,078	12,078	GECINA
	75, rue de Gerland	1850/1980/97	0	0	21,834	21,834	GECINA
	81/85, rue de Gerland	1850/1980/97	0	0	1,635	1,635	GECINA
	Villeurbanne (69100)						
	63, avenue Roger Salengro	1981	0	0	2,136	2,136	GECINA
	1, avenue Paul Kruger - 51, rue Emile Decorps	1981	0	0	2,440	2,440	GECINA
	Ecully (69130)						
	6, chemin Moulin Carron	1984	0	0	700	700	GECINA
	Irigny (69540)						
	Le Broteau	1980	0	0	10,400	10,400	GECINA
	Génas (69740)						
	Rue de Genève	1991	0	0	5,565	5,565	GECINA
	SUBTOTAL PROPERTIES IN OPERATION LYONS + LYONS REGION		**20**	**1,009**	**89,278**	**90,287**	
44	**Nantes (44000)**						
	49, quai Malakoff	-	0	0	1,239	1,239	SCI 16 VE Investissement
62	**Arras (62004)**						
	37, rue Saint-Aubert (Saint-Jean)	1970	0	0	2,833	2,833	GECINA
	SUBTOTAL PROPERTIES IN OPERATION OTHER REGIONS		**0**	**0**	**4,072**	**4,072**	
	GENERAL TOTAL PROPERTIES IN OPERATION FRENCH PROVINCES		**20**	**1,009**	**93,350**	**94,359**	
	GENERAL TOTAL PROPERTIES IN OPERATION		**337**	**22,975**	**978,118**	**1,001,093**	
	Various sales programs						
75	**Paris 1st**						
	3/5, boulevard de la Madeleine	2002	0	0	13,516	13,516	SIF sold on 16 February 2005
	Paris 12th						
	173, rue de Charenton (Saint-Eloi I)	1961	0	0	25	25	GECINA
	TOTAL VARIOUS SALES PROGRAMS PARIS		**0**	**0**	**13,541**	**13,541**	

159, avenue
Charles-de-Gaulle
92200 Neuilly-sur-Seine

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
59	**Lille (59000)**						
	Parc SAINT-MAUR - avenue de Mormal	1962	1	164	0	164	GECINA
	TOTAL VARIOUS SALES PROGRAMS OTHER REGIONS		**1**	**164**	**0**	**164**	
	TOTAL VARIOUS SALES PROGRAMS		**1**	**164**	**13,541**	**13,705**	
	Under construction						
75	**PARIS 2nd**						
	122, rue Réaumur - 7/9, rue Saint-Joseph	1890	6	386	3,188	3,574	GECITER
	PARIS 9th						
	16, boulevard Montmartre	1820	36	1,457	3,250	4,707	GECINA
	PARIS 15th						
	16, rue Linois (Centre Commercial Beaugrenelle)	1979	0	0	13,004	13,004	SCI Beaugrenelle
92	**Boulogne-Billancourt (92100)**						
	122, avenue du Général Leclerc	1968	0	0	10,965	10,965	SAS PARIGEST
	Neuilly-sur-Seine (92200)						
	159, avenue Charles-de-Gaulle	1970	0	0	3,894	3,894	GECITER
	TOTAL BUILDINGS UNDER CONSTRUCTION		**42**	**1,843**	**34,301**	**36,144**	
	La Rente Immobilière						
75	**PARIS 7th**						
	1/1 bis, avenue de Villars	1880	0	0	2,152	2,152	La Rente Immobilière under offer
	5, avenue de Villars	1900	0	0	233	233	La Rente Immobilière under offer
	PARIS 8th						
	87/89, rue La Boétie	1965	0	0	230	230	La Rente Immobilière under offer
	4, boulevard Malesherbes	1880	8	640	990	1,630	La Rente Immobilière under offer
	11, place de la Madeleine	1880	6	748	1,087	1,835	La Rente Immobilière under offer
	9, rue Christophe Colomb	1996	0	0	996	996	La Rente Immobilière under offer
	PARIS 9th						
	2/6, rue de la Chaussée d'Antin	1880	8	467	5,256	5,723	La Rente Immobilière under offer
	PARIS 15th						
	104/104 bis, rue Saint-Charles	1972	0	0	1,649	1,649	La Rente Immobilière under offer
	PARIS 16th						
	25, rue Jean Giraudoux	1972	0	0	1,043	1,043	La Rente Immobilière under offer
	PARIS 17th						
	69, rue Ampère	1962	0	0	1,540	1,540	La Rente Immobilière under offer
	62, rue Ampère		0	0	0	0	La Rente Immobilière under offer
92	**Nanterre (92000)**						
	72/78, avenue Georges Clemenceau	1970	0	0	2,490	2,490	La Rente Immobilière under offer
	TOTAL LA RENTE IMMOBILIERE		**22**	**1,855**	**17,666**	**19,521**	

Centre Commercial
Beaugrenelle (project)
16, rue Linois
75015 Paris

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
	Lands						
92	**Boulogne-Billancourt (92100)**						
	122, avenue du Général Leclerc	1968	0	0	0	0	SAS PARIGEST
69	**Lyons 3rd**						
	72/86, avenue Félix Faure - 106, boulevard Vivier Merle (ZAC LABUIRE)	1880	0	0	20,815	20,815	GECINA
	Lyons 7th						
	168/172, rue de Gerland (GERLYON) - rue Simon Fread	-	0	0	0	0	A.I.C
	TOTAL LANDS		**0**	**0**	**20,815**	**20,815**	
	TOTAL GECINA GROUP		**402**	**26,837**	**1,064,441**	**1,091,278**	
	PARIS				**449,735**		
	Commercial share of primarily residential assets				57,548		
	Commercial share of primarily commercial assets				392,187		
	PARIS REGION				**503,964**		
	Commercial share of primarily residential assets				11,383		
	Commercial share of primarily commercial assets				492,581		
	LYONS				**98,494**		
	Commercial share of primarily residential assets				9,216		
	Commercial share of primarily commercial assets				89,278		
	OTHER REGIONS				**4,072**		
	Commercial share of primarily residential assets				0		
	Commercial share of primarily commercial assets				4,072		
	COMMERCIAL PROPERTIES IN OPERATION AS OF DECEMBER 31, 2004				**1,056,265**		
	VARIOUS SALES PROGRAMS AS OF DECEMBER 31, 2004				**18,302**		
	Commercial share of primarily residential assets				4,761		
	Commercial share of primarily commercial assets				13,541		
	OTHER				**72,782**		
	TOTAL COMMERCIAL PROPERTIES AS OF DECEMBER 31, 2004				**1,147,349**		
	Commercial share of primarily residential assets				82,908		
	Commercial share of primarily commercial assets				1,064,441		

High occupancy level in December 2004:

98.27%

Average space of homes in stock on December 31, 2004:

69.5 sq. m.

27, rue Balard
75015 Paris

GECINA's residential real estate assets represent one of the largest private holdings of apartments for rent located in Paris and Lyons. This residential positioning, unique amongst the large property companies, has made a significant contribution to growth in the value of GECINA's assets in 2004, with a year-on-year leap of more than 10% on a constant scope of consolidation in residential asset values.

Assets in support of performance

Cooling in rental market

In line with the trend first observed at the end of 2002, the year 2004 was characterized by further lessening of rental market pressure as demand contracts. The decline in interest rates combined with longer loan maturities and the opinion that the price of new rentals was too high resulted in the partial transfer of rental demand to the acquisition market.

This slacker demand led to a smaller increase in rents on new 2004 private leases than in 2003, that is, the arrival of a new tenant in the premises. Although 2004 data are not yet definitive, industry professionals agree that rent increases throughout France will probably decline from 7% in 2003 to 5%. In the first half of 2004, the rate of increase reached 4.5% year-on-year, compared with 10% in 2003, 3.8% in 2002 and 4.3% in 2001[1].

Nevertheless, this slowing pace of increases covers differing regional situations. While upward pressure on rents in Lyons remains strong, the increase in rents in the Paris and Paris regional markets slowed markedly, following a limited 2.8% rise in 2003 and an 11.5% leap in 2002. A more significant decline is reportedly expected in the western Paris arrondissements. Smaller apartments are rented at a higher rate per square meter than large apartments, to the extent that rent levels stretch tenants' solvency. In 2004, the gap between market rent levels and the average for the entire rental stock thus narrowed. While rents on Paris assets rented in 2001 registered an increase on re-renting in 2004, those for apartments rented since have been flat, even lower. According to the most recent statistics from OLAP (Observatoire des Loyers de l'Agglomération Parisienne), monthly rents for new tenants stood at €17.60 per square meter in January 2004 in Paris, €13.10 in the inner suburbs and €7.90 in the provinces. The monthly rent on January 1, 2004, for all tenants in the private rental stock stood at €15.60 per square meter in Paris, €12.20 in the inner suburbs and €6.90 in the provinces.

2004 trends, which factor in existing leases, new rents and renewals, do not integrate significant increases in the most recent reported construction cost indices, averaged out over the last four quarters[2], which will essentially affect 2005.

[1] Source: Fédération Nationale de l'Immobilier (FNAIM).
[2] Source: Index for rents on existing leases.

Record momentum in the sales market

Confounding projections once again, price rises for old real estate continued in 2004 at a faster pace of 15.5% throughout France. Prices for old assets in France have thus soared by 47.7% in the last three years and by 87.9% in the last six years.

The weak jobs market and sustained price increases failed to affect household investment in real estate. 2004 activity stabilized at a solid level, with 606,000 transactions in old assets registered in France compared with 618,700 in 2003 (down 2.1 %)[3]. Activity also remained very sustained in the new housing market. New home sales, which leaped by 21% year-on-year in 2003 to 103,000 apartments, reached a record 112,200 in 2004, i.e., an 8.7% rise over 2003[4]. New housing stocks, at the lowest level since 1987 at end-2003, remained at a low 39,900 units in the whole of France at end-2004. Success of the Robien tax measure continued into 2004. The Fédération Nationale des Promoteurs Constructeurs estimated that sales benefiting from this measure may have reached 60,000 units in 2004.

The year-on-year rise in outstanding home purchase loans reached 11.6% in January 2005, compared with 9.9% in December 2003 and 8% in December 2002[5]. The FNAIM household solvency indicator registered a further decline in the third quarter of 2004, reflecting a higher rise in home prices than in revenues. However, this level remained higher than the 1992 trough. Favorable borrowing terms, switching from home rental to purchase...there were many factors that encouraged residential investment in 2004.

2004 sales volumes in Ile-de-France increased by 3% (241,407 units sold).

Migration of demand from the capital towards the neighboring towns, and from the inner to the outer suburbs, was reflected in higher 2004 price increases in the Paris region than in Paris: 14.2% in the capital compared with 18.2 % in Seine-Saint-Denis, 16.9% in Val-de-Marne, 19.4% in Seine-et-Marne, 20.1% in Val-d'Oise and 18.9% in Essonne[6]. Only Yvelines and Hauts-de-Seine registered a lower 13.7%.
Paris remained the most expensive département with an average price of €4,587 per square meter in the fourth quarter of 2004.

[3] Source: FNAIM.
[4] Source: Crédit Agricole economic research department.
[5] Source: Banque de France.
[6] Source: Ile-de-France notaries.

Average monthly rents of non-social housing in France on January 1, 2004[14]

	Private rental real estate	New leases
Paris	€15.60/sq. m.	€17.60/sq. m.
Inner suburbs	€12.20/sq. m.	€13.10/sq. m.
Provinces	€6.90/sq. m.	€7.90/sq. m.

18-20, rue Sibuet
75012 Paris

The 6th arrondissement remains the most expensive at €6,968 per square meter, followed by the 4th at €6,469, the 7th (€6,387), still ahead of the 5th at €6,387. Conversely, the least costly arrondissements were the 19th and 20th respectively, at 3,405 and €3,768 per square meter. Price trends gave some signs of slowdown in two arrondissements (8th and 16th), where full-year rises were reduced to a single figure (6.8% and 9.2%, respectively). In the fourth quarter of 2004, the average price per square meter for old appartments in Hauts-de-Seine reached €3,417, in Seine-Saint-Denis €1,953 and Val-de-Marne €2,747.

A splintered rental market

According to the most recent French census (INSEE, March 1999), 23.8 million principal residences were surveyed in France and 4.5 million in Ile-de-France. Principal residences in France that are rental properties totaled 9.7 million dwellings, of which 5.4 million belonged to the private sector. In Paris and the region, the number of rented apartments was 2.3 million, of which 1.1 were non-social housing.

Institutional investors and real estate firms in particular took advantage of the high market prices to dispose of residential properties. Their role among private players in the free rental sector has therefore regularly declined. Although it is France's largest real estate firm, GECINA's share in this sector is not significant.

39, rue de Vouillé
75015 Paris

21, rue Clément Marot - 75008 Paris

The residential real estate company

On December 31, 2004, the GECINA Group's properties were estimated at €3.5 billion, on the basis of a block appraisal, and at €4.2 billion, on the basis of a unit appraisal, i.e., respective increases of 8.4% and 8.5% relative to December 31, 2003. In a market of strongly rising resale values, this trend is accounted for by the high year-on-year valuation of the residential real estate. On a constant scope of consolidation, the value of the residential buildings rose by 10.2% in block value and by 10.6% in unit value.

For a total area of 1,298,924 sq. m., residential holdings at the end of 2004 comprised 18,698 apartments with an average surface area of 69.5 sq. m. There were 16,582 apartments in Paris and its region, 1,838 in Lyons, and the remainder in the rest of France and for sale.

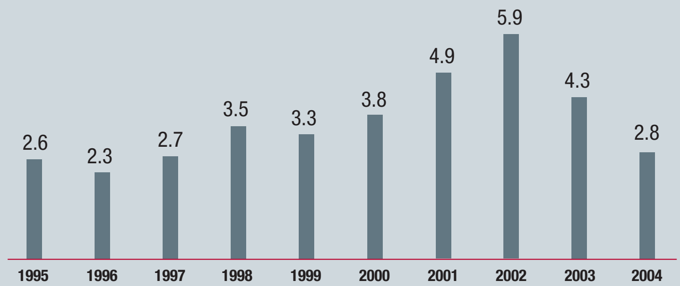
Capitalization rates of appraisals of GECINA's residential assets carried out on December 31, 2004

Paris	4.25%-6.5%
Paris region	5%-7.5%
Lyons	5.75%-7.5%

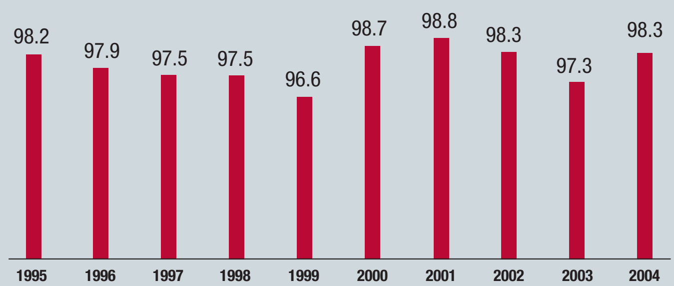
Rents on GECINA's residential property assets

	Average receipted monthly rent on GECINA's residential real estate on December 31, 2004	Average monthly rent on new leases in 2004
Paris	€15.3/sq. m.	€17.1/sq. m.
Paris region	€12/sq. m.	€12.6/sq. m.
Lyons	€7.5/sq. m.	€8.2/sq. m.

Rental growth trends in the residential arm, excluding space for sale and on a comparable scope of consolidation (%)



Financial occupancy rate of the GECINA Group's residential assets (%)



12, avenue Boudon - 75016 Paris

Including residences built between 1960 and 1975 (61.1% of the value of the residential assets), Haussmann-style buildings (19.6%) and more recent constructions (19.3%), GECINA's residential properties appeal to a wide range of clients, in terms of both the services provided and the price. In order to ensure that its retail offer remains competitive, and to optimize the value and yield of each of its assets, the Group is constantly focused on improving its properties. Works involve building maintenance (regular and major repairs such as cleaning the façade, heating systems, waterproofing, etc.) as well as home improvements (painting, plumbing, flooring, etc.), apartment renovation (modernization of bathrooms and kitchens, upgrading electrical systems, etc.) and enhancing and restructuring building functionalities.

A residential arm representing 41% of Group rents

Residential rental income declined 13.4%, to €202.1 million. In line with the Group's asset strategy, this reduction reflects sales of low-yielding buildings carried out in 2003, and concerned essentially residential assets. Residential rents thus accounted for 41% of 2004 Group revenues compared with 47.3% in 2003.

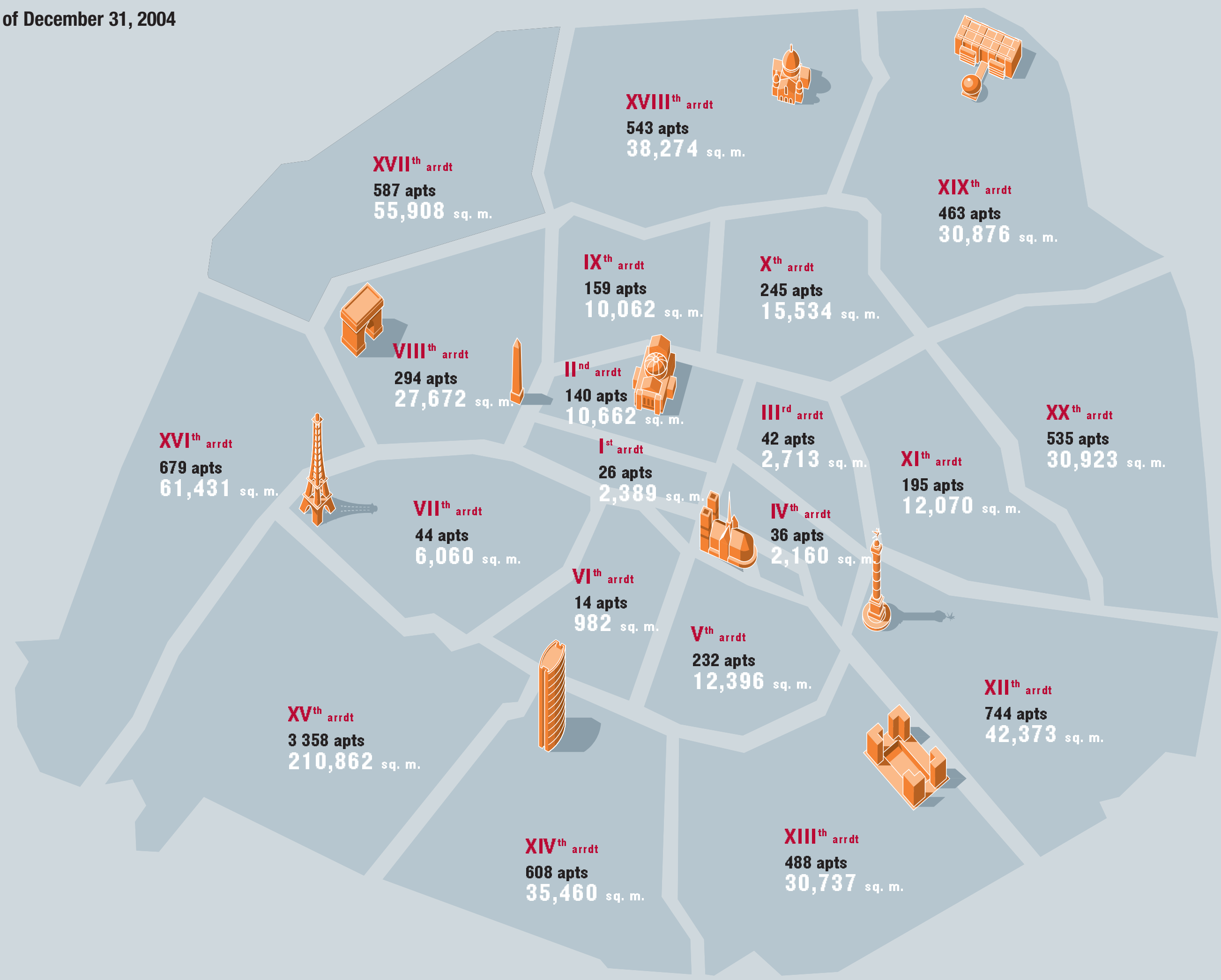
On a comparable scope of consolidation and excluding space for sale, the arm's rental income rose by 2.8%. This trend originates essentially from rental revaluations backed by new leases. 2,840 apartments (181,638 sq. m.) were rented to new tenants in 2004, that is, a 15% stock turnover rate. Average re-renting rents stabilized during the period: €17.10 per square meter per month in Paris (€17.60 in 2003), and €12.60 in the Paris region (€12.90 in 2003). However, average rents for new tenants are still higher than those for the previous occupants (up 5.9% in Paris and 3.8% in the Paris region over the period). The average receipted monthly rent on the GECINA stock on December 31, 2004, rose further to €15.30 per square meter in Paris (€14.80 per square meter in 2003), and to €12 in the Paris region (€11.30 per square meter in 2003).
The construction cost indices, averaged over four quarters from second quarter 2004 to third quarter 2004, published respectively on October 15, 2004 and January 12, 2005, showed rises of 3.85% and 4.58%. These will have a full effect on rental revenues in 2005.

Finally, the financial occupancy rate, which dipped in first quarter 2004, recovered to a high 98.3% in December 2004.

47-49, rue Perronet
92200 Neuilly

Residential assets

as of December 31, 2004



Paris
9,432 apartments
639,544 sq.m.

Paris region
7,150 apartments
504,592 sq.m.

Lyons
1,838 apartments
144,028 sq.m.

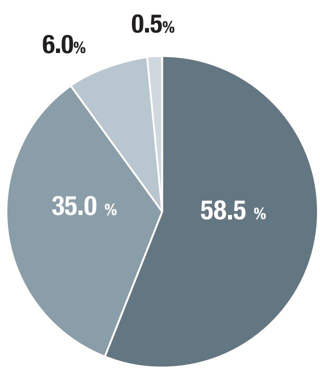
Other
278 apartments
10,760 sq.m.

Residential assets

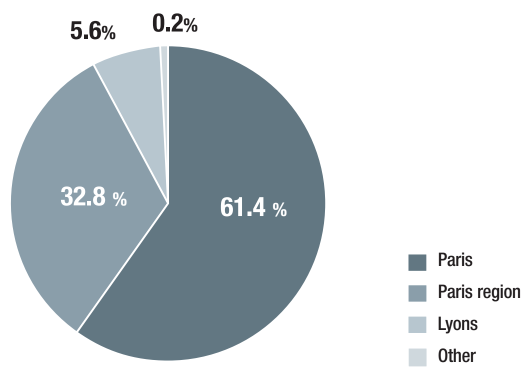
Residential properties comprising 18,698 apartments with a surface area of 1,298,924 sq. m. on December 31, 2004.

Almost 10,000 apartments located in Paris, i.e. 50% of residential space.

Geographic breakdown of residential properties
on December 31, 2004

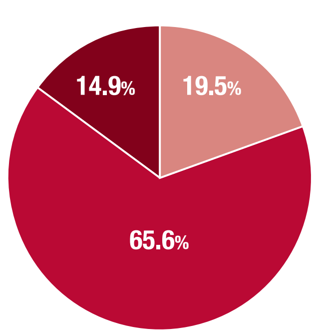


% of rental income

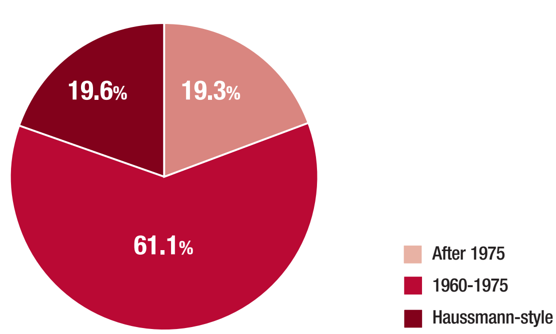


% of revalued block value[1]

Breakdown of residential properties by type
as of December 31, 2004



% of rental income



% of revalued block value[1]

[1] *On the basis of block valuation appraisals, net selling prices, of residential real estate assets.*

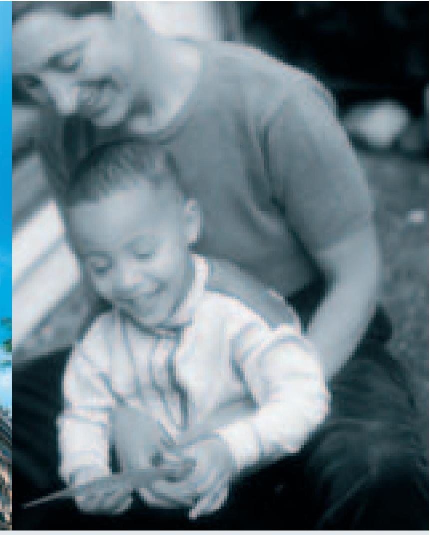
9-11, avenue Ledru Rollin
75012 Paris

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
	Primarily residential properties in operation as of December 31, 2004						
75	**Paris 1st**						
	184, rue de Rivoli - 2, rue de l'Echelle	1880	12	1,264	918	2,182	GECINA
	Paris 2nd						
	6 bis, rue Bachaumont	1880	13	1,000	1,092	2,092	GECINA
	Paris 3rd						
	7/7 bis, rue Saint-Gilles	1987	42	2,713	135	2,848	GECINA
	Paris 4th						
	2, rue Crillon	1969	36	2,160	603	2,763	GECINA
	Paris 5th						
	21, rue Galande - 2, rue des Anglais	1800	37	656	158	814	GECINA
	7, rue Nicolas-Houël	1972	195	11,740	0	11,740	GECINA
	Paris 6th						
	1, carrefour Croix-Rouge	1876	14	982	209	1,191	GECINA
	Paris 7th						
	262, boulevard Saint-Germain	1880	9	705	556	1,261	GECINA
	266, boulevard Saint-Germain	1880	9	963	141	1,104	GECINA
	Paris 8th						
	44, rue Bassano - 11, rue Magellan	1907	34	4,335	590	4,925	GECINA
	165, boulevard Haussmann	1866	12	1,042	752	1,794	GECINA
	80, rue du Rocher	1903	17	1,990	179	2,169	GECINA
	51, rue de Rome	1865	13	1,211	501	1,712	GECINA
	3, rue Treilhard	1866	11	802	610	1,412	GECINA
	93, rue du Faubourg Saint-Honoré	1880	15	1,066	510	1,576	GECINA
	21, rue Clément Marot	1880	6	1,330	649	1,979	SIF
	40, rue d'Artois	1900	15	2,090	160	2,250	SAS PARIGEST
	Paris 9th						
	21, rue Condorcet	1881	23	1,579	404	1,983	GECINA
	16, cité de Trévise	1881	6	322	60	382	GECINA
	6 bis, rue de Châteaudun	1880	8	857	53	910	GECINA
	13/17, cité de Trévise	1998	44	2,773	0	2,773	GECINA
	Paris 10th						
	141, rue La Fayette	1898	9	1,060	640	1,700	GECINA
	166/172, quai de Jemmapes	1982	139	8,753	0	8,753	GECINA
	41/47, rue de la Grange-aux-Belles	1967	86	4,971	792	5,763	GECINA
	Paris 11th						
	44/50, rue Pétion	1978	40	2,820	420	3,240	GECINA
	45/53, avenue Philippe-Auguste	1970	71	4,564	1,416	5,980	GECINA
	8, rue du Chemin-Vert	1969	42	2,200	713	2,913	GECINA
	8 bis, rue Lacharrière	1967	42	2,486	0	2,486	GECINA
	Paris 12th						
	29, avenue Ledru-Rollin	1929	36	2,120	534	2,654	GECINA
	25/27, rue de Fécamp - 45, rue de Fécamp	1988	32	2,590	181	2,771	GECINA
	18/20 bis, rue Sibuet	1992	63	4,423	73	4,496	GECINA
	9/11, avenue Ledru-Rollin	1997	62	3,047	177	3,224	GECINA
	25, avenue de Saint-Mandé	1964	83	3,619	161	3,780	GECINA

7, rue Georges-Ville
75016 Paris

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
75	12/14, boulevard de Picpus	1966	22	1,628	52	1,680	GECINA
	46, boulevard de Reuilly - 38, rue Taine	1972	159	8,541	2,655	11,196	GECINA
	220, rue du Faubourg Saint-Antoine	1969	127	6,535	1,019	7,554	GECINA
	24/26, rue Sibuet	1970	159	9,760	85	9,845	GECINA
Paris 13th							
	22/24, rue Wurtz	1988	68	4,471	248	4,719	GECINA
	10/18, passage Foubert	1989	92	6,233	0	6,233	GECINA
	49/53, rue Auguste Lançon - 26, rue de Rungis - 55/57, rue Brillat Savarin	1971	40	3,413	1,800	5,213	GECINA
	2/12, rue Charbonnel - 53, rue de l'Amiral Mouchez - 65/67, rue Brillat Savarin	1966	181	12,007	490	12,497	GECINA
	20, rue du Champ de l'Alouette	1965	53	3,886	939	4,825	GECINA
	53, rue de la Glacière	1970	53	646	99	745	GECINA
Paris 14th							
	149/153, rue Raymond Losserand - 1/5, rue Pauly	1979	67	3,564	599	4,163	GECINA
	83/85, rue de l'Ouest	1978	31	1,981	112	2,093	GECINA
	36/38, rue Cabanis	1975	83	3,911	1,124	5,035	GECINA
	26, rue du Commandant René Mouchotte	1966	316	21,076	0	21,076	GECINA
	3, villa Brune	1970	108	4,689	0	4,689	GECINA
Paris 15th							
	22/24, rue Edgar Faure	1996	85	6,774	301	7,075	SAS PARIGEST
	26, rue Linois (Tour H15)	1979	192	11,634	0	11,634	SCI H15
	89, rue de Lourmel	1988	23	1,487	245	1,732	GECINA
	39, rue de Vouillé	1999	84	6,291	135	6,426	SAS PARIGEST
	75/77, rue Saint-Charles	1979	40	2,764	0	2,764	GECINA
	27, rue Balard	1995	64	5,798	0	5,798	SAS PARIGEST
	199, rue Saint-Charles	1967	59	3,253	0	3,253	GECINA
	159/169, rue Blomet - 334/342, rue de Vaugirard	1971	320	21,524	5,310	26,834	GECINA
	191, rue Saint-Charles - 17, rue Varet	1960	208	12,319	0	12,319	GECINA
	76/82, rue Lecourbe - rue François Bonvin	1971	247	13,875	6,581	20,456	GECINA
	10, rue du Docteur Roux - 189/191, rue de Vaugirard	1967	228	13,015	2,739	15,754	GECINA
	74, rue Lecourbe	1971	93	8,042	0	8,042	GECINA
	148, rue de Lourmel - 74/86, rue des Cévennes - 49, rue Lacordaire	1965	316	21,979	802	22,781	GECINA
	170, rue Saint-Charles - 55, rue des Bergers	1965	48	2,856	1,148	4,004	GECINA
	85/89, boulevard Pasteur	1965	261	16,451	0	16,451	GECINA
	44/50, rue Sébastien-Mercier	1971	40	2,464	703	3,167	GECINA
	18/20, rue Tiphaine	1972	79	4,862	2,126	6,988	GECINA
	37/39, rue des Morillons	1966	37	2,212	524	2,736	GECINA
	12, rue Chambéry	1968	30	890	0	890	GECINA
	6, rue de Vouillé	1969	588	28,215	1,961	30,176	GECINA
	168/170, rue de Javel	1962	85	5,817	135	5,952	GECINA
	20, rue de Cronstadt	1967	59	3,750	910	4,660	GECINA
Paris 16th							
	60, avenue Paul-Doumer - 7, rue Vital	1880	30	3,708	743	4,451	GECINA
	3, rue Franklin	1900	10	1,679	311	1,990	GECINA
	7, rue Georges-Ville	1911	14	1,879	0	1,879	GECINA

169-183, Boulevard Pèreire
7-21 rue Faraday
49, rue Laugier
75017 Paris



Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
75	72, avenue Mozart	1862	14	1,673	0	1,673	GECINA
	12, avenue Boudon	1988	21	1,690	0	1,690	GECINA
	10/12, rue de Saigon	1984	20	1,587	0	1,587	SAS PARIGEST
	6/14, rue de Rémusat - square Henri Paté	1962	187	15,987	1,023	17,010	GECINA
	17/19, rue Mesnil - 48, rue Saint-Didier	1963	220	12,822	143	12,965	GECINA
	46 bis, rue Saint-Didier	1969	42	2,071	670	2,741	GECINA
Paris 17th							
	121, rue de Courcelles	1908	13	960	218	1,178	GECINA
	4, rue Léon-Cosnard	1903	17	1,294	0	1,294	GECINA
	169/183, boulevard Pereire - 7/21, rue Faraday - 49, rue Laugier	1882	236	20,661	1,713	22,374	GECINA
	25, rue du Colonel Moll - 11, rue Saint-Ferdinand	1906	15	1,450	115	1,565	GECINA
	7, rue Saint-Senoch	1909	17	1,922	0	1,922	GECINA
	7, rue Montenotte	1800	11	1,032	186	1,218	GECINA
	79, rue Jouffroy-d'Abbans	1880	9	1,345	776	2,121	GECINA
	81, rue Jouffroy-d'Abbans	1880	10	1,742	698	2,440	GECINA
	54, rue de Prony	1885	14	2,906	346	3,252	GECINA
	80, rue de Prony	1885	11	1,519	105	1,624	GECINA
	3, rue Meissonnier	1885	10	1,391	261	1,652	GECINA
	4, rue Meissonnier	1885	14	1,882	489	2,371	GECINA
	6/8, rue Meissonnier	1885	34	4,881	634	5,515	GECINA
	28, avenue Carnot	1882	24	2,367	0	2,367	SAS PARIGEST
	30, avenue Carnot	1882	13	1,220	0	1,220	SAS PARIGEST
	32, avenue Carnot	1882	9	1,034	161	1,195	SAS PARIGEST
	10, rue Nicolas Chuquet	1995	54	3,159	455	3,614	GECINA
	75/79, rue Laugier - 12, rue Galvani	1980	39	2,693	0	2,693	GECINA
	38/40, rue de Lévis	1966	22	1,304	466	1,770	GECINA
Paris 18th							
	40, rue des Abbesses	1907	33	1,951	188	2,139	GECINA
	234, rue Championnet	1980	208	12,243	0	12,243	GECINA
Paris 19th							
	27/31, avenue de Flandre - 6/8, rue du Maroc	1996	54	3,336	219	3,555	GECINA
	29/33, rue des Ardennes	1984	69	5,084	0	5,084	GECINA
	25/31, rue Pradier - 63, rue Fessart	1965	202	14,526	358	14,884	GECINA
	8/10, rue Manin	1967	113	6,213	0	6,213	GECINA
Paris 20th							
	19/21, rue d'Annam	1981	57	2,907	0	2,907	GECINA
	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	134	2,439	GECINA
	42/52 et 58/60, rue de la Py - 15/21, rue des Montibœufs	1967	141	7,967	498	8,465	GECINA
	20/24, rue de la Plaine - 15/17, rue de Lagny	1965	218	12,591	0	12,591	GECINA
	SUBTOTAL PROPERTIES IN OPERATION PARIS		**8,365**	**544,980**	**57,548**	**602,528**	
78	**Versailles (78000)**						
	79, rue des Chantiers	1965	63	4,128	156	4,284	GECINA
	Petite place - 7, rue Sainte-Anne	1968	0	0	1,630	1,630	GECINA

21-31, rue des Côtes
78600 Maisons-Laffitte

Residential assets

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
78	Petite place - 9, rue Sainte-Anne - 6, rue Madame - 20, rue du Peintre Le Brun	1968	192	13,899	1,045	14,944	GECINA
	48, rue Albert Joly	1966	24	1,968	175	2,143	GECINA
	13, rue du Général Pershing	1972	152	10,895	0	10,895	GECINA
	7, avenue de l'Amiral Serre	1974	75	5,577	0	5,577	GECINA
	6, boulevard du Roi	1966	23	1,732	0	1,732	GECINA
Saint-Germain-en-Laye (78100)							
	33/61 rue Rouget de L'Isle - 40/41, rue Jeanne d'Albret	1987	17	2,228	0	2,228	GECINA
	31, avenue Saint-Fiacre - 10/28, rue Marie Stuart	1987	19	2,568	0	2,568	GECINA
	17, rue Félicien David	1966	41	2,996	0	2,996	GECINA
Le Chesnay (78150)							
	16/20, rue Pottier	1980	147	8,147	443	8,590	SAS PARIGEST
La Celle-Saint-Cloud (78170)							
	16/22 bis, avenue de Circourt	1966	44	3,539	0	3,539	GECINA
	1, allée du Béarn	1961	245	16,091	0	16,091	GECINA
Bougival (78380)							
	12/18, côte de la Jonchère	1982	71	5,909	0	5,909	GECINA
Chatou (78400)							
	3, avenue de la Faisanderie	1972	27	1,723	0	1,723	GECINA
Maisons-Laffitte (78600)							
	21/31, rue des Côtes	1982	47	3,854	0	3,854	GECINA
	56, avenue de Saint-Germain	1981	64	5,046	0	5,046	GECINA
91 **Saint-Michel-sur-Orge (91240)**							
	Rue Berlioz	1968	294	20,098	632	20,730	GECINA
	Rue Chabrier	1968	511	38,348	0	38,348	SCI PARIS-SAINT-MICHEL
92 **Courbevoie (Paris-La-Défense) (92000)**							
	3/6, square Henri Regnault	1974	224	12,626	0	12,626	GECINA
Boulogne-Billancourt (92100)							
	59 bis/59 ter, rue des Peupliers - 35 bis, rue Marcel Dassault	1993	33	2,740	292	3,032	GECINA
	175, boulevard Jean Jaurès	1994	49	3,001	0	3,001	SAS PARIGEST
	94/98, rue de Bellevue	1974	63	4,474	0	4,474	GECINA
	108, rue de Bellevue - 99, rue de Sèvres	1968	106	5,402	0	5,402	GEC 3
	108, rue de Bellevue - 99, rue de Sèvres	1968	318	24,564	0	24,564	SAS PARIGEST
Issy-les-Moulineaux (92130)							
	20/22, rue Hoche	1984	27	1,664	0	1,664	GECINA
	30/32, rue Diderot - 35, rue Danton	1985	33	2,019	298	2,317	GECINA
Antony (92160)							
	254/278, rue Adolphe Pajeaud	1972	112	5,622	0	5,622	GECINA
	17/25, avenue Jeanne d'Arc	1973	230	13,556	0	13,556	GECINA
Vanves (92170)							
	2/6, rue Ernest Laval	1978	62	3,406	1,070	4,476	SAS PARIGEST
	5 bis, rue Larmeroux	1970	117	7,497	0	7,497	GECINA
Meudon (92190)							
	7, rue du Parc - 85, rue de la République	1966	206	16,322	0	16,322	GECINA
Neuilly-sur-Seine (92200)							
	1/2/3/5/7/9, rue Théophile Gautier - 2, rue Casimir Pinel	1880	114	9,994	415	10,409	GECINA

136-140, rue Aristide Briand
92300 Levallois-Perret

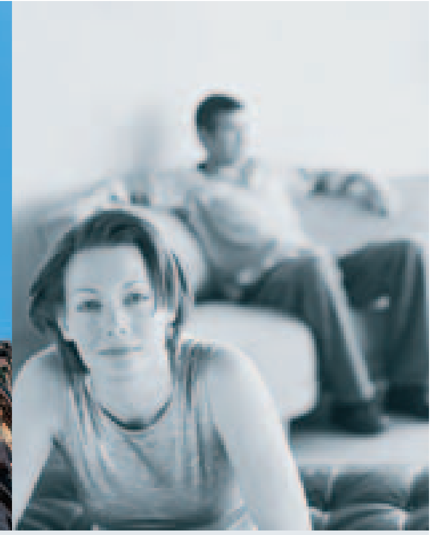
Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
92	8, rue Berteaux-Dumas	1910	14	1 ,919	90	2,009	GECINA
	54/56, boulevard du Général Leclerc - 70/72, rue Edouard Nortier	1961	48	2,855	0	2,855	GECINA
	47/49, rue Perronet	1976	46	3,503	0	3,503	GECINA
	7 bis, rue Jacques Dulud	1989	12	1,242	0	1,242	GECINA
	77, rue Perronet	1963	32	1,497	0	1,497	GECINA
Saint-Cloud (92210)							
	165/185, boulevard de la République	1966	119	9,269	809	10,078	GECINA
	9/11, rue Pasteur	1964	63	6,526	0	6,526	GECINA
Châtenay-Malabry (92290)							
	148, rue d'Aulnay	1973	113	6,400	0	6,400	GECINA
	97, avenue Roger Salengro	1972	102	6,084	0	6,084	GECINA
Levallois-Perret (92300)							
	136/140, rue Aristide Briand	1992	73	4,699	0	4,699	GECINA
Sèvres (92310)							
	Allée des Acacias -15/17, route de Gallardon	1973	250	15,644	512	16,156	GECINA
Le Plessis-Robinson (92350)							
	25, rue Paul-Rivet	1997	132	11,265	250	11,515	GECINA
Garches (92380)							
	12, rue des 4 Vents	1987	8	1,120	0	1,120	GECINA
	17/21, rue Jean Mermoz	1974	32	1,946	0	1,946	GECINA
	12, rue Sylvain Vigneras	1972	158	10,776	0	10,776	GECINA
Courbevoie (92400)							
	8/12, rue Pierre L'homme	1996	96	5,344	0	5,344	GECINA
	43, rue Jules Ferry - 25, rue Cayla	1996	58	3,574	0	3,574	GECINA
	3, place Charras	1985	67	4,807	0	4,807	GECINA
	9, rue Kilford	1966	13	1,120	0	1,120	GECINA
	190, boulevard Saint-Denis	1965	30	2,281	0	2,281	GECINA
	161/165, rue Jean-Baptiste Charcot	1965	89	6,314	0	6,314	GECINA
	9/15, rue Adélaïde	1971	38	2,407	152	2,559	GECINA
	4/6/8, rue Victor Hugo - 8/12, rue de l'Abreuvoir - 11, rue de l'industrie	1966	202	13,977	732	14,709	GECINA
	102/110, avenue Marceau - 175/181, rue Jean-Pierre Timbaud	1966	111	8,563	1,674	10,237	GECINA
	6, rue des Vieilles Vignes	1962	54	2,716	0	2,716	GECINA
Ville-d'Avray (92410)							
	1 à 33, avenue des Cèdres - 3/5 allée Forestière - 1, rue du Belvedère de la Ronce	1966	584	40,157	1,008	41,165	GECINA
	6, chemin Desvallières	1965	81	6,234	0	6,234	GECINA
	14/18, rue de la Ronce	1963	159	15,902	0	15,902	GECINA
Asnières (92600)							
	46, rue de la Sablière	1994	87	6,130	0	6,130	SAS PARIGEST
94 **Créteil (94000)**							
	1/15, passage Saillenfait	1971	114	8,628	0	8,628	GECINA
Saint-Maur-des-Fossés (94100)							
	4, quai du Parc - 69, avenue Gabriel Péri	1966	40	3,452	0	3,452	GECINA

176, rue de Saint-Cyr
69009 Lyon

Residential assets

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
94	**Saint-Mandé (94160)**						
	7, rue de l'Amiral Courbet	1975	63	4,524	0	4,524	GECINA
	Saint-Maurice (94410)						
	1/5, allée des Bateaux Lavoirs - 4, promenade du Canal	1994	87	6,382	0	6,382	GECINA
	Maisons-Alfort (94700)						
	58/60, avenue Georges Clemenceau	1967	124	7,168	0	7,168	GECINA
	Subtotal properties in operation Paris region		**7,049**	**496,058**	**11,383**	**507,441**	
	Subtotal properties in operation Paris + Paris region		**15,414**	**1,041,038**	**68,931**	**1,109,969**	
69	**Lyons 2nd**						
	26, quai Saint-Antoine	1650	4	362	91	453	GECINA
	Lyons 3rd						
	19/20, quai Augagneur	1860/1890	25	1,748	1,555	3,303	GECINA
	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
	113/119, cours Gambetta - 17, rue Dunoir (SGIL)		100	9,478	127	9,605	SGIL (share 36.5455%)
	Lyons 4th						
	104/110, rue Hénon	1966	93	7,899	283	8,182	GECINA
	Lyons 5th						
	85/92, quai Pierre Scize	1890	101	7,900	1,638	9,538	GECINA
	Lyons 6th						
	47, avenue de Saxe	1932	10	969	778	1,747	GECINA
	Lyons 7th						
	Le Fleuve Sud - 9/11, rue Commandant Ayasse	1969	16	1,303	279	1,582	GECINA
	Le Fleuve Quai - 39, avenue Leclerc	1969	23	1,511	162	1,673	GECINA
	Le Fleuve - 40/43, avenue Leclerc	1969	87	7,392	0	7,392	GECINA
	Lyons 9th						
	La Clairière - 176, rue de Saint-Cyr	1972	120	9,987	0	9,987	GECINA
	Villeurbanne (69100)						
	83, cours de la République	1967	98	5,652	473	6,125	GECINA
	Ecully (69130)						
	20/24, chemin de Charrière Blanche	1968	426	35,718	380	36,098	GECINA
	Caluire-et-Cuire (69300)						
	Bissardon - 23/29, rue de l'Oratoire	1962	211	17,876	489	18,365	GECINA
	Subtotal properties in operation Lyons + Lyons region		**1,812**	**142,642**	**9,216**	**151,858**	
13	**Fos-sur-Mer (13778)**						
	Les Jardins	1966	36	2,967	0	2,967	GECINA

49, avenue de la Motte-Piquet
75015 Paris



Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
33	**Gradignan (33170)**						
	Chemin du Naudet	1974	240	7,560	0	7,560	GECINA
	SUBTOTAL PROPERTIES IN OPERATION OTHER REGIONS		**276**	**10,527**	**0**	**10,527**	
	GENERAL TOTAL PROPERTIES IN OPERATION FRENCH PROVINCES		**2,088**	**153,169**	**9,216**	**162,385**	
	GENERAL TOTAL PROPERTIES IN OPERATION		**17,502**	**1,194,207**	**78,147**	**1,272,354**	
	Various sales programs						
75	**Paris 7th**						
	63, rue de Varenne	1880	3	510	0	510	SIF
	63 bis, rue de Varenne	1880	3	416	0	416	SIF
	3, cité Vaneau	1880	6	982	0	982	SIF
	5, cité Vaneau	1880	1	237	0	237	SIF
	7, cité Vaneau	1880	2	401	0	401	SIF
	9, cité Vaneau	1880	1	190	0	190	SIF
	10, cité Vaneau	1880	2	287	0	287	SIF
	11, cité Vaneau	1880	2	303	0	303	SIF
	12, cité Vaneau	1880	2	449	0	449	SIF
	14, cité Vaneau	1880	3	520	0	520	SIF
	Paris 8th						
	30, rue de Laborde	1930	17	964	65	1,029	GECINA
	5, rue Monceau	1890	7	1,459	110	1,569	GECINA
	7, rue Monceau	1880	9	1,197	748	1,945	GECINA
	7 bis, rue Monceau	1890	9	1,476	484	1,960	GECINA
	Paris 9th						
	34, rue Pierre Semard	1869	7	944	152	1,096	GECINA
	Paris 11th						
	53/61, avenue Parmentier	1971	0	0	0	0	GECINA
	Paris 12th						
	173 bis, rue de Charenton (SAINT-ELOI II)	1965	0	0	325	325	GECINA
	26/36, rue Claude Decaen - 42/46, rue de Fécamp	1965	1	110	0	110	GECINA
	Paris 13th						
	75, rue du Javelot (Tour ATHENES)	1972	0	0	0	0	GECINA
	82, boulevard Massena (Tour ANCONE)	1972	0	0	0	0	GECINA
	84, boulevard Massena (Tour BOLOGNE)	1972	0	0	270	270	GECINA
	184, avenue de Choisy	1970	1	81	0	81	GECINA
	Paris 14th						
	4/8, rue des Mariniers	1970	1	72	0	72	GECINA
	8/20, rue du Commandant René Mouchotte	1967	2	167	0	167	GECINA
	Paris 15th						
	22, rue de Cherbourg - 25, rue de Chambéry	1965	22	1,475	0	1,475	GECINA
	3, rue Jobbé-Duval	1900	15	669	0	669	GECINA
	49, avenue de la Motte-Piquet	1885	10	1,167	0	1,167	GECINA
	52, avenue de Saxe	1905	12	2,027	0	2,027	GECINA
	22/34, rue Balard - rue des Cévennes	1971	113	9,252	1,133	10,385	GECINA sold on January 31, 2005

16, rue de Lubeck
75016 Paris

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
75	**Paris 16th**						
	2, rue Poussin	1880	14	1,421	354	1,775	SIF
	4, rue Poussin	1880	8	682	201	883	SIF
	6, rue Poussin	1880	13	1,478	283	1,761	SIF
	4, avenue d'Eylau	1880	13	2,528	0	2,528	SAS FEDIM
	10, avenue d'Eylau	1880	14	3,039	0	3,039	SAS FEDIM
	11, chaussée de la Muette	1897	14	2,092	0	2,092	GECINA
	16, rue de Lubeck	1897	6	1,202	0	1,202	GECINA
	8/10, rue Oswaldo Cruz	1930	8	957	0	957	GECINA
	8/9, avenue Saint-Honoré d'Eylau	1880	1	138	0	138	GECINA
	11, rue du Conseiller Collignon	1933	5	747	0	747	GECINA/ SAS PARIGEST
	12, rue Raynouard	1913	10	1,429	0	1,429	GECINA
	14, rue Raynouard	1913	15	2,622	0	2,622	GECINA
	Paris 17th						
	15, villa Aublet	-	0	0	0	0	INVESTIBAIL TRANSACTIONS
	8, rue Balny d'Avricourt	1911	7	740	0	740	GECINA
	Paris 18th						
	88/92, boulevard Ney	1972	302	24,080	0	24,080	GECINA under offer
	Paris 19th						
	25/29, rue des Lilas	1970	0	0	0	0	GECINA
	104/106, rue Petit - 16, allée de Fontainebleau	1977	13	931	0	931	SAS PARIGEST
	Paris 20th						
	67/69, rue Saint-Blaise	1967	0	0	0	0	GECINA
	17/35, rue du Repos	1969	0	0	0	0	GECINA
	TOTAL VARIOUS SALES PROGRAMS PARIS		**694**	**69,441**	**4,125**	**73,566**	
78	**Bois-d'Arcy (78390)**						
	1/17, rue René Laennec	1969	0	0	0	0	GECINA
	2, avenue Henri de Toulouse Lautrec	1966	9	606	0	606	GECINA
	Poissy (78300)						
	10, boulevard de la Paix	1972	26	1,872	121	1,993	GECINA sold on 25 February 2005
91	**Saint-Michel-sur-Orge (91240)**						
	Rue Berlioz, rue Debussy	1968	5	418	0	418	GECINA
	15/17, rue Chabrier	1968	2	105	0	105	SCI PARIS-SAINT-MICHEL
	Massy (91300)						
	Avenue nationale - allée de Suède, Norvège, Pologne, Finlande, Danemark - square du Portugal	1967	1	91	0	91	GECINA
	Chilly-Mazarin (91380)						
	5, rue des Dalhias	1972	2	175	0	175	GECINA
	Orsay (91400)						
	2/32, chemin des Vignes	1990	5	605	0	605	GECINA
92	**Neuilly-sur-Seine (92200)**						
	41, boulevard du Commandant Charcot	1950	32	3,115	0	3,115	SIF
	163/165, avenue Charles-de-Gaulle	1967	2	160	0	160	GECINA

1-3 and 12-22, cours Bayard -
44, rue Quivogne - 69002 Lyon

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
94	**Bry-sur-Marne (94360)**						
	106/108, avenue du Général Leclerc - quai Louis Ferber	1982	9	846	0	846	GECINA
	Choisy-le-Roi (94600)						
	6, avenue de Villeneuve Saint-Georges	1965	0	0	0	0	GECINA
	TOTAL VARIOUS SALES PROGRAMS PARIS REGION		**93**	**7,993**	**121**	**8,114**	
69	**Lyons 2nd**						
	1/3 et 12/22, cours Bayard - 44, rue Quivogne	1895	1	51	0	51	GECINA
	56, rue Mercière	1650	3	166	346	512	GECINA
	Villeurbanne (69100)						
	2, rue Paul Lafargue - 198, cours Emile Zola	1995	1	88	0	88	GECINA
83	**Toulon**						
	2, rue Guiol - 7, boulevard de Strasbourg	1910	1	71	0	71	GECINA
	TOTAL VARIOUS BUILDING SALES LYONS AND LYONS REGION		**6**	**376**	**346**	**722**	
34	**Montpellier**						
	Avenue Saint-Clément - 2/13, square Murillo	1967	1	69	169	238	GECINA
	TOTAL VARIOUS SALES PROGRAMS OTHER REGIONS		**1**	**69**	**169**	**238**	
	TOTAL VARIOUS SALES PROGRAMS		**794**	**77,880**	**4,761**	**82,641**	
	TOTAL GECINA GROUP		**18,296**	**1,272,087**	**82,908**	**1,354,995**	

184, rue de Rivoli - 2, rue de l'Echelle
75001 Paris

Residential assets

Department City	Address or building name	Year	Number of apartments	Residential area (sq. m.)	Commercial area (sq. m.)	Total area (sq. m.)	Company
	PARIS		**8,674**	**566,405**			
	Residential share of primarily residential assets		8,365	544,980			
	Residential share of primarily commercial assets		309	21,425			
	PARIS REGION		**7,057**	**496,599**			
	Residential share of primarily residential assets		7,049	496,058			
	Residential share of primarily commercial assets		8	541			
	LYONS		**1,832**	**143,651**			
	Residential share of primarily residential assets		1,812	142,642			
	Residential share of primarily commercial assets		20	1,009			
	OTHER REGIONS		**276**	**10,527**			
	Residential share of primarily residential assets		276	10,527			
	Residential share of primarily commercial assets		0	0			
	RESIDENTIAL PROPERTIES IN OPERATION AS OF DECEMBER 31, 2004		**17,839**	**1,217,182**			
	VARIOUS SALES PROGRAMS AS OF DECEMBER 31, 2004		**795**	**78,044**			
	Residential share of primarily residential assets		794	77,880			
	Residential share of primarily commercial assets		1	164			
	OTHER		**64**	**3,698**			
	TOTAL RESIDENTIAL PROPERTIES AS OF DECEMBER 31, 2004		**18,698**	**1,298,924**			
	Residential share of primarily residential assets		18,296	1,272,087			
	Residential share of primarily commercial assets		402	26,837			

LOCARE rented out

2,971

apartments

in 2004

98

office rental transactions carried out

in 2004

In 2004, LOCARE received fees totaling €15.8 million, of which €7.9 million from external clients.
These performances rank LOCARE among the ten leading brokers on the Paris market.

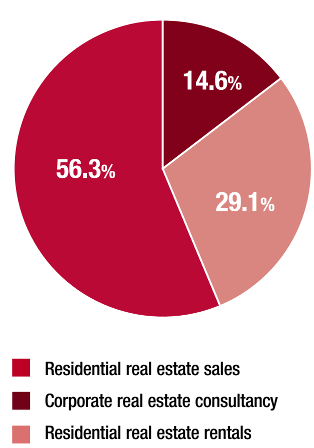
Group expertise to the benefit of third parties

Since 1984, LOCARE has developed a real estate service offering, which has been enriched over the years by growth of the Group and its various businesses. LOCARE now proposes five businesses for the account of GECINA and large institutional, or individual, investors in real estate. In 2004, a new home transaction business and an asset management consultancy were added to the traditional activities developed by GECINA and made available to outside mandate holders (residential real estate rentals, corporate real estate consultancy, old apartment sales). LOCARE's fee income thus totaled €15.8 million in 2004, of which €7.9 million as a share of fees for the account of third parties, up from €6.8 million in 2003, contributing to Group gross operating income. Apartment rentals were sustained in 2004. LOCARE's marketing teams rented out or re-rented 2,971 homes compared with almost 2,500 in 2003. New third-party mandates were won during the year: GMF, Groupe Médicis, AVIVA, etc. In a increasing residential real estate market in 2004, LOCARE commercialized 47 sales programs, of which 24 for third parties, and carried out 1,000 apartment sales. Sales for the account of external owners totaled 450 units, representing €160 million in sales, i.e., 60% of overall residential sales. At the same time, a new home sales business was started up (sales of homes to be completed in the future) during the year, with signings of two first marketing mandates covering two programs, one in Paris and one in the Paris region. The corporate real estate consultancy succeeded in carrying out 98 rental transactions covering total office space of 47,000 sq. m. At the same time, LOCARE's corporate real estate department prepared the organization of three major tenders, representing an overall transaction value of €300 million, which should be finalized this year.

Finally, 2004 saw the set-up of an asset management team, which developed its first partnerships at the end of the year, carrying out an initial major acquisition for the account of Spanish investors.

The new businesses, new homes sales and asset management for third parties, created in 2004 represent LOCARE's new growth sources over the coming years.

Breakdown of LOCARE's 2004 fee income by business



88% **of GECINA clients**

would recommend renting an apartment from GECINA

2 **development projects**

form part of the High Environmental Quality (HEQ) approach

1, quai Marcel Dassault
92150 Suresnes

GECINA has laid the foundations for sustainable development through the exercise of its real estate business. Focusing on urban renewal, the well-being of fellow citizens and future generations, the economic development of local partners, etc., the Group's contribution to improving the quality of life of each and everyone is accompanied by substantial commitments in terms of environmental risk, quality of service and corporate responsibility, inspired by the ten principles of the "Global Compact."[1].

An inspiring, clear-cut approach

Structured operating organization within the Group

From 2001, GECINA innovated by creating a risk management department responsible for risk monitoring, recommendation and technical expertise functions, and a role in the accompaniment and management of operating teams. A Quality and Sustainable Development Committee, made up of four directors, was set up in early 2003 with the objective of promoting and guiding all actions for quality and sustainable development. In 2004, this Committee focused on the three following fields: main risk categories liable to affect GECINA's activities, quality of service offered to tenants and objectives for contribution to sustainable development themes (pollution, resource management, outsourcing, etc.). This approach aims to produce a plan covering all these subjects by end-2005. This work is carried on in-house, relieved by the Operating Risk Committee, of which actions focus on definition of Group standards and collective decisions in the matter of risks.

Specific services

GECINA clients have access to a 24-hour emergency assistance service since 2002. This service is based on a call center and an on-call team of employees with every type of requisite skill and know-how. The goal is to reduce the material consequences of any delayed response to an incident that might have negative consequences for GECINA or its clients. For maximum efficiency, a crisis cell has also been set up with a pluridisciplinary team to deal with major events. The unit combines skills in the field of IT, technical questions, legal requirements, communication, human resources, etc.

Many daily transactions

GECINA's activities are carried out in a regulatory environment specific to the property sector (asbestos, lead in paint, fire precautions, elevators)[2]. With a focus on the quality of life of the occupants of its buildings and protection of the environment, the Group takes care to go the extra distance beyond its regulatory obligations. The decision was thus made in 2004 to anticipate future EU directives on the reduction of volatile organic components in paint with effect from 2010. This decision, implying new product use, led to the drawing-up of a charter of quality setting out the reciprocal commitments of GECINA and its outside contractors: use of paint in the aqueous certified NF environment, work execution guarantees, completion periods, and quality of service for the occupier, appartment cleaning, etc. Selection of companies that signed the charter was carried out on the basis of an in-depth investigation, all partners being holders of the Qualibat

[1] *Initiative launched in 1999 under aegis of United Nations.*

[2] *All GECINA industrial and environmental risks are presented in the management report.*

9, avenue de Paris
94300 Vincennes

qualification. Drawing-up and implementation of the charter of quality is underway for elevators, car park doors and green spaces.

The policy of environmental risk identification and prevention introduced by GECINA aims to reduce their frequency and gravity. With effect from 2003, this translated to a start to identification of the presence of asbestos in the Group's assets. In the rare cases identified, removal or encasing of asbestos flock coating was undertaken. This process was completed by processing the asbestos-infected refuse into ultimate waste by a specialized operator, and a major effort on communication and transparency, notably in relation to tenants. Overall, constitution of technical asbestos diagnostics will be completed by end-2005 (excluding co-owned buildings). In the matter of electromagnetic waves (radio telephone operators' aerials), "Principle of Precaution" applies, consisting of refusing any new installations, which has been in force for several years. At the same time, the majority of buildings are equipped for household refuse sorting, or have been designed for later adaptation. Finally, as regards energy consumption, the Group has initiated a series of measures for annual resource (water, energy) consumption for all of its assets. Once operational, this project will check the efficacy of actions undertaken and target their development.

An integrated solution from the very start of every real estate project

Close attention to environmental questions forms part of GECINA's expansion operations. A rigorous grasp of ground pollution risks, notably, is now an inescapable phase in new investment analyses. For this reason, investment projects have been rejected, buildings being located on sites of which the ground has proved to be polluted, offering no visibility on the economic and environmental consequences or on the health of the neighboring populations. Technical equipment and materials for development projects undertaken by GECINA are selected for their environmental characteristics and sustainability. Two ongoing development projects (restructuring of the Beaugrenelle mall and construction of a new office and retail outlet building at 122, avenue du Général Leclerc in Boulogne Billancourt) are thus integral elements of the High Quality approach. Most of the phases for the elaboration and future life of these building complexes, from programming to use via design, construction, maintenance and management, have been designed with concern, as far as possible, for protection of the environment and quality of life of the occupants. The materials and building procedures and selected equipment respond to an objective of hygrothermic, acoustic and visual comfort and of sanitary quality of the common parts. They aim also at contributing to work habits in order to introduce a citizen's approach to energy management and its consequences for the ozone layer. Construction procedures used aim for project completion with little disturbance (dust, waste and noise). Thus, for the operation at 122, avenue du Général Leclerc in Boulogne-Billancourt, a communication cell has been set up to register possible comments on noise from the occupants of the neighboring office building and to remedy this, quickly, if possible.

The client as the central focus

In 2003, GECINA made a firm commitment to an approach integrating a service of quality for clients, with creation of a "quality-satisfaction" unit within the Department of residential assets (Direction du Patrimoine Résidentiel). In the second half of 2004, the Group took the initiative of carrying out a satisfaction poll of tenants of its residential real estate along the lines of that carried out in 2000. Thanks to great efforts by the managers of the 24 buildings in the selection, a response level of almost 50% was achieved, i.e., 1,300 replies. Results confirmed the soundness of GECINA's action: 88% are reportedly prepared to re-rent an apartment from GECINA, and almost 88% would advise friends to do so. Aside from this satisfactory result, an analysis of answers was begun to pinpoint areas for improvement in action undertaken and in behavior of the operating teams, in general and for each of the buildings polled. Over the coming months, quality action plans will be drawn up and implemented notably in the matter of maintenance of common parts and residences, external contractor selection, complaint processing, tenant information, etc.

Project for construction of a building composed of offices and retail outlets
122, avenue du Général Leclerc 92100 Boulogne-Billancourt.

14-16, rue des Capucines
75002 Paris

Staff associated with Group development

Following the merger of the GECINA and SIMCO teams in 2003, the objective of relations, collective reflection and implementation of guidance practices, while preserving equal standards and respect for group values, was pursued in 2004. Harmonization of social agreements was continued, with adoption of new Group employee savings plan, which enables all employees to benefit from GECINA's performances. This plan offers employees the possibility of subscribing for GECINA shares while diversifying their investment thanks to a range of possible alternatives. This plan is backed by the Group, which pays out lump sums to a ceiling of €1,800 to employees saving. At the same time, negotiations have been opened with employee representatives on the set-up of a collective retirement savings plan on a voluntary basis for which all employees will be eligible. Plans to which SIMCO employees had access were closed on December 31, 2003.

A new address, a picture of transparency and fluidity

The decision to regroup employees in a new head office was carried out on November 29, 2004, with employee relocations from 34, rue de la Fédération in the 15th arrondissement of Paris and 3-7, rue de Monttessuy in the 7th arrondissement of Paris to 14-16, rue des Capucines in the 2nd arrondissement. Acquired in 2002, the building was completely restructured under the guidance of the development management. Architecture emphasizing transparency and fluidity was adopted to optimize operating efficiency and team mobility. Space has been organized in a very open manner and office layout in semi-open plan with inclusion of many glass partitions. The building has also been enriched with a 100-seat auditorium and supplemented with pleasant collective areas (reception hall, cafeteria, staff restaurant, documentary management center), increasing areas for informal meeting and information exchanges between colleagues.

Development of exchanges and internal communication

In 2004, a quarterly meeting was convened, which brought together 70 senior managers. It represented an opportunity to brief staff on group results and projects and favored experience sharing between managers. At the same time, weekly meetings were organized regularly between the managing director and groups of around 10 employees from each arm to exchange ideas, preoccupations and know-how. To accompany this change, an internal poll on the house newsletter was carried out, leading to its overhaul to integrate employee expectations on information. Furthermore, the Group intranet site has become a real work tool thanks to enrichment. It contains all the information necessary to employees' daily activities.

In 2004, this integration was extended to building personnel, with the launch of IT equipment in managers' lodges. This gives building managers access to the corporate message service and its intranet enabling real-time correspondence with their colleagues at headquarters. In the trial phase, with 10% of sites equipped, this project enjoyed great success and will be generalized as part of a now defined multi-year plan. As the daily interface between the residential asset management teams and clients, the manager will have his role reinforced and will thus participate actively in the Group objective of service quality.

Training at the service of change

The momentum behind action necessary to the carrying out of corporate projects was stimulated by implementation of an ambitious management training program, concerning around 40 senior managers, members of the executive committee or heads of units responsible for leading teams. This training led to adoption of a common language and harmonized management practices. Management teams also participated in seminars to reinforce cohesion of their members, and engage in joint reflection on the positioning of the various activities in relation to the company's strategic challenges. Training workshops on the new IFRS accounting standards were also organized, essentially for employees in the administrative and financial departments.

Finally, on the basis of Group procedures, joint reflection was organized within the work groups set up in 2004 to organize reactivity and quality made available to Group partners and its development.

77-81, boulevard Saint-Germain
75006 Paris

Real estate on the move

1959
- Creation of the Groupement pour le Financement de la Construction (GFC), la Société Immobilière Conventionnée.

1963
- IPO on the Paris Stock Exchange.
- GFC becomes a Société Immobilière d'Investissement (SII).

1991
- Acquisition of the real estate company GFII, composed of real estate assets mainly located outside of Paris, in Lyons and the north of France.

1993
- Abandoned its status as an SII.
- Strategic focus on properties in Paris and the Paris region and diversification into commercial property.

1997
- Acquisition of the real estate company FONCINA, with properties valued at €213 million located in Paris and the Paris region.
- On March 24, creation of FONCIGEF, a real estate service subsidiary specialized in rentals and sales.
- On October 3, issue of bonds convertible into shares with a nominal rate of 3.25%, due January 1, 2004.

1998
- The Company's growth gains speed with the acquisition of IUF (340,000 sq. m. of rental properties) and LA FONCIERE VENDOME (48,900 sq. m. of rental properties) with Haussmann-style buildings in Paris, most of them offices.
- GFC becomes GECINA.

1999
- On July 8, merger with SEFIMEG, then on December 16 with IMMOBILIERE BATIBAIL. GECINA doubles its size; its revalued real estate assets rise above €4 billion, and the Company becomes the leading private investor in Lyons.

2000
- Launch of the Internet site www.gecina.fr.
- Creation of GECITER, a commercial real estate subsidiary.

2001
- Appointment of Antoine Jeancourt-Galignani as Chairman of GECINA, succeeding Eliane Sermondadaz. Serge Grzybowski is named Chief Executive Officer.
- Development of the DAUHINE PART-DIEU project involving the construction of a 13,000 sq. m. office building on one of the Group's lands located rue de la Villette in Lyons.

2002
- Development of commercial property through:
  - The acquisition of an office complex at 26-30, rue Saint-Georges and 23-29, rue de Châteaudun, Paris 9th, with a total surface area of 15,350 sq. m.
  - The acquisition of an office building located 14-16, rue des Capucines, Paris 2nd, with a total surface area of 12,500 sq. m.
- GECINA launches a public offer on SIMCO. This operation allows GECINA to double its assets, from €4.1 billion to €8.4 billion.

2003
- Joint venture with Apsys to restructure the Beaugrenelle mall in Paris 15th.
- Launch of works on the building located in rue des Capucines, future headquarters of the GECINA Group.
- Adoption of the new SIIC tax system, retroactive as of January 1, 2003.
- LOCARE becomes the brand name for all of the GECINA Group's marketing activities (rental and sales).
- Merger of SIMCO into GECINA approved on December 17.
- Disposal of primarily residential real estate for €1.5 billion.

2004
- The par value of the GECINA share split in half to €7.50.
- Adoption of obligatory registered shares.
- Reinforcement of commercial real estate with:
  - acquisition in May of six building complexes located in the 12th and 17th arrondissements of Paris, Montrouge, Suresnes and Poissy with total space of 112,000 sq. m.;
  - acquisition in June of three sites located at Saint-Quentin-en-Yvelines, Brétigny and Chevilly-Larue with total space of 118,000 sq. m.
- Regrouping, on 29 November, of all GECINA employees at new head office at 14-16, rue des Capucines in Paris, 2nd arrondissement.

2005
- Disposal, on February 16, of a building composed of offices and retail outlets, totally renovated in 2002, located at 3-5, boulevard de la Madeleine in Paris, 1st arrondissement.
- Acquisition, from AGF and AZUR-GMF, of 30 % of GECINA capital by METROVACESA followed by a public offer to buy the shares of GECINA. The Spanish company now holds 68.54%.

Financial Report 2004

2004
Management Report

GECINA's sound financial structure permitted a continued proactive focus on growth in 2004, paced by an investment strategy clearly targeted to sustained improvement of portfolio value. During the first six months of 2004, the Group invested €540.9 m in the acquisition of nine buildings representing 230,000 sq. m of commercial space.

I • Rental business

Within the market context presented above, the rental business performed well in fiscal year 2004, as reflected by continued rent increases and a satisfactory occupancy rate for portfolio properties.

GECINA's renewed rental growth in the second half of 2004 underpinned consolidated fiscal 2004 rental income of €493.2 m, in line with the 2003 total. The impact from the 2003 disposal of mostly residential assets that had represented €38.8 m in rental income was, in fact, offset by the €540.9 m invested in new properties at end-H1 2004. These buildings generated rental income of €27.1 m during the period. Fiscal 2004 rental income thus increased by 3.7% on comparable structure and excluding properties held for sale.

The commercial business recorded strong growth in 2004 with rental income of €291.1 m accounting for 59% of the Group total. This represented a 12% rise from the previous year's €259.8 m, driven largely by the acquisitions completed during the fiscal period. On comparable structure and excluding assets held for sale, rents from the commercial properties advanced by 4.3%.

Despite more difficult market conditions, office properties held up well during fiscal 2004. The average rent for new leases totaling 58,494 sq. m of space in 2004 remained flat (+1%) relative to the average in-place rent. Economic occupancy for commercial properties in operation worked out to 95.6% as of 31 December 2004, an improvement from 94.9% at end-2003.

The residential portfolio's €202.1 m in rental income equaled 41% of the Group total and represented a 13.4% drop from €233.4 m in 2003. As indicated above, the decline in rent volumes was essentially due to the fiscal 2003 disposals (which had generated €38.8 m in rental income). On comparable structure, rents from buildings in operation increased by 2.8%.

The average rent for leases signed in 2004 involving 2,840 apartments worked out to €14.10 per sq. m, or +5.2% relative to the average in-place rent. As of end-2004, economic occupancy for residential buildings in operation rose to 98.3%, from 97.3% at end-2003.

II • Real estate portfolio

1 • Investments

Fiscal year 2004[1] was primarily marked by the acquisition during the first half of nine buildings with total commercial space of 230,000 sq. m for a total investment of €540.9 m. The properties should generate net rental income of around €46 m over the full year and a net yield of 8.7%.

In addition, a number of real estate projects are now being developed:

- 159, avenue Charles-de-Gaulle in Neuilly (92): with roughly 3,850 sq. m, this building's renovation scheduled for H2 2005 will form a near 10,000 sq. m complex with the adjoining building at 157, avenue Charles de Gaulle.

(1) See first half of annual report.

- 122, avenue du Général-Leclerc in Boulogne (92): represents an investment of around €36 m for 11,200 sq. m of space with completion targeted for 2006.
- Beaugrenelle shopping mall in Paris's 15th arrondissement: this project developed together with APSYS through a 50%-50% joint venture concerns over 48,000 sq. m of commercial space (GLA). The two partners are investing around €300 m with completion and launch of the new mall slated for H2 2008.
- Labuire district in Lyons: this concerted development project (ZAC) involves 140,000 sq. m including 68,000 sq. m of commercial space and 64,000 sq. m of housing developed with partners and 8,000 sq. m of public facilities (60% GECINA, 40% Société Lyonnaise de Banque). The project is scheduled to run for seven years and has en estimated cost price of €34 m.
- 14-16, rue des Capucines in Paris's 2nd arrondissement: the entire overhaul of the building for use as the Group's new headquarters was completed in January 2005.

2 • Disposals

GECINA carried out €131 m in asset sales during fiscal 2004. However, owing to the portfolio revaluation undertaken pursuant to the election of SIIC tax status as of January 1, 2003, the disposals did not result in significant capital gains as reported on the income statement (€21.9 m excluding duties).

The disposals concerned four commercial buildings sold by units for €24.6 m and 388 residential apartments (34,454 sq. m) sold for €106.9 m.

3 • Strategic focus on portfolio value

Along with the investments discussed above, the Group maintains a strategic focus on boosting the value of its real estate portfolio. Capital expenditure on redevelopment, renovation and other building improvements amounted to €87 m in fiscal year 2004, versus €83 m in 2003.

4 • Portfolio appraisal

GECINA's entire real estate portfolio was appraised as of December 31, 2004, by a panel of three independent experts: CB Richard Ellis Bourdais, Atisreal Expertise and Foncier Expertise.

In line with recommendations issued by the French *Autorité des marchés financiers (AMF)*, the appraisals were conducted using standard methodology consistent with previous years and based on net sales prices (i.e. excluding duties and taxes).

4.1 • Commercial property

a) Valuation methodology

The following three methods were used to appraise the commercial properties (block value):
- direct comparison with the market price per sq. m (parking lots valued by units);
- capitalization of net rental income;
- discounted cash flow over a ten-year period.

An analysis of existing lease terms is performed for the two income approaches.

The per-building appraised value is based on the average of the results from the three valuation models. The appraised value is examined on a case-by-case basis if the results vary by more than 10% between the three valuation techniques.

b) Commercial property valuation

in € millions	12/31/2004	12/31/2003	CHANGE
Appraisals of commercial real estate assets			
Block value [1]	4,548.1	3,871.5	+ 17.5%
Unit value [2]	4,593.7	3,915.3	+ 17.3%
Appraisals of commercial real estate assets on a constant basis			
Block value [1]	3,506.7	3,439.5	+ 2.0%
Unit value [2]	3,552.3	3,481.5	+ 2.0%

(1) On the basis of block valuation appraisals of real estate assets.
(2) On the basis of block valuation appraisals for commercial properties and unit valuation appraisals for the residential part of mixed real estate assets.

Owing to the acquisitions during the fiscal period, the commercial portfolio's appraised value (block basis) increased by 17.5% to €4.548 bn in 2004. On comparable structure, the commercial portfolio's value rose 2%, from €3.439 bn in 2003 to €3.506 bn at end-2004.

Buildings in operation excluding acquisitions in 2004

	BLOCK VALUATION APPRAISAL in € millions	VALUE/SQ.M. in €	RENTS 2004/ VALUATION APPRAISAL
PARIS	2,370	5,852	6.80%
PARIS REGION	1,077	3,494	6.98%
LYONS	58	679	9.78%

By region and relative to rents due in 2004, the average gross yield for commercial buildings in operation works out to 6.8% for Paris, 6.98% for the Paris region and 9.78% for the Lyons region.

Acquisitions in 2004

	BLOCK VALUATION APPRAISAL in € millions	VALUE/SQ.M. in €	RENTS 2004/ VALUATION APPRAISAL
PARIS	176	5,131	7.57%
PARIS REGION	380	1,939	8.72%

Relative to annualized 2004 rental income, the properties acquired during the fiscal period generate a gross yield of 7.57% for Paris and 8.72% for the Paris region.

4.2 • Residential property

a) Valuation methodology

Residential buildings are appraised in two ways: block value (i.e. for the building as a whole) and unit value (i.e. per apartment).

Expert appraisers use two approaches to determine the block value of a residential building:
- direct comparison with the market price per sq. m of habitable space (per unit for parking space) as a basis for defining the value of the building as a whole;
- capitalization of gross rental income.

The unit value of the residential buildings is determined solely through direct comparison per sq. m of habitable space (per unit for parking space).

b) Residential property valuation

in € millions	12/31/2004	12/31/2003	CHANGE
Appraisals of real estate assets			
Block value [1]	3,519.9	3,240.4	+ 8.6%
Unit value [2]	4,216.8	3,878.1	+ 8.7%
Appraisals of real estate assets on a constant basis			
Block value [1]	3,268.9	2,966.1	+ 10.2%
Unit value [2]	3,965.8	3,585.9	+ 10.6%

(1) On the basis of block valuation appraisals of real estate assets.
(2) On the basis of block valuation appraisals for commercial premises and unit valuation appraisals for the residential part of mixed real estate assets.

The disposals during the fiscal period limited the change in the residential portfolio's appraised value relative to 2003 to +8.6% using the block method and +8.7% with the unit method. On comparable structure, the portfolio increased in value by respectively 10.2% (block) and 10.6% (unit).

Based on the per-unit appraisal, the residential portfolio's valuation rose by 10.6% on comparable structure to €3.965 bn at end-2004.

Residential buildings in operation

	BLOCK VALUATION APPRAISAL in € millions	VALUE/SQ.M. in €	RENTS 2004 / VALUATION APPRAISAL
PARIS	1,937	3,420	5.54%
PARIS REGION	1,128	2,272	6.15%
LYONS	195	1,360	6.13%

By region as of December 31, 2004 (block value appraisal), the residential properties were valued at an average of €3,420 per sq. m for Paris, €2,272 for the Paris region and €1,360 for Lyons.

4.3 • Buildings under construction

Buildings under construction have been valued at cost with the exception of an expert appraisal for the Beaugrenelle shopping mall.

4.4 • Buildings held for sale

Buildings held for sale where a preliminary sales contract has been entered into are valued under the terms of the contract as signed before the close of the fiscal period. Properties that are being sold by apartment unit are valued based on the most recent transactions as well as the appraisal carried out in 2004.

4.5 • Portfolio valuation summary

in € millions	12/31/2004	12/31/2003	CHANGE
Appraisals of real estate assets			
Block value (1)	8,068.0	7,111.9	+ 13.4%
Unit value (2)	8,810.5	7,793.4	+ 13.0%
Appraisals of real estate assets on a constant basis			
Block value (1)	6,775.6	6,405.6	+ 5.8%
Unit value (2)	7,518.2	7,067.3	+ 6.4%

(1) On the basis of block valuation appraisals, net selling prices, of real estate assets.
(2) On the basis of unit valuation appraisals, net selling prices, of residential properties and of block valuation appraisals, net selling prices, of commercial properties.

As of December 31, 2004, GECINA's real estate portfolio had increased in value from the previous year by 13.4% to €8.068 bn using the block method and by 13.0% to €8.8105 bn using the unit method. These increases partly reflect changes in portfolio assets. On comparable structure, the portfolio's valuation rose respectively by 5.8% to €6.775 bn (block method) and by 6.4% to €7.518 bn (unit method).

III • Financing

As of December 31, 2004, consolidated net debt amounted to €2.931bn as shown in the following detailed table:

in € millions	OUTSTANDING 31/12/2004
Convertible bonds	0
Bonds	1,350,000
Bank borrowings	140,327
Accrued interests and other debt	56,820
Fixed rate debt	**1,547,147**
Commercial paper	400,000
Floating rate and revised rate loans	379,335
Lines of credit	367,622
Finance leases	370,657
Bank overdrafts	5,957
Floating rate debt	**1,523,572**
Gross debt	**3,070,719**
Cash and cash equivalents (floating rate)	
Treasury shares	10,755
Mutual funds and investments	104,203
Cash and near cash	24,665
Total cash and cash equivalents	**139,623**
Net debt	**2,931,096**
Of which:	
fixed rate	1,547,147
floating rate	1,383,949

Sources of financing

As part of its strategy to broaden sources of financing and to facilitate capital market access on an ongoing basis, GECINA revised its EMTN program in June 2004 by increasing the amount from €1 bn to €1.5 bn.

Within this framework, GECINA completed the issuance in June 2004 of €500 m in bonds due January 25, 2012, with a nominal coupon of 4.875%. Geared to financing investments at the end of Q2 2004, the offering was placed with investors at +65bp to the benchmark swap rate.

GECINA also raised the amount of its commercial paper program in July 2004 from €300 m to €500 m. During the course of 2004, €1.5 bn in commercial paper were issued through this program with maturities of between one and six months. Commercial paper outstanding totaled €400 m as of end-2004. To protect against possible liquidity risk, these short-term debt instruments are backed by confirmed medium-term lines of credit negotiated with banks.

As shown in the table below, the capital markets (EMTN and commercial paper) accounted for a larger share of Group financing as of December 31, 2004, at nearly 57%, compared to 50% at end-2003 (excluding convertible bonds):

in € millions		2004		2003
Bonds	1,350	44%	850	37%
Commercial paper	400	13%	300	13%
Bank funding	887	29%	754	33%
Finance lease	371	12%	330	14%
Overdrafts and interests	63	2%	68	3%
Gross financial debt (excl. convertible bonds)	3,071	100%	2,302	100%

Security of financing in-place

To ensure that it can quickly respond to investment opportunities, GECINA maintains a reserve of available credit facilities with a range of financial institutions.

Following payment of the second exit tax due date, the Group disposed at end-2004 of €715 m in unused lines of credit with an average maturity of three years, o/w €400 m were used as “back-up” for the commercial paper issues. The €315 m in available lines should be sufficient to take advantage of all investment opportunities.

Debt maturity

As indicated in the maturity table (including lines of credit) presented below, 59% of Group debt has a maturity of greater than four years:

	€ millions	%
Maturity < 1 year	198	5.2%
1 year <Maturity < 2 years	305	8.1%
2 years < Maturity < 3 years	352	9.3%
3 years < Maturity < 4 years	684	18.1%
4 years < Maturity < 5 years	873	23.0%
Maturity > 5 years	1,373	36.3%
	3,785	**100.0%**

The average maturity of Group debt increased during the fiscal period from 3.81 years at end-2003 to 4.58 years as of December 31, 2004.

Average cost of debt and interest rate risk

Consolidated debt consists primarily of floating-rate bank loans or fixed-rate debt securities converted to floating rate at time of issuance. As of December 31, 2004, gross debt was 81% covered by a portfolio of derivative instruments made up of swaps, caps and tunnels. GECINA also held at end-2004 €997 m in derivative instruments with deferred starts in future fiscal periods.

A fair value determination for the derivatives portfolio indicates a termination cost of €62.8 m as of December 31, 2004, versus €63 m at end-2003.

A mark-to-market valuation of the debt as of December 31, 2004, would generate a potential additional capital loss of €67.4 m.

Given the contract terms for the hedging portfolio as of December 31, 2004, a 1% rise in interest rates would negatively impact fiscal 2005 net profit by €2.9 m. A 1% drop in interest rates would reduce net profit by €3.4 m.

GECINA avoids all counterparty risk by only entering into hedging transactions with tier-one banks.

The average cost of debt during fiscal 2004 worked out to 4.37%, compared to 4.79% in 2003. Based on an average debt load of €2.767 bn, versus €3.432 bn in 2003, consolidated net interest expense in fiscal 2004 amounted to €120 m, against €151 m in the previous fiscal period.

Collateralized borrowing

Consolidated debt secured by mortgages, lenders'liens, or unregistered mortgages totaled €32 m at end-2004. GECINA also used sale-leaseback arrangements to finance three properties (€318.9 m), and lease financing for one of the buildings acquired during the fiscal period (€51.8 m), for which the purchase option was exercised in early-2005.

Total secured debt represented just 4.92% of the Group's real estate portfolio value (block method) as of December 31, 2004, for an authorized ratio of 20%.

Solvency ratios

As shown in the table included in note 4.8.3 to the consolidated financial statements, GECINA's financial structure as of December 31, 2004, fully adhered to performance requirements concerning financial ratios such as those mandated by its loan agreements. GECINA's loan contract and bond issuance covenants allow creditors to demand early repayment, notably in the event of a change in ownership, cross-default or a significant cut in the Group's rating by the credit rating agencies.

GECINA ensures prudent financial management. Pursuant to its agreements with lenders, the net debt/real estate portfolio value ratio, as a rule, does not exceed 50%, except temporarily. As of December 31, 2004, this ratio worked out to 36% based on a block valuation of the portfolio and 33% based on a unit valuation.

GECINA's loan agreements also mandate an interest coverage ratio above the 2.25x level, unless temporarily waived. For fiscal year 2004, the EBITDA/net interest expense (excluding provisions) ratio rose to 3.23x, from 2.54x in fiscal year 2003.

In short, GECINA's financial strength enables a proactive growth strategy, underpinned by a diverse range of funding sources and debt now only equivalent to 33% of its €8.8 bn real estate portfolio (unit valuation basis).

Rating

On February 21, 2005, Standard & Poor's raised its long-term credit rating for GECINA to A- with a stable outlook from BBB+ with a positive outlook. It also reconfirmed its short-term rating of A-2.

Following METROVACESA's public tender offer, Standard & Poor's on March 16, 2005, placed GECINA's rating on Creditwatch with negative implications.

IV • 2004 financial statements

1 • Consolidated statements

Consolidated balance sheet

As of December 31, 2004, net fixed assets totaled €7.245 bn, from €6.852 bn at end-2003. The increase during the fiscal period essentially stemmed from the acquisition of nine buildings in May and June 2004 (2).

Current assets of €293.2 m as of December 31, 2004, compared to €258.6 m at end-2003, consisted of €120.9 m in operating receivables and €139.6 m in marketable securities.

Current assets also include the acquisition cost (€25.4 m) for two buildings purchased in early-2004 for resale under France's real estate trader tax status *(marchands de biens)*.

Consolidated shareholders' equity (Group share) worked out to €3.857 bn at the close of the fiscal period, against €3.773 bn at end-2003. The main movements during the period are as follows:

	€ millions
Shareholders' equity (Group share) as of 12/31/2003	3,773.1
Capital increase resulting from conversion of convertible bonds	331.6
Capital increase resulting from exercise of options and subscriptions to company mutual fund	7.3
Dividends paid in 2004	- 133.9
Change in treasury shares	- 260.8
Correction of revaluation gain	- 31.6
Other changes	- 3.4
Consolidated net profit (Group share) for 2004 fiscal year	174.8
Consolidated shareholders' equity (Group share) at 12/31/2004	**3,857.1**

Provisions for liabilities and charges include deferred taxes (€54 m), which increased as a result of the acquisitions during the year, and provisions for contingent liabilities that rose from €33.2 m to €40.5 m due to allocations during the fiscal period.

Financial debt totaled €3.071 bn at end-2004, compared to €2.660 bn at the close of 2003. This includes €371 m from four lease financing contracts (3). Note that one of these contracts was applied to a building acquisition in 2004 and the Group exercised its purchase option in January 2005.

After subtracting marketable securities and cash deposits (€139.6 m), consolidated net debt stood at €2.931 bn as of December 31, 2004, against €2.513 bn at end-2003. The increase primarily resulted from the building acquisitions during the fiscal period and the €142 m payment of the second portion of the exit tax. It also reflects the Group's May 2004 exercise of the early redemption option for the conversion of nearly all convertible bonds outstanding (4) that had been carried at €358 m on the balance sheet as of end-2003.

(2) See real estate portfolio, section II.
(3) See financing, section III.
(4) See financing, section III.

The reduction in taxes due and other employee-related liabilities mostly stems from the payment on December 15, 2004 of 25% of the exit tax (€142 m) linked to the 2003 election of SIIC tax status.

Off-balance sheet commitments, summarized in the notes to the financial statements, comprise all material commitments within generally accepted accounting principles. They consist of interest rate hedging instruments (swaps, caps and floors) used to manage the cost of debt (€4.65 bn bought, €4.553 bn sold) and collateralized borrowing arrangements (€32 million).

Consolidated income statement

Fiscal 2004 consolidated rental income[5] was in line with the 2003 total at €493.2 m.

in € millions	2004	2003
Commercial rent	291.1	259.8
Residential rent	202.1	233.4
TOTAL	**493.2**	**493.2**

Other income, which rose to €17.4 m in 2004 from €13.2 m in 2003, recorded revenues generated by LOCARE outside the Group, as well as €5.7 m in damages awarded by a favorable Appeals Court ruling in litigation between SOCIETE DES IMMEUBLES DE FRANCE and Crédit Foncier de France.

Excluding disposals, EBITDA increased from €383.4 m in 2003 to €390.7 m in 2004, with an EBITDA / rental income ratio of 79.2% (77.7% in 2003).

Net interest expense[6] declined by close to 20% to €119.5 m in 2004 from 2003's €150.8 m, thanks to the combined impact of a reduction in average debt outstanding and cost of capital.

Pre-tax current cash flow worked out to €271.3 m, or +16.6% from fiscal 2003's €232.6 m, and represented €4.50 per share in 2004 (+9.5%), compared to €4.11 in 2003.

Given the substantial number of shares issued during the fiscal period, notably because of the bond conversions, the cash flow per share comparison is more relevant when using diluted figures. Diluted current cash flow per share amounted to €4.46 in 2004 or 17.4% higher than the €3.80 in the previous year.

After depreciation and amortization charges of €91.7 m during the fiscal period (€87.3 m in 2003), profit before tax and exceptional items (excluding disposals) rose to €190.8 m in 2004, from €148.7 m in 2003.

Fiscal 2004 disposals[7] totaled €131 m and led to the recognition of €21.9 m in capital gains (excluding transfer duties) on the income statement. These asset sales also caused the release of €30.5 m from the revaluation reserve constituted at the time of the January 1, 2003, portfolio revaluation, with the amount then credited to retained earnings at Group and subsidiary level.

Including realized capital gains and provisions for investment property depreciation (€11 m), fiscal pre-tax profit came to €199.3 m, versus €162.2 m in 2003.

(5) See rental business, section I.
(6) See financing, section III.
(7) See real estate portfolio, section II.

Corporate taxes amounted to €24.3 m, o/w €9.7 m corresponded to an exceptional tax of 2.5% on long-term capital gains reserves as established by the amended Finance Bill for 2004. In fiscal year 2004, consolidated net profit worked out to €175 m (€174.8 m after minority interests). Note that fiscal year 2003 net profit of €537.2 m (€535.5 m after minorities) benefited from an exceptional gain of €379.6 m derived from the accounting and tax impact of the January 1, 2003, portfolio revaluation within the framework of SIIC tax status election.

2 • GECINA parent company financial statements

Balance sheet total was €7.169 bn as of December 31, 2004, compared to €7.261 bn at the close of fiscal year 2003. Shareholders' equity increased by €214 m as a result of the following movements:

	€ millions
Shareholders' equity at 12/31/2003	3,733.0
Capital increase resulting from conversion of convertible bonds	331.6
Capital increase resulting from exercise of options and subscriptions to company mutual fund	7.3
Share capital reduction	– 172.2
Correction of revaluation gain	– 9.2
Dividends paid in 2004	– 133.9
Other changes	– 5.2
Net profit for 2004 fiscal year	195.4
Shareholders' equity at 12/31/2004	**3,946.8**

Fixed assets consist of:

- the real estate portfolio directly held by GECINA valued at €3.819 bn at end-2004, from €3.882 bn at end-2003;
- interests in subsidiaries and receivables from controlled entities of €3.123 bn as of December 31, 2004, versus €2.543 bn at end-2003. The most significant holdings include SOCIETE DES IMMEUBLES DE FRANCE (SIF) (€1.299 bn), GECITER (€597 m) and PARIGEST (€379 m).

The increase in this line item is essentially due to €536.1 m in working capital funding provided by GECINA to its subsidiaries. These transactions were reclassified as receivables from controlled entities at end-2004 from other receivables in 2003.

Treasury stock of 2,719,126 shares is accounted for under other long-term securities at €170.2 m, while an additional 226,421 shares recorded as marketable securities for €10.7 m are held to meet options granted in 2001 and 2002 to employees and directors. Treasury stock now represents 4.7% of the share capital.

Current assets amounted to €205.7 m at December 31, 2004, compared to €722.3 m at end-2003. The reduction primarily ensued from the previously indicated reclassification as receivables from controlled entities of parent company funding to subsidiaries. Current assets do still include loans to subsidiaries resulting principally from management of the cash pool (€38.2 m) and recorded as other receivables. Marketable securities and cash-in-hand worked out to €114.7 m as of December 31, 2004.

Financial debt as of December 31, 2004 came to €2.834 bn, from €3.061 bn at end-2003. The change was due to early redemption of convertible bonds (€358 m excluding interest) - most were converted through the issuing of 6,895,814 new shares - and a €500 m bond issuance completed in June 2004 [8].

(8) See financing, section III.

Taxes due and other employee-related liabilities included €215 m at end-2004 (€322 m at end-2003) related to the exit tax resulting from SIIC tax status.

Rental income as recorded on the fiscal 2004 income statement of €268 m, against €289 m in 2003, was equivalent to 54% of consolidated rents. The change from the previous year was due to the disposals completed in 2003.

Fiscal 2004 net interest income of €41.4 m compares to a net charge of €152.8 m in the previous year and reflected:
- Net interest and other expenses of €108.1 m (€100.2 m in 2003);
- Dividends from subsidiaries of €192.8 m. Note that the election of SIIC tax status did not require dividend payouts from subsidiaries in 2003, while SIMCO's €79 m dividend payment to GECINA, made prior to the effective completion of the merger, had been reclassified and recorded under retained earnings.
- Provisions of €43.3 m, corresponding to €36 m for depreciation of PARIGEST shares following an exceptional dividend payout of €116 m drawn from its reserves, and €6 m in amortization of deferred interest expenses.

After exceptional profit of €10 m resulting mostly from capital gains realized from the merger of certain Group entities and a €1.5 m tax credit, fiscal year 2004 net profit amounted to €195.4 m. This compares with net profit of €21.3 m in the previous fiscal period, which had been sharply impacted by the SIMCO merger and the election of SIIC tax status.

V • Net asset value

Net asset value per share as of December 31, 2004, calculated on the basis of the real estate portfolio appraisal explained in heading II, section 4 of this Annual Report, is presented in the following table:

1 • Undiluted NAV per share (block method)

	12/31/2004	12/31/2003
Consolidated shareholders' equity Group share (in € millions)	3,857	3,773
Unrealized capital gains on real estate (in € millions)	807	275
Other (in € millions)	10	- 4
Total (in € millions)	4,674	4,044
Number of shares after deduction of treasury shares (in millions of shares)	59.4	56.4
Net asset value per share (1)	**€78.71**	**€71.66**

(1) Applying a fair value determination to debt and derivative instruments gives NAV of €76.58 per share as of 12/31/2004.

2 • Undiluted NAV per share (unit method)

	12/31/2004	12/31/2003
Consolidated shareholders' equity Group share (in € millions)	3,857	3,773
Unrealized capital gains on real estate (in € millions)	1,549	957
Other (in € millions)	10	– 4
Total (in € millions	5,416	4,725
Number of shares after deduction of treasury shares (in millions of shares)	59.4	56.4
Net asset value per share [1]	**€91.21**	**€83.73**

(1) Applying a fair value determination to debt and derivative instruments gives NAV of €89.13 per share as of 12/31/2004.

3 • Diluted NAV per share

While in 2003, convertible bonds outstanding implied potential dilution of close to 6.9 m shares, in fiscal year 2004 the only remaining source of potential dilution were stock option grants to managers and certain Group employees (equivalent to 1,153,533 shares). The following table accounts for the potential exercise of these options by showing net asset value per share on a fully diluted basis:

	12/31/2004	12/31/2003
Diluted net asset value per share – Block value [1]	€78.37	€69.05
Diluted net asset value per share – Unit value [1]	€90.68	€79.68

(1) Applying a fair value determination to debt and derivative instruments gives NAV of €75.99 and €88.30 per share as of 12/31/2004 based respectively on the block and unit valuation methods.

VI • Shift to new international accounting standards (IAS/IFRS)

In 2005, GECINA is obliged to present its consolidated financial statements in accordance with the IAS/IFRS international accounting standards, including comparable statements for 2004.

In order to understand the consequences of the application of IFRS to GECINA's consolidated financial statements, and in accordance with the recommendations of the French *Autorité des marchés financiers (AMF)*, the financial statements for fiscal year 2004 have been restated, and transition tables prepared, in order to identify the principal changes that result from applying these standards. The transition tables show how a number of financial statements drawn up in accordance with French accounting standards convert to IFRS. The tables shown apply to the opening balance sheet as at January 1, 2004, the income statement for 2004 and the balance sheet as of December 31, 2004. The tables are supplemented by explanatory notes that provide detail on the various adjustments.

The financial information provided is based on the texts interpretations now available. It is hence not necessarily definitive and may be adjusted to take into account changes that may occur as a result of new measures or trends in the market. It is therefore possible, for example, that the balance sheet as of December 31, 2004, drawn up in accordance with the IFRS as known on that date, will not fully correspond to the opening balance sheet upon which the consolidated financial statements for FY 2005 will be based.

Given the nature of its business, the most important aspect for GECINA in the shift to IFRS is the rules for recognition of fixed assets and financial instruments. Certain other areas of lesser importance include recognition of income, calculating the present value of deferred payments, reclassification of treasury shares to shareholders' equity and benefits accorded to personnel.

1 • Recognition of fixed assets

IAS 40 provides a choice of two methods for recognition of "real estate for investment".

- In the case of recognition at market value ("fair value" method), buildings are not depreciated and the impact of changes in market conditions is entered in the income statement.
- The alternative is recognition at historic cost.

GECINA has opted for the method preferred in IAS 40, which is entering real estate for investment at "fair value".

2 • Recognition of financial instruments

GECINA has decided to apply IAS 32 and 39 retroactively to January 1, 2004, even though these standards are only required to be applied on January 1, 2005.

In the context of IAS 32 and 39, financial liabilities are recognized in the balance sheet at amortized cost.

Derivative instruments set up to hedge interest rate risk on debt are recognized in the balance sheet at "fair value", while they are off-balance sheet under French standards.

Since GECINA mainly practices a macro-hedging approach, the change in "fair value" of the major portion of derivatives used (89% of hedge instruments as of December 31, 2004) is recognized in the income statement. The effective portion of changes in "fair value" of derivative instruments that correspond to strictly debt linked hedges (11% of total hedges as of December 31, 2004) is entered directly in shareholders equity.

3 • Other standards

Recognition of income

In the consolidated financial statements drawn up in accordance with French accounting standards, the amount of rental income recognized by GECINA corresponds to receipted rentals. Application of IAS 17 modifies the amount of operating income by spreading the financial consequences of all conditions in the rental agreement (mainly deductibles and rent ceilings) over its confirmed lifetime.

Employee benefits, stock options plans and employee savings plans

IAS 19 requires that the acquiring company assume responsibility for all benefits and remuneration granted to personnel, both at present and in the future, during the acquisition period, including: supplementary retirement pensions, end-of-career severance pay and length-of-service awards.

IFRS 2 requires that the income statement reflect the effects of transactions implying payment in shares. For GECINA, this includes grants of stock options and contributions to the employee savings plan made after it was set up on November 7, 2002.

Present value of deferred payments

IFRS foresees calculation of the present value of debts benefiting from deferred payment or receipt beyond normal usage. This applies to calculation of the present value of the debt corresponding to the exit tax due as a result of the company's choice of a SIIC (Listed Real-Estate Investment Trusts/*Sociétés d'Investissements Immobiliers Cotées*) tax regime. The law provides for payment of this tax over four years.

4 • Effects on shareholders' equity and the consolidated income statement

The table below summarizes the impact of the application of the new accounting standards on GECINA's consolidated income statement.

in € millions	IMPACT ON SHAREHOLDERS EQUITY AS OF 1/1/2004	IMPACT ON FY 2004 EARNINGS	IMPACT ON SHAREHOLDERS' EQUITY DURING 2004	FINAL IMPACT ON SHAREHOLDERS' EQUITY AS OF 12/31/2004
Consolidated income statements under French accounting standards (fully owned)	**3,811.2**	**174.9**	**– 98.7**	**3,887.4**
Value of investment property (IAS 40)	266.6	502.2	35.1	803.9
Measurement of financial instruments (IAS 32 and 39)	– 58.1	– 3.3	– 0.2	– 61.6
Other effects				
Recognition of lease income (IAS 17)	3.2	0.5		3.7
Present value of deferred tax (IAS 12)	21.3	– 10.7		10.6
Reclassification of treasury shares (IAS 32)	– 11.8		0.8	– 11.0
Cancellation of provisions for major repairs (IAS 37)	1.0			1.0
Employee benefits, share options (IAS 19, IFRS 2)	– 0.7	– 1.3	0.4	– 1.6
Total other effects	13.0	– 11.5	1.2	2.7
Total impact of IFRS (fully owned)	**221.5**	**487.4**	**36.1**	**745.0**
Consolidated financial statements under IFRS (fully owned)	**4,032.7**	**662.3**	**– 62.6**	**4,632.4**

Application of IFRS causes significant volatility in the consolidated income statement, as is shown by the consequences for GECINA of application of the two principal standards (IAS 40 and IAS 39).

VII • Subsidiaries

1 • Organization of the Group

As a result of the development projects in the last year (15 legal entities acquired or founded) as well as internal restructurings (suppression of 21 legal entities, mainly through mergers), on December 31, 2004 the Group was made up of 46 distinct legal entities (as opposed to 54 on December 31, 2003). These include 39 real-estate companies that hold property or real-estate rights, and seven services companies. GECINA is the direct holder of 54% of Group assets, close to 87% of residential property and 29% of commercial property.

As shown in the organizational chart in a following section, as a general rule subsidiaries are fully owned by the Group. Exceptions are:

- SOCIETE DES IMMEUBLES DE FRANCE - SIF, in which GECINA has a 99.28% interest,
- SCI BEAUGRENELLE, in which GECINA has a 50% interest,
- SCPI LA RENTE IMMOBILIERE, in which GECINA has a 70.26% interest,
- SGIL, in which GECINA has a 36.55 % interest,
- SAS LABUIRE AMENAGEMENT, in which GECINA has a 59.7 % interest.

The Group has a largely centralized organization; the managers of the parent company are also managers of the subsidiaries. GECINA provides financing for the entire Group, except for specific financing of some assets held by subsidiaries. Data processing and other general equipment is held by GIE GESSI.

The major part of flows between the parent company and subsidiaries derives from joint use of financial resources in framework of a cash pooling agreement and partnership borrowing agreements.

The Group plans to pursue simplification and rationalization of its legal and financial organization by increased integration of its various components.

2 • Business activity and results of the principal subsidiaries

The table provided after the appendix to the parent company financial statements provides the main financial data of Group subsidiaries. The characteristics of the most important Group subsidiaries as of December 31, 2004 are provided below.

SOCIETE DES IMMEUBLES DE FRANCE

SOCIETE DES IMMEUBLES DE FRANCE (SIF), is listed on the Eurolist market of Euronext Paris SA. It is a direct subsidiary of GECINA, and holds in its own name a portfolio of Paris properties, essentially in commercial real estate. The expert appraisal of its block value excluding transfer fees is €601 million. In 2004, the company sold in block three office-space buildings in Paris' 8th arrondissement for €21.9 million, and continued its sale by unit of the Vaneau - Varenne buildings (€25.4 m).

In February 2005 SIF also sold a building located at 3-5, boulevard de la Madeleine, Paris 1st, consisting of both offices and retail space and fully renovated in 2002. The value of the transaction was €152 m, providing a capital gain of about €27 m and a yield of 5.3 %.

Rents billed in 2004 came to €35.2 m, vs. €37.2 m in 2003; the decline was due to the impact on the full year of disposals made in 2003.

Net profit came to €47.4 m, vs. €63.5 m in 2003. In 2004, SIF distributed a dividend of €0.77 per share. Management will propose that the Annual Shareholders' Meeting of SIF, to be held on June 28, 2005 to vote a dividend of €1.50 per share, almost 95 % more than the dividend distributed in 2004.

PARIGEST

PARIGEST, a company fully owned by GECINA, was converted to a streamlined corporation *(Société par Actions Simplifiée)* in 2004. It owns a mixture of properties in Paris and the Paris region, which was appraised at block value excluding duties at €440 m on December 31, 2004.

During the fiscal year, PARIGEST absorbed Dupleix-Suffren and Vouillé-Nanteuil, two SCI companies formerly held by GECINA and each the owner of a residential building. PARIGEST also acquired three commercial properties in the Paris region, at a cost of €123.5 m. It also continued sales by units of a group of residential properties in Paris 19th and has begun sales by lots at an apartment building located at 11, rue du Conseiller Collignon, Paris 16th.

Rents billed during the fiscal year came to €25.8 m, as opposed to €20.7 m in 2003. Net profit was €15.8 m, vs. €20.6 m in 2003. In 2004, PARIGEST distributed an ordinary dividend €2.10 per share and an exceptional dividend of €19.91 per share.

GECITER

This fully-owned subsidiary of GECINA owns 52 commercial buildings, appraised at block value excluding duties at €864 m on December 31, 2004.

GECITER absorbed nine companies previously owned by GECINA during the fiscal year, each the owner of a commercial building. It also acquired seven commercial buildings located in Paris and the Paris region, at a total cost of €423 m.

Thanks to these acquisitions, rental billings in 2004 increased to €44.5 m from €26 m in 2003. Net profit for the fiscal year came to €15.1 m, up from €14.5 m in 2003. In 2004, GECITER distributed a net dividend of €0.58 per share in 2004.

LOCARE

LOCARE is a real-estate services company with five distinct activities:

- Rental management for residential buildings:
  This long-standing activity first covered Group properties and has since been extended to contracts with other owners.
- Corporate real-estate consulting:
  Business includes both consulting and rental transactions for office, industrial and retail space, both on behalf of the group and for other investors and major users.
- Unit sales:
  With a 20% market share, LOCARE is the leader in Paris in unit sales in vacant or occupied buildings, both for the Group and outside owners.
- Asset management for third parties:
  Created in 2004, this activity covers market studies, financial analysis, investment management and financial and operating reporting for outside owners.

Fees billed in 2004 were €15.8 m, while total billings by LOCARE and FONCIGEF came to €17 m in 2003. 49% of these billings were to outside owners, as opposed to 40 % in 2003.

LOCARE's net profit was €3.6 m in 2004, vs. €3.2 m in 2003. LOCARE distributed a net dividend of €1,000 per share in 2004.

VIII • Distribution and appropriation of earnings

In 2003, GECINA opted for the SIIC system (Listed Real Estate Investment Trusts - *Sociétés d'Investissements Immobiliers Cotées*). This option entails the obligation of a minimum dividend distribution of 85% of profits on rentals and 100% of dividends from subsidiaries that have also opted for the SIIC system, as well as 50% of capital gains on disposals realized.

In application of these requirements, management proposes to distribute a dividend of €2.00 per share in 2005 under the SIIC system, plus a supplementary dividend of €1.70 per share, for a total of €3.70 per share. The supplementary dividend will be drawn from earnings previously subject to corporate income tax at the normal rate.

Hence, the Annual Shareholders' Meeting will be asked to vote on the following appropriation of earnings for fiscal year 2004:

Earnings for the fiscal year of	€195,372,993
increased by a drawing down on bond and share premiums and merger premiums of	€34,403,819
for a total of	€229,776,812
and a maximum dividend distribution of	€229,776,812

When the dividend is paid out, the amount taken from premiums will be adjusted to take into account treasury shares, on which the law stipulates that dividends not be paid.

As required by law, the following table shows dividends distributed in the last three years:

FY	DIVIDEND	TAX CREDIT *(AVOIR FISCAL)***	TOTAL
2001	€3.60	€1.80	€5.40
2001 adjusted*	€1.80	€0.90	€2.70
2002	€4.00	€2.00	€6.00
2002 adjusted*	€2.00	€1.00	€3.00
2003	€2.45	€0.90	€3.35

* Adjusted to take into account the two for one stock split voted by the extraordinary Shareholders' Meeting of December 17, 2003.

** Tax credit on dividends paid to individuals.

Further, in application of the provisions of Act 2004-1485 of December 30, 2004, the Shareholders General Meeting will be asked to transfer €200 m from the special reserve for long-term capital gains to the "other reserves" account. In this context and in compliance with the above-mentioned legislation, an exit tax of €5 m will be recognized as a deduction from the earnings carry-forward.

The Shareholders Meeting will also be asked to decide on a transfer to a specific reserve line item both the appraisal increase on asset disposals during the fiscal year and the additional depreciation of €25,982,146 resulting from asset revaluation.

IX • Changes in share capital

A significant number of shares was created during FY 2004, with effect on January 1, 2004. This was due to:

• conversion of 7,821 bonds of the former GFC (October 1997) into	15,642 shares
• conversion of 3,647,014 GECINA bonds (November 2002) into	6,564,697 shares
• conversion of 146,338 bonds of the former SIMCO (July 1997) into	263,425 shares
• adjustment of the conversion parity of GECINA bonds in November 2002 as a result of a distribution of premiums in June 2004	51,719 shares
• adjustment of the conversion parity of bonds of the former SIMCO in July 1997 as a result of a distribution of premiums in June 1998 and 2004	331 shares
• exercise of share options (subscriptions)	130,861 shares
• Share subscriptions under the employee savings plan	36,920 shares
For a total of	7,063,595 shares

On the basis of the authority granted in the twentieth resolution approved by the Shareholders Meeting of June 2, 2004, on that same day the Board of Directors decided to cancel 3,000,000 shares.

All told, the number of shares comprising the company's capital stock increased by 4,063,595 between January 1 and December 31, 2004. Share capital, based on 62,101,841 at a par value of €7.50 each, was €465,763,807.50 at the close of the fiscal year.

X • GECINA share

1 • Share price in 2004

In the stock market, GECINA's share price increased by 25.04% in 2004, from €58.30 on December 31, 2003, to €72.90 on December 31, 2004. The lowest price of €58.00 was recorded in January and the highest price of €73.95 was recorded in December.

The table included in the discussion of the market for the share summarizes statistics on market prices for the 18-month period running from October 2003 to March 2005.

A total of 28,287,199 shares were traded in 2004 representing €1,839 million. At the end of 2004, the company's stock market capitalization stood at €4,527 million.

2 • Share buyback program

In 2004, GECINA used the authorization granted to the Board of Directors by the Shareholders' Meeting of June 3, 2003, and renewed by the Shareholders' Meeting of June 2, 2004, to buy back its own shares. During the year, 4,096,465 shares were acquired at an average purchase price of €63.47.

These share repurchases led to a reduction consolidated shareholders' equity of €260.8 m. Excluded from this operation are 226,421 shares held to cover share options granted senior management and employees, which are included in the balance sheet as investment securities in the amount of €10.7 m.

As noted above, 3,000,000 treasury shares were cancelled by a decision of the Board on June 2, 2004. As a result, as indicated in Note 4.6 of the appendix to the consolidated financial statements, 2,945,547 treasury shares, or 4.7 % of share capital, were held on December 31, 2004. At an average cost of €61.50 per share, these represent a total investment of €180.9 m.

Since an authorization valid for 18 months was given by the previous Shareholders General Meeting, a renewal is proposed.

The share repurchase program subject to authorization is discussed in an information certified by the French *Autorité des marchés financiers (AMF)*. Its legal basis is found in the provisions of articles L.225-209 *et seq.* of the Code of commerce and in EU Regulation 2273/2003 of September 22, 2003. The latter is in application of EU Directive 2003/6/CE of January 28, 2003, on Insider Dealing and Market Manipulation, which came into force on October 13, 2003.

XI • Human resources

1 • Workforce and employment policy

As of December 31, 2004, the GECINA Group had a consolidated workforce of 784, with 733 permanent hires and 51 fixed-term hires.

The breakdown by socio-professional category was as follows as of December 31, 2004:

CATEGORY	MEN	WOMEN	TOTAL
Management	106	86	192
Supervisors	23	106	129
Employees	148	264	412
TOTAL	**277**	**456**	**733**

An analysis of the Group's workforce between December 31, 2003, and December 31, 2004, reveals the following trends:

			PERMANENT		FIXED-TERM		PROMOTIONS		
PROFESSIONAL CATEGORY	GENDER	WORKFORCE AS OF 12/31/2003	NEW HIRES	DEPARTURE	NEW HIRES	DEPARTURE	+	–	WORKFORCE AS OF 12/31/2004
Management	M	109	14	15	4	3	2	1	110
	W	87	10	19	8	8	11		89
Supervisors	M	17	4	2	3	4	5	2	21
	W	109	12	11	13	10	12	10	115
Administrative employees	M	33	2	4	29	30		4	26
	W	70	9	6	47	55		13	52
Building staff	M	140	15	17	217	213	1	1	142
	W	233	15	20	312	311	1	1	229
TOTAL		**798**	**81**	**94**	**633**	**634**	**32**	**32**	**784**

The large number of new hires and departures in fixed-term employment reflects the specific nature of the job done by building staff, which requires the systematic replacement of this category of employees during any period of absence.

2 • Organization by function

Residential and business real-estate are clearly distinguished from an operational viewpoint, with all management and maintenance functions organized on a building by building basis. "Property entities" that group buildings together by geographic areas have been made into profit centers.

LOCARE is the business structure that is now expanding its traditional activities in unit sales and rentals to institutional clients as well as for the Group.

Other Group divisions (development, finance and human resources) are organized the usual way.

Group properties in Lyons have their own regional division that has operational structures identical to those at Paris headquarters at a scale proportional to holdings.

3 • New headquarters

On November 29, 2004, the entire Paris-based administrative team was brought together in a fully reconstructed building that now houses GECINA's corporate headquarters, located at 14-16, rue des Capucines in Paris 2nd. The General Meeting will be asked to ratify this transfer of registered address, decided by the Board of Directors on October 12, 2004. The former headquarters on rue de la Fédération was re-rented beginning on December 15, 2004.

4 • Labor harmonization

Management continued to harmonize profit-sharing agreements in 2004. A new group employee savings plan was substituted for those previously in force. The plan consists of three mutual funds: one is centered on protecting capital, one on performance and one is a fund dedicated to shares in the company, called *"Gecina Actionnariat"* (Gecina shareholders).

The last invests a minimum of 90% of its capital in GECINA shares. The capital derives from mandatory and voluntary profit-sharing programs and voluntary contributions of employee members, as well as contributions by the company.

On April 20, 2004, the Board of Directors made use of the of the authority granted in the eighth resolution approved by the Shareholders Meeting of December 17, 2003 to open the period of subscription to new shares reserved for the *"Gecina Actionnariat"* Fund. At the close of the subscription period, the Board recognized that 36,920 new shares had been issued, with an effective date of January 1, 2004.

5 • Training

Training continued in the use of IT equipment (mainly for superintendents of residential buildings), in English and in areas touching on greater professionalism in real-estate practices (management and legal).

In 2004, GECINA also set up an ambitious management-level training program. Some forty executives (members of the Executive Committee and team managers) participated.

Training workshops in the new IFRS standards were also organized, chiefly for personnel in the Finance Department.

In all, 5,866 hours of training were provided in 2004, involving 263 employees (132 at executive level, 103 office staff and 28 employees at residential buildings).

6 • Retirement benefits

Retirement indemnity obligations

Accrued severance pay in application of company or branch agreements is covered by insurance policies. The amount of the commitments is adjusted every year using actuarial methods based on age at retirement, mortality, number of years in the company and employee turnover.

A hypothetical annual revision of salaries is posited. Since the lump sum payment is made at the time the employee actually leaves the company, it is updated on the basis of a defined rate.

Supplemental retirement obligations with respect to certain employees

A. *Commitments to certain employees*
   Within the framework of the different acquisition operations engaged since 1998, three additional pension systems with defined benefits, in use in three merged companies, were taken over by GECINA.

Their principal characteristics are as follows:

a) Recogan
This system concerns administrative employees who originally worked for l'Union Immobilière de France (UIF). It guarantees a general level of retirement benefits equal to 2% of the average salary in the 36 months preceding retirement, multiplied by the number of years in the company up to a limit of 37.5 years, and subject to the condition that the employee be present in the company on the day of retirement. This system was discontinued in December 1998 and rights were only maintained for employees with at least 13 years in the company at that date; 19 employees were still potential beneficiaries as of December 31, 2004.

b) *Fonds Intérieur de Retraite*
This system, discontinued in 1986, concerns administrative employees who originally worked for SEFIMEG. It guarantees differential retirement benefits acquired at a rate of 2% of the reference salary per year of seniority, with a ceiling set at 66% of this salary. At 55, employees can immediately benefit from this system in the form of early retirement. Only a few beneficiaries remain.

To benefit from this system, an employee does not have to be present in the company at retirement.

c) AXA
This pension fund concerns all SIMCO employees. It was discontinued as of December 31, 2003, date of the merger of SIMCO into GECINA.
To benefit from this system, an employee must be 50 years and have worked for 10 years in the Group, without having to be present in the company at retirement. When the fund was closed, it was decided to maintain the benefits for employees working in the Group as of January 31, 2003, and who meet the same conditions of age and number of years in the company that are required to benefit. The rights acquired have been frozen; no further rights are generated.

These three systems, which are managed by insurance companies, are monitored and updated on a yearly basis.

B. Additional retirement benefits for company senior officers
In 2001, an agreement was signed with Cardif to provide additional retirement benefits for company senior officers. To benefit, the retirement must also be initiated at GECINA and the individual must have been a senior officer for a minimum of five years. The funds paid into this system ensure the payment to former officers of the retirement benefits to which they have a right.

Commitments are covered both by premiums paid to these insurance companies and by additional allowances in GECINA's financial statements. Since all these systems are sufficiently covered, no additional provision was made in 2004.

XII • Risk exposure

GECINA ensures the protection of its clients, its assets, its employees and its activities by applying a policy of risk identification, prevention and protection, aimed at reducing their frequency and seriousness.

1 • Risk management and control

A Risk Management team supervises, monitors and advises on operating risks.

The Group has set up a 24-hour monitoring system and a crisis management unit that can be mobilized in the event of a material incident. There is an outsourced call center available to tenants, staff on call, and a crisis management team. In 2004, the system was extended to SIMCO business properties. It will be extended to SIMCO residential properties in 2005.

An Operating Risks Committee *(Comité Opérationnel des Risques - COR)*, for the purpose of analyzing risks and determining the measures to take to manage them, was set up in 2004.

With its emphasis on operational concerns, *COR* will have the responsibility for approving proposals for risk management and control. It has the power to make recommendations and budgetary proposals, without however assuming the responsibilities of managers or relieving the Risk Manager of his leadership, coordination and control.

2 • Health and environmental risks

The composition of the Group's property assets is not of a nature to expose it to major environmental risks.

This category of risks is prescribed by legislation and regulations that are specific to real estate activities (in particular, asbestos, lead poisoning and legionella, fire safety, etc.) for which GECINA has adopted a policy of prevention.

Asbestos

By end-2004, GECINA examined 283 buildings for all dangerous materials and prepared a technical file on asbestos for all buildings (except disposals).

In all, with the exception of four buildings, the examination did not reveal the presence of any deteriorated asbestos that would require major works. At two of these, protective casings were installed or asbestos was removed in 2004. The same will be done in two others in the course of renovating floors within the next three years. Precautionary measures have already been taken in the latter two buildings and levels of asbestos dust have already been measured. These have served to verify that the level of asbestos fibers in the air, even if lower than that required by the authorities, generates no risks for occupants, and is compatible with the use of the buildings.

Overall, materials used in the buildings are in good condition and require little removal work. All identified asbestos flocks were removed in October 2003.

GECINA has been pursuing a proactive risk management policy on asbestos since 2003. Under the terms of the company's risk-control charter, GECINA is committed to:
- adopt a general policy of anticipating risks and regulations,
- be fully transparent on the presence of asbestos in its buildings,
- do everything possible to remove asbestos risks to occupants of all kinds, or give them the information needed to take preventive measures,
- remove asbestos identified as susceptible to deterioration wherever possible or, when not possible, to encase this material.

In order to conserve the environment for future generations, since 2003 GECINA has been processing all its asbestos waste as final waste to render them inert.

Lead paint

Although banned in France since 1948, lead paint is present in most buildings constructed before that date.

Group-owned properties concerned are in good condition, and works are carried out from time to time to cut off access. At the end of 2004, 391 lead paint audits had been conducted, as had the treatment that is so necessary to cut off access.

No cases of lead poisoning were reported or observed. When lead paint is removed, the waste materials are tagged and sent to special waste facilities pursuant to applicable regulations.

Legionella

For the maintenance of its drinking water, heating and air conditioning systems, GECINA requires its service providers to monitor maintenance procedures at technical installations and to respect regulations.

For buildings with independent air-cooling systems that may be liable to legionella, maintenance companies or engineering firms conduct yearly audits to control the presence of legionella, with negative results.

Only one incident occurred in 2004 and corrective measures were immediately taken.

Termites and other parasites

To date, no building has been concerned by the presence of termites. For the other measures related to hygiene, approved companies are in charge of eliminating rats and insects and disinfecting garbage shoots.

Fire safety

The Group fully owns only three high-rise buildings *(Immeubles de Grande Hauteur - IGH)* and co-owns six other co-op buildings of this type. The total area of these buildings represents less than 3.5% of the total area. Safety records in these buildings are regularly inspected by French authorities *(Commission de Sécurité)* and no anomalies were found that might compromise the safety of the occupants or the properties.

In addition, 192 buildings were audited by the Risk Management division or by independent consultants between 2001 and 2004. The technicians and building staff were trained in fire safety.

Elevators

There are more than 1,150 elevators in all GECINA properties (1,202 at 2003). Most are covered by uniform service contracts. Specialized consulting firms assure safety and reliability monitoring for all of them. Specifications applying since 2003 include providing information to the owners (detailed photos, reports, etc.) via the internet.

The decree of September 9, 2004 on the safety of elevators sets schedules over 5, 10 and 15 years for service to ensure safety elevators according elevators' setting up year. GECINA is now drafting a safety charter for elevators. The emphasis in 2005 is on making a detailed diagnostic of its elevators. For optimum safety, all elevators will be up to these standards by end-2010.

Regulated Environmental Protection Facilities *(Installations Classées pour la Protection de l'Environnement - ICPE)*

As part of its ongoing process of risk control and management, in 2004 GECINA contracted with a specialized service company to ensure that officially designated installations to protect the environment *(Installations Classées pour la Protection de l'Environnement - ICPE)* meet required standards. The first phase of its examination covered 250 buildings located in the Paris and Lyons regions. There were 101 installations subject to filing declarations and four requiring authorization by local offices of the central government *(Préfecture)*.

Electromagnetic waves

There are some fifty installations on the roofs of buildings. Conformity with standards is assured by the operators. Give scientific uncertainties about this type of installation, GECINA applies the precautionary principle and hence will not make any new installations.

Water

GECINA monitors water consumption in each building. Drinking water in all buildings is provided by municipal water utilities and all are connected to the public waste-water treatment networks. One quality problem, due to corrosion in the supply network, was detected in a mixed-use building (10 apartments plus offices). Corrective measures, and information, were immediately provided.

Waste

Post-consumer and office waste are picked up by municipal trash collection services. Buildings adapt on a case by case bases to waste sorting measures required by municipalities.

GECINA's operations cause no ground pollution.

Urban insecurity

Tenants want more and more security. GECINA has no properties in particularly difficult neighborhoods. Building superintendents provide upkeep and surveillance services to residential buildings. All buildings with more than 100 apartments have a superintendent and access is controlled to all hallways and public areas.

The Group makes a case-by-case analysis of how to secure properties by additional equipment such as door codes, access controls, video-surveillance, remote control surveillance and other mechanical protection systems.

Risks linked to building sites

Given the broad dispersal of its property holdings, appraisal of risks linked to underground cavities and soil pollution is not likely to have a significant effect on the Group. Research on sites or ground that might be polluted did not reveal a need for any major works. Neither is the Group subject to any claims for possible soil pollution.

As concerns buildings that might have been constructed above underground cavities, quarry areas or land exposed to risks from natural causes, the land concerned was filled in in all cases. No building is under special surveillance for possible collapse.

As concerns the danger of flooding of the Seine and its tributaries, the government has set up a flood risk prevention plan *(Plan de Prévention aux Risques d'Inondation - P.P.R.I.).* There are 82 buildings located within the area affected by the flood of 1910.

3 • Insurance - Coverage of possible risks that may be incurred by the Group

The main risks against which GECINA has organized insurance protection are: property casualty and the subsequent loss of rental income, construction risks, liability as property owner or as a real estate professional.

These risks are insured through a program based on a lien that provides limits to the management costs of frequent claims, and on a transfer to insurance for serious risks, which covers GECINA as well as its subsidiaries and officers, using first-rate insurers. There is no captive insurance company in the Group.

GECINA uses SIACI-JLT as its principal insurance broker. The main participants in its pool of insurers are ACE Europe, AXA and AZUR. GECINA verifies the insurance of all renters when rental or lease agreements are signed. In order to reduce its own exposure and that of its insurers, GECINA favors clauses releasing the lessor from claims in its commercial real-estate leases.

Coverage of damages and responsibilities related to Buildings

Since January 1, 2002, GECINA has subscribed to a Group insurance program covering any damage to its properties, including that caused by storms, acts of terrorism, claims by neighbors and third parties, the loss of rental income and the subsequent losses and indemnities. Buildings are insured for their new reconstruction value on the day of the incident. The contractual indemnity limit per claim is €76 million for larger buildings and €6.5 million for the five warehouses.

This program was renewed under favorable conditions for a three-year period beginning on July 1, 2004. All buildings are effectively insured through June 30, 2007.

Because of the wide geographic spread of its assets and the extent and content of its insurance coverage, a loss affecting any one of its properties would have little impact on its financial conditions. Insurance coverage has been calculated to provide the most comprehensive coverage for a major incident that would affect the Group's largest holding.

Since the level of deductibles in the insurance program permits easy absorption of frequent claims, which are therefore spread among all the Group's properties. Beyond these levels, risks are transferred to the traditional insurance market.

The contract includes an automatic guarantee for added risks during the year with settlement at the end of the year.

Liability insurance for building owners and for environmental risks is included in the primary contract.

The exclusions generally applying in the entire insurance market (war damages, damages due to any presence of asbestos, etc.) normally also apply to GECINA.

The insurance program for buildings thus includes policies subscribed for construction operations, operation by operation, pursuant to Act 78.12 of January 4, 1978.

General and professional liability insurance

The bodily, material and immaterial consequences of liability because of operations or a professional fault are insured by a Group contract. In an environment in which insurance offerings are revamping and contracting, GECINA maintained its guarantees and brought the general liability insurance up to €10 million.

The mandatory liability insurance taken out by subsidiaries whose activities come under the application of the Hoguet law is incorporated into the Group's liability insurance program.

Claims

GECINA declared 49 accidents in 2004. The most important is covered by insurance and is estimated at less than €100,000. The total cost of accidents subject to deductible or retention is €1.5 m.

Legal and financial risks

Particular regulations

Real estate rental and sales (unit sales and management for third parties) fall within the scope of the Hoguet law. Subsidiaries concerned by these activities (mainly LOCARE and GFC) have received the necessary business licenses from the Paris *Préfecture de Police*.

Lease management

Leases of new tenants are all prepared on the basis of standards studied by the management services department in cooperation with the Legal and Risk Management divisions. In the event of exceptional wording specific to certain operations related to commercial leases, the clauses concerning insurance, responsibility and safety may be modified with the approval of the Legal and Risk Management divisions.

Litigation

As is indicated in the table included in Note 4.8.3 of the Appendix to the consolidated financial statements, GECINA's financial situation as of December 31, 2004 very largely respects the different financial ratios specified in its loan covenants. One bond issuance contract and several bank loan contracts signed by GECINA contain clauses permitting creditors to call these borrowings in case of a change in control of the company, of cross default or of a significant drop in GECINA's ratings by agencies.

Tenant insolvency risk

Since the Company's rental properties cater to almost 17,000 residential tenants and approximately 1,500 commercial tenants, the risks of tenant insolvency are greatly dispersed.

In 2003, GECINA introduced an innovative system to protect against the risk of non-payment of rent on commercial office leases by subscribing to a credit insurance policy that permits immediate evaluation of the risks of potential tenants and, in the event of non-payment, a guarantee of the unpaid rents for several years.

The net cost of tenant insolvency was less than 0.38% of total rents invoiced, compared to 0.65% in 2003.

Financial risks

Financial risks are discussed in chapter III on financing policy.

XIII • Draft resolutions

1 • Authorization to conduct operations in shares in the Company

The Shareholders' Meeting is asked to renew the authorization granted to the Board of Directors to repurchase shares in the Company, with the possibility of further delegation.

2 • Authorizations to issue securities

In order to provide the company with the means to acquire the financial resources it needs to ensure its development under the best market conditions, and to take into account new legal provisions, the Shareholders' Meeting is asked to renew and adapt the authorizations granted to the Board of Directors to issue securities.

Issue of bonds

Since the new article L.228-40 of the Code of commerce now permits the Board of Directors to decide on or delegate the decision to issue bonds, the Shareholders' Meeting is requested to terminate the delegation of authority to issue bonds to the Board, provided for in resolution fifteen voted by the Shareholders' Meeting of June 2, 2004. Since the new rules for bond issuance by commercial companies have been in effect since June 26, 2004, the Board of Directors granted full powers on this subject to the Chairman and to the Chief Executive Officer on July 28, 2004.

Issue of securities giving access to the capital with or without any pre-emptive right of subscription

These authorizations asked at the Extraordinary Shareholders' Meeting replace those granted by the Ordinary and Extraordinary Shareholders' Meeting of June 2, 2004. It is proposed to set at €200 million in par value the ceiling on the capital that may be created within the framework of issues of this nature. The limits on issues launched within the framework of these authorizations, with or without any preemptive right of subscription, are granted for a period of 26 months and are not cumulative.

As permitted by law, it is proposed that the Board be permitted to augment the number of shares that may be issued in the context of a capital increase to up to 15% of the initial issue.

Capital increases through contributions in kind

In accordance with new provisions of the Code of commerce, and in order to enable GECINA to make more flexible use of the possibilities provided to companies opting for the SIIC system in the Finance Act of December 30, 2004, particularly as regards contributions in kind and mergers, the Shareholders' General Meeting is asked to authorize the Board of Directors to issue shares without preemptive rights in exchange for contributions in kind of securities giving rights to equity.

Authorization to increase the capital through the incorporation of reserves or paid-in capital

The Shareholders' Meeting is asked to authorize the Board of Directors to increase the share capital through incorporation of reserves, income or paid-in capital within the limit of a maximum nominal amount of €150 million. These capital increases may take the form of an increase in the par value of existing shares or the creation and free attribution of new shares. This authorization replaces the authorization granted by the Ordinary and Extraordinary Shareholders' Meeting of June 2, 2004.

3 • Authorization to increase the capital through the issue of shares reserved to employees

This resolution is presented in application of the Act on employee savings of February 19, 2001, which stipulates that every three years, when the number of shares held by employees represents less than 3% of share capital or whenever there is a decision to increase share capital, the Shareholders' Meeting should be asked to vote a resolution authorizing capital increases reserved to employees adhering to the employee savings plan.

As indicated in Note XI, the Board of Directors made use of the authorization given by the Shareholders' Meeting of December 17, 2003 to permit subscriptions reserved for employees who belong to the company's employee savings plan.

In light of these provisions, the twenty-first resolution authorizes the Board of Directors to conduct such capital increases within the limit of 3% of the share capital, for a period of five years. It will also make to possible to satisfy the new legal provisions if the authorizations requested in the seventeenth, eighteenth and nineteenth resolutions are put to use.

4 • Authorization to make gratis allocations of repurchased or newly issued shares to senior management and other salaried employees

The authorization requested is provided for in the Finance Act for 2005 which legalized such gratis allocations of shares to senior management and other salaried employees.

5 • Authorization to reduce share capital through the cancellation of shares

The Shareholders' Meeting is also asked to renew for a period of 18 months the authorization granted to the Board of Directors by the previous Shareholders' Meeting to cancel all or part of the shares acquired by the company within the limit of 10% of the share capital by period of twenty-four months, and, correlatively, to reduce the share capital.

It is recalled that the Board, by virtue of authorization given it on June 2, 2004 and on that same day, retired three million shares, or 4.78 % of share capital outstanding as of December 31, 2004.

XIV • Board of Directors

The terms of office of the following Directors will expire at the conclusion of the next Shareholders' General Meeting: Françoise Monod, Michel Pariat, Charles Ruggieri, Bertrand Letamendia, Jean-Paul Sorand, Bertrand de Feydeau, Philippe Geslin and the companies GMF Vie and Predica.

In consequence of the sale of a 30% interest in GECINA by AGF and Azur-GMF to Metrovacesa, the Directors representing the first two groups (Laurent Mignon and Bertrand Letamendia for AGF, Bruno Legros and Sophie Beuvaden for Azur Vie and GMF Vie) submitted their resignations at the Board meeting of March 14, 2005.

The Board duly noted the resignation of these four Directors and took a favorable position on the selection of new Directors representing Metrovacesa, depending on the outcome of the latter's tender offer.

Charles Ruggieri also informed the Board that he did not intend to stand for re-election.

In a desire to provide better governance and ensure that the membership of the Board of Directors is renewed on a more regular schedule, the extraordinary Shareholders' Meeting will be asked to amend the by-laws to this effect.

XV • Recent events and prospects

GECINA has continued its policy of optimizing its property holdings in the beginning months of 2005, and proceeded on February 16 with the disposal of a building located at 3-5, boulevard de la Madeleine - Paris 1st belonging to SOCIETE DES IMMEUBLES DE FRANCE. The yield on the property, sold for €152 m, was 5.3 %.

In January 2005 the Group had also sold a building complex under long-term lease, located at 22-24, rue Balard - Paris 15th, for a price of €14.6 m. This building, which has 110 apartments, as well as offices and a hostel for the city of Paris' young workers, was acquired by the municipal real-estate department with a view to converting it to public housing.

On March 17, 2005, the Group signed a commitment to sell a portfolio of seven commercial buildings located in Boulogne-Billancourt and in the outer suburbs, for a price of €74.5 m.

A financial structure that will permit the group to sustain an active investment strategy, implement its program of asset arbitrage, progressively develop a "pipeline" of development and improve the know-how enables GECINA to pursue its growth policy and improve profitability.

Metrovacesa takeover bid

On March 14, 2005, the Board of Directors was informed that AGF and Azur-GMF had sold their 30% stake in GECINA to Metrovacesa and that the latter had made a tender offer for all of GECINA's remaining share capital.

Metrovacesa stated its intention to pursue GECINA's policies of expansion and optimization of the yield on existing property holdings, supported by the present management team, and to maintain a balanced portfolio by maintaining a significant portion of assets in residential property. Metrovacesa also indicated its intent that GECINA remain a listed company with a significant float after conclusion of the operation.

On March 23, 2005, the AMF stated that this planned takeover bid for shares in GECINA was admissible.

Addendum
to the management report

In a publication dated June 1, 2005, the AMF (*Autorité des marchés financiers*, French Financial Markets Authority) announced the results of the takeover bid made by METROVACESA for shares in GECINA.

- 7,748,637 shares were presented to the branch of the offer with payment at the settlement date at a unit price of €87.65 (dividend attached).
- 16,187,221 shares were presented to the branch of the offer with payment on December 30, 2005 at a unit price of €89.75 (dividend attached).

Thus, METROVACESA holds 68.54% of the capital of GECINA, representing 71.65% of the company's voting rights based on February 28, 2005, data.

After the bid's completion, METROVACESA sent the Chairman of your Board of Directors a letter requesting a modification of the agenda and of the draft resolutions which had been previously drawn up. In particular, METROVACESA requested that the following modifications to the company by-laws be voted at the Shareholders' Meeting: increasing Board membership to a maximum of 18 members, the organization of officers of the Board of Directors and the means for convening Board meetings.

The new shareholder also asked that the draft resolution concerning the rotation of the re-election of members of the Board of Directors be removed from the agenda.

Finally, the new shareholder gave notification of the resolutions that it wished to see put to a vote at the Shareholders' Meeting concerning the composition of the Board of Directors and the amount of Directors' fees which is to be increased to €600,000.

At its meeting on June 7, 2005, the Board of Directors noted the results of the takeover bid. It approved and espoused the requested modifications and established the agenda and the modified draft resolutions to be published in the meeting notification accordingly.

Consolidated accounts

Consolidated income statement

in € thousands	12/31/2004	12/31/2003	12/31/2002 PUBLISHED	12/31/2002 PRO FORMA
Operating income				
Rental income	493,155	493,162	293,661	522,133
Net proceeds from property disposals	19,619	16,665	93,156	93,156
Release of allowances for impairment of properties	401		12,963	10,960
Reversals of provisions	2,705	6,959	9,352	14,418
Expenses billed to tenants	87,101	85,300	53,107	89,580
Other transferred expenses	2,488	4,116	1,820	2,677
Other income	17,374	13,181	5,607	18,242
Total	**622,843**	**619,383**	**469,667**	**751,166**
Operating expenses				
Other external charges	112,885	110,813	77,154	129,303
Tax	46,896	43,223	27,052	46,384
Salaries and fringe benefits	45,396	51,342	27,367	52,613
Depreciation allowance	83,367	81,175	41,069	76,850
Allowance for impairment of properties	11,488	1,417	2,003	
Allowance for depreciation of current assets	1,759	5,497	3,303	3,939
Provisions for liabilities and charges	2,573	1,746	5,620	5,857
Other expenses	4,217	6,932	3,378	11,283
Total	**308,581**	**302,145**	**186,946**	**326,229**
Operating profit	**314,262**	**317,238**	**282,721**	**424,937**
Financial revenues				
Interest and related income	6,205	11,617	4,198	5,530
Transferred expenses			10,372	10,372
Reversals of financial provisions	8,540	11,108	200	200
Total	**14,745**	**22,725**	**14,770**	**16,102**
Financial expenses				
Interest and related expenses	125,676	162,466	87,275	201,165
Depreciation allowance for financial provisions	3,991	13,495	4,072	9,670
Total	**129,667**	**175,961**	**91,347**	**210,835**
Net financial result	**– 114,922**	**– 153,236**	**– 76,577**	**– 194,733**
Profit before tax and exceptional items	**199,340**	**164,002**	**206,144**	**230,204**
Exceptional items				
Other revenues and exceptional expenses		– 1,847		
Exceptional profit/loss		**– 1,847**		
Pre-tax profit	**199,340**	**162,155**	**206,144**	**230,204**
Corporate income tax	– 12,634	– 26,235	– 59,724	– 56,904
Deferred tax	9,573	712,790	– 14,811	– 29,844
Exit tax	– 21,320	– 311,498		
Employee shareholding		– 34	– 192	
Consolidated net profit	**174,959**	**537,178**	**131,417**	**143,456**
Group share	174,830	535,519	130,865	142,363
Minority interests	129	1,659	552	1,093
Net earnings per share (Group share) (1)	€2.90	€9.46	€3.37	€2.71
Diluted net earnings per share (Group share) (1)	€2.89	€8.69	€3.22	€2.53

(1) 2002 & 2003 figures after two-for-one stock split.

Consolidated balance sheet as of December 31, 2004

Assets

in € thousands	12/31/2004 GROSS	12/31/2004 DEPRECIATION AND AMORTIZATION	12/31/2004 NET	12/31/2003 NET	01/01/2003 REVALUED NET	12/31/2002 PUBLISHED NET
Fixed assets						
Intangible fixed assets	**7,685**	**4,617**	**3,068**	**3,364**	**4,238**	**4,063**
Tangible fixed assets	**7,397,342**	**165,921**	**7,231,421**	**6,837,500**	**8,303,954**	**6,772,091**
Land	2,593,596	10,732	2,582,865	2,453,425	2,933,401	2,392,653
Buildings	4,646,912	146,948	4,499,965	4,212,160	5,246,512	4,255,397
Buildings on third-party-owned land	125,456	6,733	118,723	132,252	90,968	90,968
Other fixed assets	4,344	1,508	2,836	2,823	7,877	7,877
Buildings under construction	27,033		27,033	36,840	25,196	25,196
Long-term financial investments	**12,361**	**1,674**	**10,687**	**11,282**	**15,106**	**12,068**
Shareholdings	1,094	723	372	417	7,878	4,840
Other financial assets	11,267	951	10,316	10,865	7,228	7,228
TOTAL FIXED ASSETS	**7,417,388**	**172,212**	**7,245,176**	**6,852,146**	**8,323,298**	**6,788,222**
CURRENT ASSETS						
Operating receivables	**139,309**	**18,424**	**120,885**	**80,144**	**108,185**	**108,185**
Inventories	25,357		25,357			
Rent due	62,374	18,074	44,300	18,790	27,946	27,946
Other receivables	51,578	350	51,228	61,354	80,239	80,239
Marketable securities	**115,882**	**924**	**114,958**	**129,970**	**240,495**	**240,495**
Cash and near cash	**24,665**		**24,665**	**17,278**	**25,206**	**25,206**
Equalization accounts	**32,720**		**32,720**	**31,248**	**40,233**	**40,233**
Pre-paid expenses	16,233		16,233	645	667	667
Deferred tax assets	7,140		7,140	1,191	755	755
Bond redemption premiums	5,031		5,031	16,977	21,732	21,732
Deferred expenses	4,316		4,316	12,435	17,079	17,079
TOTAL CURRENT ASSETS	**312,576**	**19,348**	**293,228**	**258,640**	**414,119**	**414,119**
TOTAL ASSETS	**7,729,964**	**191,560**	**7,538,404**	**7,110,786**	**8,737,417**	**7,202,341**

Liabilities

in € thousands	12/31/2004	12/31/2003	01/01/2003 REVALUED	12/31/2002 PUBLISHED
SHAREHOLDERS' EQUITY				
Share capital	465,764	435,287	405,696	405,696
Issue, merger, and capital contribution premiums	1,876,037	1,359,245	1,207,760	1,207,760
Consolidated reserves	1,340,486	187,693	192,079	192,079
Revaluation gain		1,255,385	1,223,599	
Consolidated net profit	174,830	535,519	130,865	130,865
Profit to record in 2003			355,418	
TOTAL SHAREHOLDERS' EQUITY	**3,857,117**	**3,773,129**	**3,515,417**	**1,936,400**
TOTAL MINORITY INTERESTS	**30,256**	**38,149**	**117,278**	**76,079**
Provisions for liabilities and charges	**94,376**	**75,823**	**81,002**	**743,682**
Deferred tax liabilities	53,897	42,632	30,047	692,727
Provisions for liabilities and charges	40,479	33,191	50,955	50,955
DEBT				
Financial debt	**3,134,769**	**2,720,169**	**4,329,301**	**4,329,301**
Bonds		358,431	491,085	491,085
Borrowings and other debt	3,070,719	2,301,810	3,767,602	3,767,602
Deposits received	64,050	59,928	70,614	70,614
Operating debt	**406,308**	**493,822**	**691,250**	**113,710**
Trade payables	32,395	16,623	24,573	24,573
Taxes due and other employee-related liabilities	340,131	451,351	633,220	55,680
Other operating debt	33,782	25,848	33,457	33,457
Other debt	**15,578**	**9,694**	**3,169**	**3,169**
Equalization account	15,578	9,694	3,169	3,169
TOTAL DEBT	**3,556,655**	**3,223,685**	**5,023,720**	**4,446,180**
TOTAL LIABILITIES	**7,538,404**	**7,110,786**	**8,737,417**	**7,202,341**

Appendix to the Consolidated Accounts

I • Highlights of the year

1.1 • Main events

Fiscal year 2004

GECINA acquired nine office buildings with a total surface of 230,000 sq.m.; the gross value of these assets is entered in the balance sheet as of December 31, 2004, at €540,937,000 (see 4.1.1) Given the dates of acquisition, these investments provided €27,067,000 in rental income for the year, as compared with expected full-year income of €46 million.

Under financial operations, GECINA exercised its right to early redemption of its own convertible bonds issued in November 2002 as well as of the bonds issued by the former SIMCO in July 1997. The two operations together entailed the conversion or reimbursement of 3,838,831 bonds and the consequent issuance of 6,880,172 new shares.

On June 2, the Board of Directors decided to reduce the company's share capital by cancelling three million treasury shares.

The Group also simplified its legal structure in 2004 by merging 21 companies, 8 of which were acquired during the fiscal year. There is no impact on the consolidated financial statements.

Fiscal year 2003

1. Option for SIIC tax system (Sociétés d'Investissements Immobiliers Cotées/Listed Real Estate Investment Trusts) and revaluation

In September 2003, GECINA and all its subsidiaries opted for the new SIIC tax system and in this context undertook a voluntary revaluation of all its tangible and financial fixed assets as of January 1, 2003.

The revaluation was based on block appraisals of net selling prices as of December 31, 2002. The revaluation reserve totaled €1,255,385,000 as of December 31, 2003.

This option implied an exit tax assessment of €569,531,000, of which €257,853,000 were charged to the revaluation reserve and €311,498,000 to the 2003 fiscal year's expenses.

In application of opinion 2003-C of the Emergency Committee of the National Accounting Council *(Comité d'Urgence du Conseil National de la Comptabilité)*, €717,900,000 in deferred taxes related to assets under the SIIC system included in the balance sheet as of December 31, 2002, were recovered in the income statement for FY 2003.

2. Merger of SIMCO into GECINA

The SIMCO Extraordinary Shareholders' Meeting and the GECINA Combined General Shareholders' Meeting of December 17, 2003, decided to merge SIMCO into GECINA effective retroactively as of January 1, 2003. GECINA thus issued 671,148 new shares in remuneration of the 2.77% of SIMCO's capital not held as of that date.

3. Completion of a major asset disposal program

In 2003, the GECINA Group sold €1.5 billion of assets, primarily low-yield residential properties. This asset sale is the reason for the decline in rental income and in asset value in the residential sector between 2002 and 2003.

4. Conversion of bonds

Bond conversions during the year, mainly the GFC issue of 1997 maturing on January 1, 2004, generated the creation of 1,301,599 new shares. Following these conversions, shareholders' equity increased by €119,072,000 (see 4.6), and the year's income totaled €11,092,000.

Fiscal year 2002

Following the public exchange offering on SIMCO's shares, GECINA acquired 95.9% of SIMCO's shares and 97.2% of the voting rights, as well as 97.9% of SIMCO's Certificates of Guaranteed Value (CGV). The settlement date was November 15, 2002.

The total price of the transaction was €2,269,004,000, of which €746,102,000 (including the premium) was financed through a combination of equity (7,808,046 new shares issued) and bank loans (€1,522,902,000).

In connection with the same offer, the Group issued bonds convertible into GECINA shares in exchange for convertible bonds issued by SIMCO. At the close of the offer period, 95.9% of SIMCO's convertible bonds had been tendered, leading to the issue of new GECINA convertible bonds (see 4.6).

1.2 • Comparability of financial statements

a) The consolidated financial statements for 2002 were presented before the revaluation of tangible and long-term financial assets. The financial statements also include a balance sheet as of January 1, 2003, that shows the different impacts of this revaluation on the accounts at the beginning of the period.

b) A 12-month pro forma statement of income for 2002, supposing the acquisition of SIMCO effective as of January 1, 2002, was included in the year's financial statements.

c) Change in accounting methods: in application of Recommendation 2003-R.01 of the National Accounting Council *(CNC)*, the impact of the first recognition of length-of-service awards *(médailles du travail)* resulted in an entry of €881,000 under consolidated reserves as of January 1, 2004.

II • Principles and methods of consolidation

2.1 • References

The Group's consolidated financial statements were drawn up according to the consolidation methods defined by Committee on Accounting Regulations *(CRC)* regulation n° 99-02 published on June 22, 1999, on commercial companies.

2.2 • Method of consolidation

The financial statements of subsidiaries over which the Group exercises exclusive control are fully consolidated. The financial statements of subsidiaries over which the Group shares control with another partner are proportionately consolidated. Certain companies are not consolidated if they are not significant in terms of total assets, shareholders' equity, and income.

2.3 • Scope of consolidation

As of December 31, 2004, there were 43 companies in the consolidated entity as presented in the following table.

COMPANIES	2004 REGISTRATION (SIREN)	2004 % OWNERSHIP	2004 CONSOLIDATION METHOD	2003 % OWNERSHIP	2002 % OWNERSHIP
GECINA	592 014 476	100.00%	Parent	100.00%	100.00%
SA LA FONCIERE VENDOME	391 576 352	–		–	Merged
SA LA FOURMI IMMOBILIERE	572 178 069	–		–	Merged
SA UNION IMMOBILIERE ET DE GESTION	414 372 367	100.00%	FC	100.00%	99.95%
SARL FONCIGEF	411 405 590	100.00%	FC	100.00%	100.00%
SAS GECITER	399 311 331	100.00%	FC	100.00%	100.00%
SCI 63, avenue de Villiers	320 852 239	–		–	Merged
SCI du 159, avenue du Roule	320 921 133	–		–	Merged
SCI du 77/81, BOULEVARD SAINT-GERMAIN	431 570 530	100.00%	FC	100.00%	100.00%
SCI Dupleix-Suffren	397 600 875	Merged		100.00%	100.00%
SNC Peupliers-Dassault	380 522 797	–		–	Liquidated
SPL	397 840 158	100.00%	FC	100.00%	100.00%
SCI BEAUGRENELLE	307 961 490	50.00%	PC	50.00%	100.00%
SCI TOUR H15	309 362 044	100.00%	FC	100.00%	99.55%
SCI SB Acti-Défense	412 120 180	–		–	Liquidated
SCI SB Nord-Pont	412 234 197	Merged		100.00%	100.00%
SCI SB Grand-Axe	412 230 708	–		–	Liquidated
SCI SB Le Lavoisier	412 235 939	–		–	Merged
SCI SB Londres	412 235 061	Merged		100.00%	100.00%
INVESTIBAIL TRANSACTIONS	332 525 054	100.00%	FC	100.00%	100.00%
SOGECIL	969 502 756	100.00%	FC	100.00%	100.00%
S.G.I.L.	964 505 218	36.55%	PC	36.55%	36.55%
SCI Les Peupliers	316 168 499	–		–	Sold
A.I.C.	351 054 432	100.00%	FC	100.00%	100.00%
SAS du 73, rue d'Anjou	412 697 567	–		–	Dissolved
SAS du 51, boulevard de Strasbourg	412 697 211	–		–	Dissolved
SAS du 37, boulevard de Grenelle	412 693 558	–		–	Dissolved
SCI 16 VE INVESTISSEMENTS	352 396 899	100.00%	FC	100.00%	100.00%
Consolidated as of January 2002					
SA 23/29 RUE DE CHATEAUDUN	387 558 034	100.00%	FC	100.00%	100.00%
SA 26/28 RUE SAINT GEORGES	334 874 260	100.00%	FC	100.00%	100.00%
Consolidated as of November 2002 (SIMCO Group)					
SA SIMCO	562 811 410	–		Merged	97.27%
SCI 24, rue Erlanger	430 143 810	Merged		100.00%	97.27%
SAS Feydeau Bourse	403 136 666	Merged		100.00%	97.27%
SCI Franco-Russe-Université	410 339 691	Merged		100.00%	97.27%
GIE GESSI	409 790 276	100.00%	FC	99.98%	97.26%
SCI 38, rue des Jeûneurs	429 811 516	Merged		100.00%	97.27%
SA LOCARE	328 921 432	99.96%	FC	99.76%	97.04%

COMPANIES	2004 REGISTRATION (SIREN)	2004 % OWNERSHIP	2004 CONSOLIDATION METHOD	2003 % OWNERSHIP	2002 % OWNERSHIP
SNC Michelet	419 355 854	100.00%	FC	100.00%	97.27%
SAS PARISIENNE IMMOBILIERE D'INVESTISSEMENT 1	434 021 200	100.00%	FC	100.00%	97.27%
SAS PARISIENNE IMMOBILIERE D'INVESTISSEMENT 2	434 021 309	100.00%	FC	100.00%	97.27%
SCI PARIS SAINT-MICHEL	344 296 710	100.00%	FC	100.00%	97.27%
SCI 6, rue de Penthièvre	429 956 493	Merged		100.00%	97.27%
SCI du 150 ROUTE DE LA REINE à Boulogne	399 945 153	100.00%	FC	100.00%	97.27%
SCI 5, rue Royale	429 956 550	Merged		100.00%	97.27%
SCI Sèvres Bellevue	432 858 389	Merged		100.00%	97.27%
SCI Ternes Opéra	389 626 821	Merged		100.00%	97.27%
SCI Vouillé-Nanteuil	412 066 011	Merged		100.00%	97.27%
SA PARIGEST	642 030 571	100.00%	FC	100.00%	97.27%
SAS FEDIM	440 363 513	100.00%	FC	100.00%	97.27%
SA Société des Immeubles de France	572 231 223	99.28%	FC	99.13%	96.42%
SCI du 55, RUE D'AMSTERDAM	382 482 065	99.28%	FC	99.13%	96.42%
SCI CAPUCINES	332 867 001	99.28%	FC	99.13%	96.42%
SCI Delcassé	348 931 650	Merged		99.13%	96.42%
SCI du 5 RUE MONTMARTRE	380 045 773	99.28%	FC	99.13%	96.42%
SPIPM	572 098 465	99.28%	FC	99.13%	96.42%
LA RENTE IMMOBILIERE	306 865 270	69.83%	FC	59.70%	58.08%
SNC du 24, rue Royale	382 358 653	–		Liquidated	96.42%
Sadia	572 085 736	99.28%	FC	99.13%	96.41%
SCI SAINT AUGUSTIN MARSOLIER	382 515 211	99.28%	FC	99.13%	96.42%
Société HÔTEL D'ALBE	542 091 806	99.28%	FC	99.13%	96.42%
SCI MONTESSUY	423 852 185	99.28%	FC	99.13%	96.42%
Compagnie Foncière de Gestion	432 028 868	99.28%	FC	99.13%	96.41%
FONCIRENTE	403 282 353	99.28%	FC	99.13%	96.42%
Consolidated as of 2004					
SCI 153, RUE DE COURCELLES	383 501 892	100.00%	FC	–	–
COMPAGNIE FINANCIÈRE DE BANVILLE	350 589 901	100.00%	FC	–	–
SOCIÉTÉ IMMOBILIÈRE ET COMMERCIALE DE BANVILLE	572 055 796	100.00%	FC	–	–
SARL RESTAURANT DU BANVILLE	381 487 099	100.00%	FC	–	–
SAS DASSAULT SURESNES	434 744 736	100.00%	FC	–	–
SARL RUE DE LA FAISANDERIE	442 504 999	100.00%	FC	–	–
SAS GEC3	428 818 512	100.00%	FC	–	–

FC: fully consolidated.

PC: proportionately consolidated.

2.4 • Financial statement reporting date

As a general rule, the fiscal year lasts twelve months, from January 1 to December 31, for all consolidated companies. In the case of certain companies acquired in 2004 that have a fiscal year different from the calendar year, interim statements as of December 31, 2004 were drawn up.

2.5 • Consolidation adjustments and eliminations

2.5.1 • Consolidation adjustments and reclassifications (corporate financial statements)

The rules and methods applied by consolidated subsidiaries are restated to ensure consistency with Group standards.

2.5.2 • Reciprocal transactions

Realized gains and losses on inter-company transactions are eliminated in consolidation.

2.5.3 • Goodwill on acquired business

Goodwill on consolidation corresponds to the difference between the purchase price of the equity interest (plus related acquisition fees) and the proportionate share of shareholders' equity at the date of acquisition. This purchase goodwill is allocated to identifiable assets and liabilities whenever possible. Goodwill thus allocated is accounted for according to the accounting policies governing the relevant items, including the impact of deferred taxes.

Because of the voluntary revaluation of fixed assets as of January 1, 2003, block valuation appraisals as of December 31, 2002, have been substituted for the goodwill recognized at that date (see 1.1).

2.5.4 • Deferred taxes

Common law system

For companies that are not covered by the SIIC system, deferred taxes resulting from temporary timing differences or deductions are calculated using the liability (or accrual) method of tax allocation for all temporary timing differences that exist in company financial statements, that are due to consolidation reclassifications, or that result from the elimination of intercompany transactions. They appear whenever the book value of an asset or liability differs from its taxable value. A net deferred tax asset is not recorded for losses carried forward unless they are likely to be charged against future taxable income.

SIIC system

Since net income falling under the SIIC system is tax-exempt under certain conditions of distribution, there is no deferred tax. However, deferred tax was calculated for new acquisitions at a rate of 16.5%, with the deferred tax liability corresponding to the exit tax the new companies will have to pay when they opt for the SIIC system.

2.5.5 • Finance leases

Items acquired under finance leasing arrangements are carried as balance sheet assets. Related liabilities are carried as financial debt. Correlatively, related lease charges are cancelled and the related interest expense and allowances for depreciation are recorded in accordance with Group accounting policies.

III • Valuation methods and other accounting principles

For accounting purposes, assets and liabilities are valued at their historical cost.

It should be recalled that the balance sheet was voluntarily revalued on January 1, 2003 (See 3.1.1).

3.1 • Fixed assets

3.1.1 • Gross value of fixed assets

Land and buildings subject to the voluntary revaluation as of January 1, 2003, are recorded for their reappraised value on the basis of block value appraisals, excluding duties, as of December 31, 2002 (see 1.1).

Tangible and intangible fixed assets acquired since January 1, 2003, are recorded at their acquisition price or cost price, including interest during construction and indemnities for eviction paid in the context of restructuring residential buildings.

3.1.2 • Depreciation of fixed assets

As a consequence of the voluntary revaluation of January 1, 2003, depreciation periods of between 50 and 80 years were applied to the valuations resulting from auditors' real-estate appraisals made as of December 31, 2002, corresponding to the breakdown of block value appraisals excluding duties into land and buildings as defined in said expert appraisals.

Depreciation/Amortization of tangible and intangible fixed assets is calculated by the straight-line method on the basis of the assets' useful lives.

Built properties as of January 1, 2003 (revalued values):	
Residential properties	80 years
Commercial properties	50 years
Buildings on third-party-owned land	lease term
Other fixed assets	1 to 20 years

3.1.3 • Corrections of value and provisions for impairment of buildings

As stipulated for a period of two years, in the Recommendation of the *CNC* of June 11, 2003 (see 3.1.1), the decreases in block value appraisals excluding duties as of December 31, 2004, were corrected by €35,124,000 by imputation to the revaluation reserve recorded on January 1, 2003. As a resulted, depreciation was corrected for €471,000.

In addition to the revision in value noted above, a net provision of €11,087,000 was calculated on these buildings, according to the following procedures:

Long-term real estate assets

Depreciation is recognized on a line-by-line basis when the appraised value of a property by an independent appraiser is lower than its book value, minus a 15% deductible. This provision primarily concerns non-depreciable items and is adjusted every year on the basis of new appraisals.

Real estate up for sale or held for sale in the near term

Properties up for sale or held for sale in the near term are valued at their appraised value or at their market value. Depreciation is recognized when this amount is less than the book value.

3.1.4 – Provisions for major repairs

a) *CRC* Regulation 2002-10, modified by *CRC* Regulation 2003-07 stipulates either application of a "components" approach or setting up provisions for significant maintenance and substantial renovations, no later than January 1, 2005. GECINA did not opt for an advance application of the components approach in FY 2004. As regards multi-year programs, the Group does not need to set up provisions for significant maintenance and substantial renovations, with the exception of those required under French legislation on real estate investment companies designated as *Sociétés Civiles de Placement Immobilier*.

b) The costs of building maintenance and refurbishing for new occupants expensed to the fiscal year in which they are incurred. Renovations are capitalized.

3.2 • Equity interests in non-consolidated companies

Equity interests acquired since January 1, 2003 are recorded at cost. Equity interests included in the voluntary revaluation as of January 1, 2003, are recorded at their restated value (see 1.1). A provision is recognized if impairment is recognized with reference to their value in use. This is determined in the light of several factors: corrected net book value, profitability and strategic value for the Group.

3.3 • Inventories

Buildings acquired under the tax status applying to properties for rapid resale held by real-estate traders legally designated as *"marchands de biens"* are entered as assets held for disposal. They may be revised when they are appraised at less than book value by an independent expert.

3.4 • Operating receivables

Receivables are carried at their nominal value. For rent receivables, provisions are systematically booked on the basis of the age of the debt and the situation of the tenants. Adjustments are made to account for individual circumstances.

3.5 • Prepaid expenses

These include premiums on derivatives held as hedging instruments, which are spread over the lifetime of the contracts. These were previously entered under "deferred expenses" and have been reclassified under this line item on January 1, 2004, for €8,713,000.

3.6 • Deferred expenses and bond redemption premiums

These include mainly:
- Costs of refurbishing buildings offered for sale (including sales costs). They are recovered when the sale is completed.
- Issue and redemption premiums on bonds, amortized over the lifetime of the issue on a straight-line basis.
- Bank commissions on new credits, spread over the duration of the borrowing.

Premiums on hedging instruments (derivatives) are henceforth recognized as prepaid expenses (see 3.5).

3.7 • Marketable securities

Marketable securities are carried at cost in the balance sheet. A provision for impairment is recognized whenever the estimated fair value is lower than the net book value.

3.8 • Treasury shares

If necessary, shares specifically acquired to cover stock options granted to employees and officers, and considered as marketable securities, are depreciated for impairment at the lowest strike price on the options or the average market price during the last month of the fiscal year.

All other treasury shares owned by the Group are deducted from consolidated shareholders' equity at their acquisition value.

3.9 • Convertible bonds

Bonds issued by the Group are recorded at their redemption value. The corresponding redemption premium is carried as an asset and is subject to straight-line amortization over the bond's scheduled maturity (see 3.6).

3.10 • Financial instruments

The Group uses interest-rate swaps, caps and floors to hedge its interest-rate exposure on outstanding commitments. The resulting gains and losses are recorded in the income statement on a prorata basis.

3.11 • Commitments to employees

Retirement indemnity obligations

Accrued retirement indemnity paid in application of company or branch agreements is covered by insurance policies or provisions for the portion not covered by the insurance policies in the case funds paid in are insufficient.

Supplemental retirement obligations with respect to certain employees

Commitments regarding additional retirement benefits for certain employees are estimated using the actuarial method and mortality tables. They are managed and administered by external organizations and involve payments to these organizations. Additional provisions are recognized when commitments are insufficiently covered.

Length-of-service awards

Provisions to cover commitments concerning length-of-service awards to employees were set up for the first time on December 31, 2004, and included in consolidated reserves (see 1.2 and 4.6).

IV • Notes to the consolidated balance sheet

4.1 • Fixed assets

4.1.1 • Intangible and tangible fixed assets

GROSS VALUES in € thousands	AT 12/31/2002	AT 12/31/2003	REVA LUATION (1)	ACQUI-SITIONS	DISPOSALS	CHANGES IN SCOPE	LINE ITEM TRANSFERS	AT 12/31/2004
Intangible fixed assets	4,668	7,650		227	– 650	457		7,684
Land	2,409,708	2,454,843	– 13,222		– 34,816	186,793		2,593,598
Buildings	4,567,517	4,417,602	– 21,902	58,978	– 74,293	354,146	37,836	4,772,367
Other tangible fixed assets	11,272	3,983		1,658	– 1,388	91		4,344
Tangible fixed assets in progress	25,196	36,840		28 028			– 37,836	27,032
TOTAL	**7,018,361**	**6,920,918**	**– 35,124**	**88,891**	**– 111,147**	**541,487**		**7,405,025**

AMORTIZATION in € thousands	AT 12/31/2002	AT 12/31/2003	REVA-LUATION	ACQUI-SITIONS	DISPOSALS	CHANGES IN SCOPE	LINE ITEM TRANSFERS	AT 12/31/2004
Intangible fixed assets	605	4,287		891	– 561			4,617
Buildings	220,460	73,192	– 471	80,489	– 1,302			151,908
Other tangible fixed assets	3,394	1,162		1,052	– 706			1,508
TOTAL	**224,459**	**78,641**	**– 471**	**82,432**	**– 2,569**			**158,033**

DEPRECIATION in € thousands	AT 12/31/2002	AT 12/31/2003	REVA LUATION	ACQUI-SITIONS	DISPOSALS	CHANGES IN SCOPE	LINE ITEM TRANSFERS	AT 12/31/2004
Intangible fixed assets								
Land	17,055	1,417		9,716	– 401			10,732
Buildings	692			1,772				1,772
TOTAL	**17,747**	**1,417**		**11,488**	**– 401**			**12,504**
NET VALUES	**6,776,155**	**6,840,860**	**– 34,653**	**– 5,029**	**– 108,177**	**541,487**		**7,234,488**

(1) Valuation corrected on December 31, 2004.

As of December 31, 2004:
- the net book value of buildings on third-party land was €141,853,000.
- Assets held under lease were valued at €433,690,000, of which €85,853,000 concerned an option exercised on January 2, 2005.

Acquisitions are classified as follows:

in € thousands	2004	2003	2002
	(2)		(1)
Acquisitions of buildings	540,937	46,991	4,296,513
Work on buildings undergoing restructuring	37,026	24,397	19,340
Renovation work	50,212	58,647	27,743
Other fixed assets	2,203	1,343	10,497
Capital gains on asset disposals	**630,378**	**131,378**	**4,354,093**

(1) Including change of scope of SIMCO Group: €4,112,692,000.
(2) Montrouge, Bercy, Saint-Quentin, Brétigny, Chevilly, Poissy, Suresnes and rue de Courcelles (Banville).

Proceeds on sales breaks down as follows:

in € thousands	2004	2003	2002
Sales in block values	24,608	1,429,196	283,522
Sales in unit values	106,894	107,824	193,989
Total income from asset disposals	**131,502**	**1,537,020**	**477,511**
Capital gains on asset disposals	**19,619**	**16,665**	**93,156**

4.1.2 • Long-term financial investments

in € thousands	12/31/2004	12/31/2003	12/31/2002
Non-consolidated equity interests	1,094	1,113	5,591
Receivables from equity interests [1]	7,390	7,619	1,797
Loans	1,134	1,428	3,553
Other long-term financial assets	2,743	2,769	2,833
TOTAL GROSS VALUES	**12,361**	**12,929**	**13,774**
Provisions for impairment	– 1,674	– 1,649	– 1,706
TOTAL NET VALUES	**10,687**	**11,280**	**12,068**
(1) Including advance to SCI BEAUGRENELLE	6,586	5,796	

4.2 • Inventories

This refers to two buildings Avenue d'Eylau in Paris, acquired in 2004 for €25,357,000 under the French tax status applying to designated "*marchands de biens*" (see 3.3).

4.3 • Accounts receivable

in € thousands	12/31/2004	12/31/2003	12/31/2002
Rent due	62,374	37,099	45,607
Provisions for impairment	– 18,074	– 18,309	– 17,661
ACCOUNTS RECEIVABLE	**44,300**	**18,790**	**27,946**

An amount of €9,613,000 entered under "other receivables" on December 31, 2003 was reclassified as rent due on January 1, 2004.

On December 31, 2004, billings not yet arrived and relating to expenses recoverable from tenants of recently acquired companies were recognized for the first time. As a result, there are symmetrical entries of €6,758,000 under "rent due" and "trade payables".

The client risks (losses on unrecoverable receivables and provisions for impairment, minus reversals of provisions and payment of amortized receivables) accounted for 0.38% of rents and utilities re-billed to tenants in 2004, compared to 0.65% in 2003.

4.4 • Other current receivables

in € thousands	12/31/2004	12/31/2003	12/31/2002
VAT	9,136	5,395	9,204
Corporate income tax	25,603	18,003	38,509
Other current receivables	17,141	38,649	33,193
GROSS VALUES	**51,880**	**62,047**	**80,906**
Provisions for impairment	– 350	– 693	– 667
NET VALUES	**51,530**	**61,354**	**80,239**

4.5 • Marketable securities and cash and near cash

in € thousands	12/31/2004	12/31/2003	12/31/2002
Money market mutual funds and term deposits (1)	104,203	118,165	228,370,
Treasury shares (2)	10,755	11,805	12,125
Cash and near cash	24,665	17,279	25,206
Cash assets after provision	**139,623**	**147,249**	**265,701**
Bank overdrafts	– 5,957	– 7,089	– 20,548
Net cash position after provision	**133,666**	**140,160**	**245,153**

(1) As of December 31, 2004, the portfolio of marketable securities is comprised of money market mutual fund units *(SICAV)*.
(2) Treasury shares included for €10,755,000 the 226,421 GECINA shares held for the purchase options granted to employees and officers.

4.6 • Consolidated shareholders' equity

in € thousands	NUMBER OF SHARES	EQUITY CAPITAL	PAID-IN CAPITAL AND CONSOLIDATED RESERVES	REVALUATION GAIN	TOTAL GROUP SHARE	MINORITY INTERESTS
Balance as of December 31, 2001	**19,238,050**	**288,571**	**824,722**	**0**	**1,113,293**	**446**
2001 dividend (€1.80 per share)*			– 66,216		– 66,216	
Conversion of bonds (1)	280	4	– 37		– 33	– 511
Value of treasury shares (13)			12,391		12,391	
Capital increase (acquisition of SIMCO) (3)	7,808,046	117,121	628,981		746,102	75,593
Profit for 2002			**130,865**		**130,865**	**551**
Balance of December 31, 2002	**27,046,376**	**405,696**	**1,530,704**	**0**	**1,936,400**	**76,079**
2003 dividend (€2.00 per share)*			– 104,856		– 104,856	– 3,928
Conversion of bonds (4)	1,301,599	19,524	99,547		119,071	
Value of treasury shares (13)			– 9,801		– 9,801	
Revaluation as of 01/01/2003 (5)				1,223,599	1,223,599	41,199
Capital increase (merger of SIMCO) (6)	671,148	10,067	32,710	31,786	74,563	– 76,861
Other changes (7)			-1,365		– 1,365	
Profit for 2003			**535,518**		**535,518**	**1,659**
Balance as of December 31, 2003	**29,019,123**	**435,287**	**2,082,457**	**1,255,385**	**3,773,129**	**38,148**
Reclassification of the revaluation gain (8)			1,255,385	– 1,255,385		
Two-for-one stock split (€7.50)	29,019,123					
Capital reduction (9)	– 3,000,000	– 22,500	22,500			
Conversion of bonds (10)	6,895,814	51,718	279,878		331,596	
2004 dividend (€2.45 per share)			– 133,908		– 133,908	– 1,379
Purchase of minority interests (11)						– 8,505
Revaluation 2004 (12)			– 31,618		– 31,618	– 689
Value of treasury shares (13)			– 260,823		– 260,823	
Other capital increases (14)	167,781	1,258	6,084		7,342	
Other changes (15)			– 3,431		– 3,431	2,551
Profit for 2004			**174,830**		**174,830**	**129**
Balance as of December 31, 2004	**62,101,841**	**465,764**	**3,391,353**	**0**	**3,857,117**	**30,256**

* Data adjusted for the two-for-one stock split, on January 2, 2004.

a) Operations in 2002

(1) Issue of 280 new shares following the conversion of 338 SEFIMEG bonds, of 9 GFC bonds, and of 71 bonds issued in exchange for SIMCO bonds tendered.

(2) The decline in minority interests reflected dividends paid by subsidiaries to minority interests in the amount of €71,000 and to the sale of SCI Les Peupliers for €440,000.

(3) Issue of shares in remuneration of SIMCO shares tendered in connection with the public exchange offer (see 1.1). Minority interests included the minority interests of the SIMCO sub-group in the amount of €30,295,000.

b) Operations in 2003

(4) Issue of 1,299,315 new shares following the conversion of 1,299,315 GFC bonds, and the issue of 2,284 new shares following the conversion of 2,539 SIMCO 2002 bonds.
(5) Recognition of the revaluation gain - Group share, recorded net of taxes at a standard rate of 16.5% as of January 1, 2003 (see 1.1) totaling €1,223,599,000, after a correction of €73,638,000 to reflect the decreases in valuation as of December 31, 2003, compared with values as of December 31, 2002, which serves as a base for the revaluation (see 3.1.1).
(6) Issue of 671,148 new shares in GECINA following on the merger of SIMCO (see 1.1.3).
(7) Recognition of deferred tax liabilities for €1,365,000.

c) Operations in 2004

(8) Reclassification of the effects of the revaluation of January 1, 2003, which had been isolated under revaluation gain on December 31, 2003. These were reclassified as merger premiums either (for that part concerning buildings coming from SIMCO) or as consolidated reserves at December 31, 2004.
(9) Reduction in share capital corresponding to the cancellation 3,000,000 shares in treasury stock.
(10) Creation of 6,895,814 new shares as a result of the conversion of 7,821 GFC bonds, 3,647,014 GECINA bonds, and 146,338 SIMCO bonds of 1997-2006.
(11) Acquisition by the Group of shares in SIF and LA RENTE IMMOBILIERE.
(12) Net correction of €31,618,000 corresponding to a revision of a gross value of €35,124,000, reduced by restatement of depreciation of €471,000 and imputation of deferred taxes for €3,035,000.
(13) Treasury stock: in the course of the fiscal year, 4,113,044 shares were repurchased at a cost of €260,823,000 and 3 million shares were cancelled.
Overall, treasury stock has evolved as follows during the last three fiscal years:

	AT 12/31/2004		AT 12/31/2003*		AT 12/31/2002*	
	NUMBER OF SHARES	NET VALUE (in € thousands)	NUMBER OF SHARES	NET VALUE (in € thousands)	NUMBER OF SHARES	NET VALUE (in € thousands)
Shares recognized as marketable securities (for stock options)	226,421	10,755	243,000	11,805	243,000	12,125
Shares recognized as reductions in shareholders' equity	2,719,126	170,166	1,606,082	81,574	1,439,934	73,092
TOTAL	**2,945,547**	**180,921**	**1,849,082**	**93,379**	**1,682,934**	**85,217**
Treasury shares %	4.7%		3.2%		3.1%	

* Data adjusted for the two-for-one stock split, on January 2, 2004.

(14) Issue of 36,920 new shares as part of a capital increase reserved for company employees within the framework of creation of a company mutual fund. Issue of 130,861 shares related to the exercise of stock options by group employees.

(15) Correction of the minority interest in deferred taxes in the books of LA RENTE IMMOBILIERE, for €2,551,000 and imputation of €881,000, which represents the first recognition of employee length-of-service awards.

4.7 • Provisions for liabilities and charges

in € thousands	AS OF 12/31/2002	AS OF 12/31/2003	ALLOWANCES	RELEASES	CHANGES IN SCOPE*	AS OF 12/31/2004
Deferred tax liabilities	692,727	42,632	2,560	– 12,903	21,608	53,897
Other provisions for liabilities and charges	50,955	33,193	6,550	– 402	1,140	40,479
TOTAL	**743,682**	**75,824**	**9,110**	**– 13,305**	**22,748**	**94,376**

* Companies acquired in 2004.

The changes in ***deferred tax liabilities*** consist mainly in unrealized taxation of valuation differential (see 2.5.4).

Provisions for liabilities and charges primarily included:

- The coverage of notifications of tax assessments, certain of which have been contested, for €22,842,000; these assessments gave rise to the issue of bank guarantees in the amount of €19,271,000.
- A provision of €8,491,000 (o/w €3,100,000 for 2004), which represents the valuation differential on restructuring of interest rate swaps for the period 2004-2008 that were made in 2003 and 2004; rates and maturities remain identical. This provision will be reversed beginning in 2005, depending on renegotiations of payment schedules.
- Provisions to supplement payments to insurance companies for commitments in terms of additional retirement benefits (see 3.11 and 4.12), in the amount of €3,403,000.

4.8 • Borrowings and financial debt

4.8.1 • Financial debt

in € thousands	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	TOTAL 12/31/2004	12/31/2003	12/31/2002
Convertible bonds [1]	0	0	0	0	358,431	491,085
Other bond issues excl. accrued interests [2]	0	250,000	1,100,000	1,350,000	850,000	0
Commercial paper	400,000	0	0	400,000	300,000	0
Banks borrowings and other financial debt	169,880	880,528	270,310	1,320,719	1,151,810	3,767,601
TOTAL	**569,880**	**1,130,528**	**1,370,310**	**3,070,719**	**2,660,241**	**4,258,686**

(1) Convertible bonds: converted or redeemed as of 12/31/2004

	ex GFC	GECINA 2002	SIMCO 1997 (1)
Issue date	10/03/97	11/15/2002	07/09/97
Issue value	€133,572,231	€289,651,931	€13,311,657
Issue price	€91.47	€78.97	€78.97
Redemption price	€101.88	€93.15	€93.15
Number of bonds issued	1,460,294	3,667,873	168,566
Par value	3.25%	3.25%	3.25%
Maturity date	January 1, 2004	January 1, 2006	January 1, 2006
Conversion parity	2 shares for 1 bond	18 shares for 10 bonds	18 shares for 10 bonds
Situation as of 12/31/2004			
Bonds still outstanding	0	0	0
Bonds converted or redeemed	1,460,294	3,667,873	168,566
Debt on the balance sheet	**0**	**0**	**0**
Possible new shares resulting from conversion	0	0	0

(1) Bonds not converted.

(2) Bonds: €1,350,000,000

Issue date	02/19/2003	04/17/2003	10/17/2003	06/01/04
Issue value	€496,670,000	€99,049,000	€249,587,500	€498,280,000
Issue price	€993.34	€990.49	€998.35	€996.56
Redemption price	€1,000	€1,000	€1,000	€1,000
Number of bonds issued	500,000	100,000	250,000	500,000
Par value	4.875%	4.875%	3.625%	4.875%
Maturity date	February 19, 2010	February 19, 2010	October 17, 2007	January 25, 2012
Debt on the balance sheet	**€500,000,000**	**€100,000,000**	**€250,000,000**	**€500,000,000**
Issue premium	€3,330,000	€951,000	€412,500	€1,720,000

4.8.2 • Exposure to interest-rate risk

in € thousands	OUTSTANDING 12/31/2004	REDEMPTIONS < 1 YEAR	OUTSTANDING 12/31/2005	REDEMPTIONS 1 TO 5 YEARS	OUTSTANDING 12/31/2009	REDEMPTIONS > 5 YEARS
Fixed rate debt	**1,547,147**	**– 97,587**	**1,449,561**	**– 341,069**	**1,108,491**	**– 1,108,491**
Convertible bonds	0	0	0	0	0	0
Bonds	1,350,000	0	1,350,000	– 250,000	1,100,000	– 1,100,000
Bank borrowings	140,327	– 47,505	92,822	– 84,330	8,491	– 8,491
Interests covered by allowances and other debts	56,820	– 50,081	6,739	– 6,739	0	0
Floating rate debt	**1,523,572**	**– 472,294**	**1,051,278**	**– 789,459**	**261,819**	**– 261,819**
Commercial paper	400,000	– 400,000	0	0	0	0
Floating rate and revised rate loans	379,335	– 2,478	376,857	– 359,070	17,786	– 17,786
Lines of credit	367,622	0	367,622	– 367,622	0	0
Finance leases	370,657	– 63,858	306,799	– 62,766	244,033	– 244,033
Bank overdrafts	5,957	– 5,957	0	0	0	0
GROSS DEBT	**3,070,719**	**– 569,880**	**2,500,839**	**– 1,130,528**	**1,370,310**	**– 1,370,310**
Cash and cash equivalents (floating rate)						
Treasury shares	10,755	0	10,755	– 10,755	0	0
Mutual funds and investments	104,203	– 104,203	0	0	0	0
Cash and near cash	24,665	– 24,665	0	0	0	0
CASH AND CASH EQUIVALENTS	**139,623**	**– 128,868**	**10,755**	**– 10,755**	**0**	**0**
Net debt						
Fixed rate	1,547,147	– 97,587	1,449,561	– 341,069	1,108,491	– 1,108,491
Floating rate	1,383,949	– 343,426	1,040,523	– 778,704	261,819	– 261,819
TOTAL NET DEBT	**2,931,096**	**– 441,012**	**2,490,084**	**– 1,119,773**	**1,370,310**	**– 1,370,310**
Credit lines available	715,000	– 25,000	690,000	– 690,000	0	
including €400 million as back-up for commercial paper						
DERIVATIVES PORTFOLIO IN FORCE AS OF DECEMBER 31, 2004						
Swaps of fixed rates for floating rates	1,531,040	– 134,948	1,396,092	– 1,348,309	47,783	– 47,783
Caps and corridors (1)	776,931	– 3,351	773,580	– 273,580	500,000	– 500,000
Swaps of floating rates for fixed rates	1,345,000	0	1,345,000	– 250,000	1,095,000	– 1,095,000
TOTAL	**3,652,970**	**– 138,299**	**3,514,672**	**– 1,871,889**	**1,642,783**	**– 1,642,783**
DERIVATIVES PORTFOLIO WITH DEFERRED EFFECT (2)						
Swaps of fixed rates for floating rates		497,000	497,000	– 497,000	0	
Caps and corridors		500,000	500,000	300,000	800,000	– 800,000
Swaps of floating rates for fixed rates			0		0	
TOTAL	**0**	**997,000**	**997,000**	**– 197,000**	**800,000**	**– 800,000**
TOTAL DERIVATIVES PORTFOLIO						
Swaps of fixed rates for floating rates	1,531,040	362,052	1,893,092	– 1,845,309	47,783	– 47,783
Caps and corridors	776,931	496,649	1,273,580	26,420	1,300,000	– 1,300,000
Swaps of floating rates for fixed rates	1,345,000	0	1,345,000	– 250,000	1,095,000	– 1,095,000
TOTAL	**3,652,970**	**858,701**	**4,511,672**	**– 2,068,889**	**2,442,783**	**– 2,442,783**

(1) Including swaps of floating rates for fixed rates.

(2) Positive amounts in the "redemptions" columns correspond to a setup of derivatives contracts.

HEDGING OF GROSS DEBT	AT 12/31/2004
Fixed rate gross debt	**1,547,147**
Fixed rate debt transformed into floating rate	– 1,345,000
Residual fixed rate debt	202,147
Floating rate gross debt	**1,523,572**
Fixed rate debt transformed into floating rate	1,345,000
Floating rate gross debt after transformation of fixed rate debt into floating rate	**2,868,572**
Fixed rate swaps	– 1,531,040
Floating rate gross debt not swapped	**1,337,532**
Options	– 776,931
Floating rate debt not hedged	**560,601**

Derivatives held on December 31, 2004, include:

- Interest-rate swaps for €2.876 billion, o/w €1.531 billion fixed to variable and €1.345 billion variable to fixed.
- Collars: €777,000 in caps and €680,000 in floors; in both cases, €680,000 are related to variable/variable swaps.

As of December 31, 2004, 81% of gross debt was hedged.

The fair value (cancellation value) of the derivatives portfolio as of that date was €62,800,000.

On the basis of the portfolio of hedging instruments and the conditions of contracts current as of December 31, 2004, a 1% increase in interest rates would have a negative effect of €2,900,000 on FY 2005 earnings, while a 1% decrease would have a negative impact of €3,4000,000.

4.8.3 • Bank covenants

The main loans from which the Group benefits are accompanied by contractual provisions related to respect for certain financial ratios determining interest conditions or early repayment clauses. The most important ratios can be summarized as follows:

	STANDARD	AS OF 12/31/2004
Net financial debt / Revalued block value of property holdings	maximum 50% (1)	36.3%
EBITDA (excluding divestments) / Financial expense	minimum 2.25/2.0 (1)	3.27
Value of security deposits / Block value of property holdings	maximum 15%/20%	5.0%
Minimum block value of property held	minimum €6 bn	€8,067 bn

(1) Except temporary cases

GECINA has a bond issue contract and bank financing contracts that contain clauses permitting creditors to require early redemption in such cases as a change in control of the company, cross defaults or a significant decline in its agency ratings.

4.9 • Security deposits

This item represents tenants’ deposits to guarantee rental payments.

4.10 • Trade notes and accounts payable

in € thousands	12/31/2004	12/31/2003	12/31/2002
Trade notes	27,754	14,750	20,688
Debt on fixed assets	4,642	1,873	3,885
TOTAL NET DEBT	**32,396**	**16,623**	**24,573**

As of December 31, 2004, billings not yet arrived and relating to expenses recoverable from tenants of recently acquired companies were recognized for the first time, leading to symmetrical entries of €6,758,000 under rent due and trade payables.

4.11 • Other liabilities

in € thousands	12/31/2004	12/31/2003	12/31/2002
Employee-related liabilities	15,629	14,989	14,063
Exit tax (1)	304,153	427,013	0
Other tax liabilities	20,709	9,350	41,617
Taxes due and other employee-related liabilities	**340,131**	**451,352**	**55,680**
Customer creditors	25,043	14,518	14,010
Miscellaneous creditors	8,739	11,328	19,448
Other debts	**33,782**	**25,846**	**33,458**

(1) Exit tax:
• under the option for the SIIC system: €294,447,000 in two installments of €145,242,000 each on 12/15/2005 and 12/15/2006,
• under long-term capital gains reserves: €9,706,000 payable in two installments of €4,853,000 on 3/15/2006 and 3/15/2007.

4.12 • Off-balance sheet commitments

in € thousands	12/31/2004	12/31/2003	12/31/2002
Commitments received			
Swaps (1)	3,373,040	2,452,378	2,745,909
Caps (2)	1,276,931	780,144	782,467
Unused lines of credit	715,000	937,847	211,841
Commitments or options to acquire property	222,356	63,256	1,282,206
Other	6,530	6,530	6,530
TOTAL COMMITMENTS RECEIVED	**5,596,857**	**4,240,155**	**5,028,953**
Commitments granted			
Swaps (1)	3,373,040	2,452,378	2,745,909
Floors (2)	1,180,000	680,000	680,000
Debt guaranteed by collateral (3)	31,877	35,245	108,195
Exclusive or first refusal rights on property sales	222,356	63,256	1,282,206
TOTAL COMMITMENTS GRANTED	**4,807,273**	**3,230,879**	**4,816,311**

(1) Of which futures: €497,000,000.
(2) Of which futures: €500, 000,000.
(3) List of collateralized properties: 26, rue Linois - 75015 Paris - 17, rue Galilée - 75016 Paris - 12/12 bis, rue de Torricelli - 75017 Paris - 1/3/5/7/9, rue Théophile-Gautier / 2, rue Casimir-Pinel and 221, avenue Charles-de-Gaulle à Neuilly - 2/8, rue du Maroc and 27/31, rue de Flandre - 79019 Paris - 28/28 bis, rue du Dr Finlay and 5, rue Sextius-Michel - 75015 Paris. All significant commitments are included in this memorandum.

Retirement indemnity obligations (see 3.12)

The amount of retirement indemnity paid is covered by insurance policies that provided satisfactory coverage of the Group's commitments as of December 31, 2004.

Commitments regarding additional retirement benefits managed by external organizations, as a result of additional provisions recorded on the balance sheet, provided overall balanced coverage for a total commitment of €12,465,000, discounted at 5%.

V • Notes on the consolidated income statement

In order to provide a better image of the different components of the business, income from building sales as well as provisions for impairment of properties and releases of provisions are recognized as distinct line items under operating income and expenses.

5.1 • Rents

Rental income

EXCL. TAX (in € thousands)	2004	2003	2002 PUBLISHED	2002 PRO FORMA
Rents from residential properties	202,118	233,348	171,210	274,708
Rents from commercial and office properties	291,037	259,831	122,451	247,425
Consolidated sales	**493,155**	**493,179**	**293,661**	**522,133**

On a constant basis and excluding properties for sale, rental income increased by 3.47% (2.37% for residential properties and 4.31% for commercial rentals) compared with the previous year.
Investments made in June 2004 generated €27,067,000 in rental income.

5.2 • Depreciation and amortization

	12/31/2004		12/31/2003		12/31/2002	
in € thousands	ALLOWANCES	RELEASES	ALLOWANCES	RELEASES	ALLOWANCES	RELEASES
Property	91,693	401	84,676		39,759	12,963
Rent due	1,665	1,890	5,497	4,635	3,303	2,899
Others liabilities and charges	5,235	402	7,100	2,324	5,620	1,622
Other	4,836	8,988	8,103	11,109	7,385	5,031
TOTAL	**103,430**	**11,680**	**105,378**	**18,068**	**56,067**	**22,515**

5.3 • Current cash flow before disposals

in € thousands	2004	2003	2002
Rental income	493,155	493,162	293,661
Expenses billed to tenants	87,101	85,300	53,107
Other transferred expenses	2,488	4,116	1,820
Other income	17,374	13,181	5,607
Operating income (excl. reversals of provisions)	**600,118**	**595,759**	**354,195**
Other external charges	– 112,885	– 110,813	– 77,154
Tax	– 46,896	– 43,223	– 27,052
Salaries and fringe benefits	– 45,396	– 51,376	– 27,559
Other expenses	– 4,217	– 6,932	– 3,378
Operating expenses (excl. depreciation allowance and provisions)	**– 209,394**	**– 212,344**	**– 135,143**
EBITDA	**390,724**	**383,415**	**219,052**
Financial revenues (excl. reversals of provisions)	6,205	11,617	4,198
Financial expenses (excl. depreciation allowance)	– 125,676	– 162,466	– 76,903
GROSS CASH FLOW (current cash flow) before disposals	**271,253**	**232,566**	**146,347**

5.4 • Financial results

Depreciation allowances represented €833,000 in amortization of bond redemption premiums for the year.

They also included a €3,100,000 provision for the valuation differential recognized on the restructuring of an interest-rate swap in 2004 (see 4.7).

Reversals of financial provisions for €8,540,000 refers to the cancellation of the unredeemed portion of redemption premiums on bonds converted during the fiscal year.

This heading also includes €764,000 in financial expenses capitalized as buildings under construction.

5.5 • Net proceeds from disposals

Net proceeds from disposals during the fiscal year come to €19,619,000, after deduction of €3,098,000 in sales costs. These figures were calculated on the basis of revalued January 1, 2003 book values after imputation of any reappraisals.

5.6 • Exceptional profit

In 2003, an exceptional profit of €1,847,000 was recognized for the impact on minority interests of the merger of SIMCO into GECINA.

5.7 • Corporate income tax

in € thousands	2004	2003	2002 PUBLISHED	2002 PRO FORMA
Corporate income tax	– 12,634	– 26,235	– 59,724	– 56,904
Exit tax	– 21,320	– 311,498		
Deferred income tax	9,573	712,790	– 14,811	– 29,844
TAX EXPENSE	**– 24,381**	**375,057**	**– 74,535**	**– 86,748**

The figure of €9,573,000 includes €770,000 for the impact on the income statement of deferred tax assets. The balance on changes in deferred tax assets recognized under shareholders' equity is due to companies acquired in 2004.

Certain companies that were consolidated in 2004 have opted for the SIIC tax system and have paid a total exit tax of €11,614,000 combined with the related reversal of deferred taxes.

The government's Supplementary Budget for 2004 made companies liable for an exceptional tax of 2.5% applied to reserves for long-term capital gains. Tax owed by the Group in the amount of €9,706,000 was recognized as an expense to the fiscal year.

VI • Other relevant information

6.1 • Events subsequent to December 31, 2004

On February 16, 2005, the Group sold the building located at 3/5 Boulevard de la Madeleine for €152,000, which will provide a consolidated capital gain of about €27,000 in FY 2005.

On March 14, 2005, the Board of Directors was informed that AGF and Azur-GMF sold 30% of the capital of the Company to Metrovacesa and that the latter had made a tender offer for the purchase of all shares in the Company.

6.2 • Non-recurring events and litigation

Certain companies were subject to tax inspections and notified of tax assessments that have essentially been contested. The Group is also subject to a direct or indirect vicarious liability action and other legal procedures launched by third parties. Based on the best estimates of the Group and its advisors, there is no material risk that might significantly affect the Group's earnings or financial position.

6.3 • Group workforce

GROUP WORKFORCE	2004	2003	2002
Managers	199	215	121
Non-management staff	216	247	147
Building staff	357	420	371
TOTAL	**772**	**882**	**639**

6.4 • Compensation paid to directors and officers of the Company

Directors' fees paid to the members of the Board of Directors of GECINA for the fiscal year 2004 totaled €258,000.

6.5 • Loans and guarantees granted to directors and officers of the Company

None.

6.6 • Stock Options

	(1)	(1)	(1)				(1)		
Date of Shareholders' Meeting	June 19, 1996	June 7, 2000	June 7, 2000	June 6, 2001	June 6, 2001	June 6, 2001	June 5, 2002	June 6, 2001	June 2, 2004
Date of Board of Directors' Meeting (when options were granted)	Sept. 29, 1999	Sept. 27, 2000	Sept. 26, 2001	June 6, 2001	Sept. 26, 2001	June 5, 2002	Sept. 25, 2002	Nov. 25, 2003	Oct. 12, 2004
Date of expiration	Sept. 29, 2004	Sept. 27, 2010	Sept. 26, 2011	June 5, 2009	Sept. 25, 2009	June 4, 2010	Sept. 25, 2012	Nov. 24, 2011	Oct. 11, 2014
Number of shares (after adjustment) (2)	50,575	127,356	128,266	55,591	47,501	123,329	162,822	275,974	313,000
Subscription or purchase price (after adjustment)	€43.18	€40.13	€39.16	€47.87	€46.99	€47.20	€44.28	€51.82	€64.92
Number of shares exercised	50,575	62,061	18,225	–	–	–	–	–	–

(1) Within the framework of the transfer of commitments, relating to stock options, made by SIMCO.
(2) Available for subscription on January 1, 2004, after adjustment.

6.7 • Consolidated statement of cash flows

in € thousands	12/31/2004	12/31/2003	12/31/2002
Cash flow from operations			
Net income from consolidated companies	174,958		
Elimination of expenses and income with no material impact on cash flow or unrelated to operations			
– Depreciation and amortization	91,749		
– Change in deferred taxes	– 9,573		
– Net capital gains on asset disposals (1)	– 22,933		
– Exit tax	21,320		
Gross cash flow of consolidated companies (2)	**255,521**		
Change in working capital requirements			
– Trade receivables	– 47,037		
– Trade payables	38,652		
NET CASH FLOW FROM OPERATIONS	**247,136**	**179,279**	**99,156**
Cash flow from investment activities			
Acquisitions of fixed assets	– 605,693		
Sales of fixed assets	133,240		
Impact of changes in scope of consolidation	– 15,184		
Payment of the exit tax	– 144,181		
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**– 631,817**	**1,307,575**	**– 1,277,224**
Cash flow from financing activities			
Dividends paid to shareholders of the parent company	– 133,908		
Dividends paid to minority shareholders of consolidated companies	– 1,379		
Debt issues	1,422,897		
Debt redemptions	– 655,860		
Capital increase	7,343		
Treasury shares accounted for as a reduction in shareholders equity and options exercised	– 260,822		
NET CASH FLOW FROM FINANCING ACTIVITIES	**378,271**	**– 1,591,829**	**1,303,518**
Change in cash flow	**– 6,410**	**– 104,975**	**125,449**
Cash flow at start of period	**141,004**	**245,979**	**120,530**
Cash flow at end of period	**134,594**	**141,004**	**245,979**

(1) Capital gains on asset disposals	22,933
Sales costs and depreciation of works on sales included as a reduction of "net proceeds from property disposals" in the income statement	– 3,314
	19,619
(2) Gross cash flow (see 5.3)	**271,253**
Sales costs included as a reduction of "net proceeds from property disposals"	– 3,098
corporate income tax	– 12,634
Gross cash flow of consolidated companies	**255,521**

Application
of International Accounting Standards

In order to elucidate the effects of the International Financial Reporting Standards (IFRS) applying to the consolidated accounts as of January 1, 2005, and in compliance with the recommendations of the *Autorité des marchés financiers* (the French Financial Markets Authority), the three following tables explain the changeover of the 2004 accounts, drawn up according to French accounting regulations, into accounts in line with IFRS:

- changeover from the closing balance sheet at December 31, 2003, drawn up according to French standards, to the opening balance sheet at January 1, 2004, drawn up according to IFRS.
- changeover from the FY 2004 income statement, drawn up according to French standards, to a 2004 income statement, drawn up according to IFRS.
- changeover from the closing balance sheet as of December 31, 2004, drawn up according to French standards, to the balance sheet as of December 31, 2004, drawn up according to IFRS.

To explain the principal effects of the new accounting standards, restatements are listed in distinct columns:

- Consolidated accounts drawn up according to French standards, possibly after reclassifications.
- Adjustments resulting from the application of IFRS to the valuation of the property holding (primarily IAS 40).
- Adjustments resulting from the application of IFRS to the recognition of financial instruments (primarily IAS 39).
- Adjustments resulting from the application of other IAS/IFRS standards (IAS 12, 17, 19, and IFRS 2).
- Consolidated accounts drawn up according to the new IFRS system.

Comments on the changes are provided in detailed notes after each changeover table.

The financial information presented in paragraphs 4.4.1 and 4.4.2 were drawn up on the basis of the texts and interpretations available to this date. Hence, they are not definitive and may be adjusted to take into account developments arising from new measures or market trends. The balance sheet at December 31, 2004, presented here in accordance with IFRS, may not necessarily serve as the opening balance sheet for drawing up the FY 2005 consolidated accounts.

Status of the changeover of the opening balance sheet as of January 1, 2004, from French standards to the International Financial Reporting Standards (IFRS)

in € thousands	12/31/2003 PUBLISHED	12/31/2003 RECLASSIFICATIONS	12/31/2003 RECLASSIFIED	TRANSITION ENTRIES IAS 40	TRANSITION ENTRIES IAS 39,	TRANSITION ENTRIES OTHER IFRSs (IAS 17, 12, 19 & IFRS 2)	TRANSITION ENTRIES TOTAL VALUE OF IFRS ADJUSTMENTS	01/01/2004 ACCORDING TO IFRS
Assets								
Investment property	6,834,677	– 48,220 [1]	6,786,457	268,655 [5]			268,655	7,055,112
Other fixed assets	2,823	48,220 [1]	51,043				0	51,043
Long-term financial investments and other non-current assets	14,646	1,191 [4]	15,837	532 [6]			532	16,369
Non-current assets	**6,852,146**	**1,191**	**6,853,337**	**269,187**	**0**	**0**	**269,187**	**7,122,524**
Inventories	0		0				0	0
Rent due	18,790		18,790			3,207 [16]	3,207	21,997
Other receivables	61,354		61,354				0	61,354
Prepaid expenses and other equalization accounts	31,248	– 1,191 [4]	30,057	– 337 [6]	– 29,075 [8]		– 29,412	645
Cash and near cash and marketable securities	147,248		147,248			– 11,805 [17]	– 11,805	135,443
Financial instruments					4,138 [9]		4,138	4,138
Current assets	**258,640**	**– 1,191**	**257,449**	**– 337**	**– 24,937**	**– 8,598** [16]	**– 33,872**	**223,577**
TOTAL ASSETS	**7,110,786**	**0**	**7,110,786**	**268,850**	**– 24,937**	**– 8,598**	**235,315**	**7,346,101**
Liabilities								
Share capital	435,287		435,287				0	435,287
Reserves	2,802,323	535,519	3,337,842	266,232	– 58,087	12,972	221,117	3,558,959
Profit	535,519	– 535,519 *	0				0	0
Shareholders' equity	**3,773,129**	**0**	**3,773,129**	**266,232** [7]	**– 58,087** [15]	**12,972** [20]	**221,117**	**3,994,246**
Minority interests	**38,149**		**38,149**	**376** [6]			**376**	**38,525**
Provisions for liabilities and deferred taxes	75,823		75,823	2,242 [6]	– 5,391 [10]	– 291 [18]	– 3,440	72,383
Taxes due and other employee-related liabilities		284,675 [3]	284,675			– 21,279 [19]	– 21,279	263,396
Financial debt	2,660,241	– 488,359 [2]	2,171,882		– 21,533 [11]		– 21,533	2,150,349
Derivative instruments			0		20,619 [12]		20,619	20,619
Non-current debt	**2,736,064**	**– 203,684**	**2,532,380**	**2,242**	**– 6,305**	**– 21,570**	**– 25,633**	**2,506,747**
Financial debt (current part)		488,359 [2]	488,359				0	488,359
Derivative instruments (current part)			0		46,534 [13]		46,534	46,534
Deposits received	59,928		59,928				0	59,928
Deferred income and other equalization accounts	9,694		9,694		– 7,079 [14]		– 7,079	2,615
Trade payables	16,623		16,623				0	16,623
Taxes due and other employee-related liabilities	451,351	– 284,675 [3]	166,676				0	166,676
Other debt	25,848		25,848				0	25,848
Current debt	**563,444**	**203,684**	**767,128**	**0**	**39,455**	**0**	**39,455**	**806,583**
TOTAL LIABILITIES	**7,110,786**	**0**	**7,110,786**	**268,850**	**– 24,937**	**– 8,598**	**235,315**	**7,346,101**

* Reclassification of profit in consolidated reserves.

Note explaining changeover of opening balance sheet as of January 1, 2004, from French standards to International Financial Reporting Standards (IFRS)

The + or - signs show the effect on shareholders' equity and are used in the opposite sense from the sign preceding the amount included in changeover table.

NOTE		in € thousands
	Reclassifications	
(1)	Reclassification of headquarters as an operating asset	48,220
(2)	Reclassification in current debt of financial debt maturing in less than one year	488,369
(3)	Reclassification in non-current debt of the portion of the exit tax due in over one year	284,675
(4)	Reclassification in non-current assets of deferred tax assets	1,191
	IAS 40 - investment property	
(5)	Adjustment to fair value of investment property	268,655
(6)	Recognition of deferred taxes, minority interests and other restatements	– 2,423
(7)	**Impact on shareholders' equity of adjustments to valuation of investment property**	**266,232**
	IAS 39 - financial instruments	
(8)	Restatement of expenses to amortize included as assets in the balance sheet	– 29,075
(9)	Recognition of the fair value of derivative instruments in assets	4,138
(10)	Restatement on derivative instruments	5,391
(11)	Transfer of the optional portion of convertible bonds to shareholders' equity and restatement of bond line items	21,533
(12)	Recognition of the fair value of derivative instruments in non-current liabilities	– 20,619
(13)	Recognition of the fair value of derivative instruments in current liabilities	– 46,534
(14)	Restatement of income remaining to be deferred included under liabilities in the balance sheet	7,079
(15)	**Impact on shareholders' equity of adjustments to valuation of financial instruments**	**– 58,087**
	Other IAS standards	
(16)	Restatement of the recognition of income according to IAS 17	3,207
(17)	Restatement according to IAS 32 of treasury stock	– 11,805
(18)	Cancellation of the provision for major repairs according to IAS 37 (1,018) and adjustment of the provision for benefits granted to staff according to IAS 19 (727)	291
(19)	Discounting of the exit tax debt	21,279
(20)	**Impact on shareholders' equity of adjustments relative to other IFRSs**	**12,972**

Status of the changeover of the 2004 income statement from French standards to International Financial Reporting Standards (IFRS)

in € thousands	2004 FRENCH STANDARDS	TRANSITION ENTRIES IAS 40	IAS 39	OTHER IFRSs (IAS 17, 12, 19 & IFRS 2)	TOTAL VALUE OF IFRS ADJUSTMENTS	2004 INTERNATIONAL ACCOUNTING STANDARDS
Residential rental income	202,118				0	202,118
Commercial rental income	291,037			542 (11)	542	291,579
Total rental income	493,155	0	0	542	542	493,697
Other income	10,363				0	10,363
Total operating income	**503,518**	**0**	**0**	**542**	**542**	**504,060**
Expenses on buildings	– 149,938					– 149,938
Rebilled expenses	87,082				0	87,082
Other expenses	– 2,047				0	– 2,047
Total direct operating expenses	**– 64,903**	**0**	**0**	**0**	**0**	**– 64,903**
EBITDA on buildings and service activities	**438,615**	**0**	**0**	**542**	**542**	**439,157**
Personnel costs	– 35,453			– 430 (12)	– 430	– 35,883
Other management costs	– 19,605		– 1,611 (6)		– 1,611	– 21,216
Total fixed costs	– 55,058	0	– 1,611	– 430	– 2,041	– 57,099
Other income	9,518				0	9,518
Other expenses	– 2,351				0	– 2,351
Other operating provisions (net of reversals)	– 1,627			– 931 (13)	– 931	– 2,558
Depreciation and amortization	– 83,367	80,270 (1)	1,678 (7)		81,948	– 1,419
Gross operating income after fixed costs	**305,730**	**80,270**	**67**	**– 819**	**79,518**	**385,248**
Net financial expenses	– 119,471		847 (8)		847	– 118,624
Financial amortization and provisions	4,549		– 4,607 (9)		– 4,607	– 58
Net financial result	**– 114,922**	**0**	**– 3,760**	**0**	**– 3,760**	**– 118,682**
Profit before tax and disposals	**190,808**	**80,270**	**– 3,693**	**– 819**	**75,758**	**266,566**
Provisions on buildings (net of reversals)	– 11,087	11,087 (2)			11,087	0
Profit from disposal of assets	19,619	– 12,709 (3)			– 12,709	6,910
Operating profit before tax and value adjustments	**199,340**	**78,648**	**– 3,693**	**– 819**	**74,136**	**273,476**
Change in the fair value of investment property		424,368 (4)			424,368	424,368
Change in the fair value of financial instruments			439 (10)		439	439
Discounting of debt and receivables				– 10,730 (14)	– 10,730	– 10,730
Pre-tax profit	**199,340**	**503,016**	**– 3,254**	**– 11,549**	**488,213**	**687,553**
Current tax	– 12,634				0	– 12,634
Deferred tax and exit tax	– 11,747	– 819 (5)			– 819	– 12,566
Consolidated net profit	**174,959**	**502,197**	**– 3,254**	**– 11,549**	**487,394**	**662,353**
Minority interests	– 129				0	– 129
Consolidated net profit (Group share)	**174,830**	**502,197**	**– 3,254**	**– 11,549**	**487,394**	**662,224**

The format used for presenting the income statement according to IFRS is drawn up in order to show EBITDA on buildings and service activities. It reflects the guidelines of the format suggested by EPRA (European Public Real Estate Association), adapted to GECINA's special characteristics.

Explanation of changeover of 2004 income statement from French standards to International Financial Reporting Standards (IFRS)

NOTE	Restatements	in € thousands
	IAS 40 - Investment property	
(1)	Cancellation of amortization recognized according to French standards	80,270
(2)	Cancellation of provisions for buildings recognized according to French standards	11,087
(3)	Adjustment of capital gains from asset disposals according to fair value at 01/01/2004	– 12,709
(4)	Change of fair value of investment property over fiscal year	424,368
(5)	Impact of deferred taxes	– 819
	Impact on profit of adjustments relative to the valuation of investment property	**502,197**
	IAS 39 - Financial instruments	
(6)	Restatement of costs of loans issued in 2004 (commissions)	– 1,611
(7)	Restatement of amortization of costs of loans issued (commissions)	1,678
(8)	Restatement of elements related to financial instruments and impact of amortized cost of bond line items	847
(9)	Restatement of amortization and provisions related to financial instruments	– 4,607
(10)	Change in fair value of derivative instrument	439
	Impact on profit of adjustments related to financial instruments	**– 3,254**
	Other International Accounting Standards	
(11)	Restatement of the recognition of income according to IAS 17	542
(12)	Restatement according to IFRS 2 of stock options and employee savings plans	– 430
(13)	Restatement according to IAS 19 of benefits granted to staff	– 931
(14)	Discounting of the exit tax debt	– 10,730
	Impact on profit of adjustments relative to other IFRSs	**– 11,549**
	Impact on profit of all IFRS adjustments	**487,394**

Status of changeover of balance sheet as of December 31, 2004, from French standards to International Financial Reporting Standards (IFRS)

	12/31/2004			TRANSITION ENTRIES									12/31/2004
				IAS 40		IAS 39		OTHER IFRSs (IAS 17, 12, 19 & IFRS 2)		TOTAL VALUE OF IFRS ADJUSTMENTS			
in € thousands	PUBLISHED	RECLASSIFICATIONS	12/31/2004 RECLASSIFIED	ADJUSTMENTS AT 01/01/2004	2004 ADJUSTMENTS	ADJUSTMENTS AT 01/01/2004	2004 ADJUSTMENTS	ADJUSTMENTS AT 01/01/2004	2004 ADJUSTMENTS	ADJUSTMENTS AT 01/01/2004	2004 ADJUSTMENTS	ADJUSTMENTS AT 12/31/2004	ACCORDING TO IFRS
Assets													
Investment property	7,228,585	– 71,967 [1]	7,156,618	268,655	538,801 [5]					268,655	538,801	807,456	7,964,074
Other fixed assets	2,836	71,967 [1]	74,803							0	0	0	74,803
Long-term financial assets, intangible fixed assets and deferred taxes	13,755	7,140 [4]	20,895	532						532	0	532	21,427
Non-current assets	**7,245,176**	**7,140**	**7,252,316**	**269,187**	**538,801**	**0**	**0**	**0**	**0**	**269,187**	**538,801**	**807,988**	**8,060,304**
Inventories	25,357		25,357							0	0	0	25,357
Rent due	44,300		44,300					3,207	542 [19]	3,207	542	3,749	48,049
Other receivables	51,228		51,228							0	0	0	51,228
Prepaid expenses and other equalization accounts	32,720	– 7,140 [4]	25,580	– 337	– 661 [6]	– 29,075	7,191 [10]			– 29,412	6,530	– 22,882	2,698
Cash and near cash and marketable securities	139,623		139,623					– 11,805	869 [20]	– 11,805	869	– 10,936	128,687
Financial instruments						4,138	43,008 [11]			4,138	43,008	47,146	47,146
Current assets	**293,228**	**– 7,140**	**286,088**	**– 337**	**– 661**	**– 24,937**	**50,199**	**– 8,598**	**1,411**	**– 33,872**	**50,949**	**17,077**	**303,165**
TOTAL ASSETS	**7,538,404**	**0**	**7,538,404**	**268,850**	**538,140**	**– 24,937**	**50,199**	**– 8,598**	**1,411**	**235,315**	**589,750**	**825,065**	**8,363,469**

in € thousands	12/31/2004 PUBLISHED	12/31/2004 RECLASSIFICATIONS	12/31/2004 RECLASSIFIED	TRANSITION ENTRIES IAS 40 ADJUSTMENTS AT 01/01/2004	IAS 40 2004 ADJUSTMENTS	IAS 39 ADJUSTMENTS AT 01/01/2004	IAS 39 2004 ADJUSTMENTS	OTHER IFRSs (IAS 17, 12, 19 & IFRS 2) ADJUSTMENTS AT 01/01/2004	OTHER IFRSs 2004 ADJUSTMENTS	TOTAL VALUE OF IFRS ADJUSTMENTS ADJUSTMENTS AT 01/01/2004	TOTAL VALUE OF IFRS ADJUSTMENTS 2004 ADJUSTMENTS	TOTAL VALUE OF IFRS ADJUSTMENTS ADJUSTMENTS AT 12/31/2004	12/31/2004 ACCORDING TO IFRS
Liabilities													
Share capital	465,764		465,764							0	0	0	465,764
Reserves	3,216,524		3,216,524	266,232	35,124 [7]	– 58,087	– 175 [12]	12,972	1,299 [21]	221,117	36,248	257,365	3,473,889
Profit	174,830		174,830		502,197 [9]		– 3,254 [18]		– 11,549 [24]	0	487,394	487,394	662,224
Shareholders' equity	**3,857,118**	**0**	**3,857,118**	**266,232**	**537,321**	**– 58,087**	**– 3,429**	**12,972**	**– 10,250**	**221,117**	**523,642**	**744,759**	**4,601,877**
Minority interests	**30,256**		**30,256**	**376**						**376**	**0**	**376**	**30,632**
Provisions for liabilities and deferred taxes	94,376		94,376	2,242	819 [8]	– 5,391	– 3,100 [13]	– 291	931 [22]	– 3,440	– 1,350	– 4,790	89,586
Taxes due and other employee-related liabilities		158,911 [3]	158,911					– 21,279	10,730 [23]	– 21,279	10,730	– 10,549	148,362
Financial debt	3,070,719	– 569,880 [2]	2,500,839			– 21,533	19,304 [14]			– 21,533	19,304	– 2,229	2,498,610
Derivative instruments			0			20,619	182 [15]			20,619	182	20,801	20,801
Non-current debt	**3,165,095**	**– 410,969**	**2,754,126**	**2,242**	**819**	**– 6,305**	**16,386**	**– 21,570**	**11,661**	**– 25,633**	**28,866**	**3,233**	**2,757,359**
Financial debt (current part)		569,880 [2]	569,880						0	0	0	0	569,880
Derivative instruments (current part)			0			46,534	42,569 [16]			46,534	42,569	89,103	89,103
Deposits received	64,050		64,050						0	0	0	0	64,050
Deferred income and other equalization accounts	15,578		15,578			– 7,079	– 5,327 [17]			– 7,079	– 5,327	– 12,406	3,172
Trade payables	32,394		32,394							0	0	0	32,394
Taxes due and other employee-related liabilities	340,131	– 158,911 [3]	181,220							0	0	0	181,220
Other debt	33,782		33,782							0	0	0	33,782
Current debt	**485,935**	**410,969**	**896,904**	**0**	**0**	**39,455**	**37,242**	**0**	**0**	**39,455**	**37,242**	**76,697**	**973,601**
TOTAL LIABILITIES	**7,538,404**	**0**	**7,538,404**	**268,850**	**538,140**	**– 24,937**	**50,199**	**– 8,598**	**1,411**	**235,315**	**589,750**	**825,065**	**8,363,469**

Explanation of changeover of balance sheet as of December 31, 2004, from French standards to International Financial Reporting Standards (IFRS)

The + or - signs show the effect on shareholders' equity and are used in the opposite sense from the sign preceding the amount included in the changeover table.

NOTE		in € thousands
	For adjustments to the opening balance sheet as of 01/01/2004 see notes included in changeover table	
	Reclassifications	
(1)	Reclassification of headquarters as an operating asset	71,967
(2)	Reclassification in current debt of financial debt maturing in less than one year	569,880
(3)	Reclassification in non-current debt of the portion of the exit tax due in over one year	158,911
(4)	Reclassification in non-current assets of deferred tax assets	7,140
	IAS 40 - Investment property	
(5)	Change in 2004 of the fair value of investment property (including cancellation of depreciation allowance and other effects)	538,801
(6)	Restatement of works in preparation for sale to amortize	– 661
(7)	Cancellation of the correction of the revaluation gain in 2004*	– 35,124
(8)	Change in deferred taxes on the fair value of investment property	– 819
(9)	**Impact on profit of adjustments to valuation of investment property**	**502,197**
	IAS 39 - Financial instruments	
(10)	Restatement of expenses to amortize included as assets in the balance sheet	7,191
(11)	Change in fair value of derivative instruments under assets	43,008
(12)	Change in fair value of derivative instruments in non-current assets (182) and cancellation of elements relative to the conversion of the bond issue (7)*	175
(13)	Restatement of derivative instruments	3,100
(14)	Restatement of the valuation of bond line items	– 19,304
(15)	Change in fair value of derivative instruments in non-current liabilities	– 182
(16)	Change in fair value of derivative instruments in current liabilities	– 42,569
(17)	Restatement of income remaining to be deferred included under liabilities in the balance sheet	5,327
(18)	**Impact on profit of adjustments to valuation of financial instruments**	**– 3,254**
	Other International Accounting Standards	
(19)	Restatement of the recognition of income according to IAS	542
(20)	Cancellation of the reduction in treasury shares	869
(21)	Impact on shareholders' equity of the cancellation of the reduction in treasury shares (869) according to IAS 32 and of stock options (430) according to IFRS 2*	– 1,299
(22)	Restatement according to IAS 19 of benefits granted to staff	– 931
(23)	Discounting of the exit tax debt	– 10,730
(24)	**Impact on profit of adjustments relative to other IFRSs**	**– 11,549**

* These elements affect shareholders' equity in 2004.

Corporate financial statements

Corporate income statement

in € thousands	12/31/2004	12/31/2003	12/31/2002
Operating income			
Rental income	268,017	288,403	186,071
Net proceeds from property disposals	10,310	2,585	121,034
Other services		355	491
Miscellaneous subsidies	2	1	21
Release of allowance for impairment of properties	3,212		4,981
Reversals of provisions	754	4,232	1,800
Expenses billed to tenants	54,123	57,777	37,198
Other transferred expenses	1,774	2,616	18,541
Other income	5,443	5,691	26
Total	**343,635**	**361,660**	**370,163**
Operating expenses			
Purchases	14,858	19,096	12,110
Other external charges	67,590	66,357	59,280
Tax	30,485	28,565	18,948
Salaries and fringe benefits	33,483	38,042	18,179
Depreciation allowance	44,478	46,431	27,440
Allowance for impairment of properties	7,073	3,893	9,591
Allowance for depreciation of current assets	789	4,083	2,077
Provisions for liabilities and charges	878	558	521
Other expenses	1,769	4,564	817
Total	**201,403**	**211,589**	**148,963**
Operating profit	**142,232**	**150,071**	**221,200**
Financial revenues			
Interest and related income	29,960	27,235	389
Net income on the sale of marketable securities	1,321	850	762
Reversals of provisions and transferred expenses	6,665	1,636	47,683
Income from marketable securities and receivables	192,795	8,374	4,056
Income from equity interests	2,415	31,698	11,394
Total	**233,156**	**69,793**	**64,284**
Financial expenses			
Interest and related expense	148,415	161,580	124,026
Depreciation allowance	43,264	61,020	5,277
Total	**191,679**	**222,600**	**129,303**
Net financial result	**41,477**	**– 152,807**	**– 65,019**
Profit before tax and exceptional items	**183,709**	**– 2,736**	**156,181**
Exceptional items			
Capital gains on mergers, disposals, exchanges of securities	10,299	7,994	– 385
Loss on cancelled shares in acquired companies		– 2,519	
Subsidies	267	280	214
Exceptional provisions, transferred expenses	– 437		– 4,999
Revenues and exceptional expenses		– 792	
Exceptional profit/loss	**10,129**	**4,963**	**– 5,170**
Pre-tax profit	**193,838**	**2,227**	**151,011**
Corporate income tax	1,535	19,042	– 40,835
Net profit	**195,373**	**21,269**	**110,176**

Balance sheet as of December 31, 2004

Assets

in € thousands	12/31/2004 GROSS	12/31/2004 DEPREC. AND AMORTIZATION	12/31/2004 NET	12/31/2003 NET	12/31/2002 NET
FIXED ASSETS					
Intangible fixed assets					
Concessions, licenses and similar rights	69	9	60	228	253
Tangible fixed assets					
Land	1,204,309	5,664	1,198,645	1,220,326	631,401
Buildings	2,600,381	81,106	2,519,255	2,563,815	1,296,599
Buildings on third-party-owned land	94,653	5,108	89,585	92,941	20,563
Other	1,171	486	685	1,736	1,420
Buildings under construction	10,208		10,208	3,106	10,230
Prepaids	97		97	97	
Long-term financial assets					
Receivables from controlled entities	2,986,461	36,235	2,950,226	2,543,236	2,701,736
Other long-term securities	170,167		170,167	81,574	102,563
Loans	1,072		1,072	1,361	3,090
Other long-term financial assets	1,770	153	1,617	1,907	1,045
TOTAL I	**7,070,358**	**128,741**	**6,941,617**	**6,510,327**	**4,768,900**
CURRENT ASSETS					
Prepaids	46		46	86	31
Receivables					
Rent due	36,725	14,368	22,357	11,462	11,070
Other	67,449	332	67,117	594,584	157,316
Marketable securities	106,182	280	105,902	113,957	441,107
Cash and near cash	8,787		8,787	1,680	805
Equalization account					
Pre-paid expenses	1,455		1,455	539	127
TOTAL II	**220,644**	**14,980**	**205,664**	**722,308**	**610,456**
DEFERRED EXPENSES	**16,866**		**16,866**	**11,710**	**61,445**
BOND REDEMPTION PREMIUMS	**5,032**		**5,032**	**16,977**	**20,886**
TOTAL III	**21,898**		**21,898**	**28,687**	**82,331**
GRAND TOTAL (I + II + III)	**7,312,900**	**143,721**	**7,169,179**	**7,261,322**	**5,461,687**

Liabilities

in € thousands	12/31/2004	12/31/2003	12/31/2002
SHAREHOLDERS' EQUITY			
Share capital	465,764	435,287	405,696
Issue, merger, and capital contribution premiums	1,876,037	1,773,328	1,207,761
Revaluation gain	995,607	1,150,751	
Reserves:			
Legal reserve	45,280	42,233	39,273
Legal reserve from long-term capital gains	1,296	1,296	1,296
Regulated reserves	224,220	221,874	221,610
Distributable reserves	145,971		
Retained earnings	– 4,988	84,510	
Earnings for the year	195,373	21,269	110,176
Investment subsidies	2,266	2,449	1,988
Regulated allowances			
TOTAL I	**3,946,826**	**3,732,997**	**1,987,800**
PROVISIONS FOR LIABILITIES AND CHARGES			
Provisions for liabilities	47,786	47,171	23,469
Provisions for charges	12,126	8,328	116,418
TOTAL II	**59,912**	**55,499**	**139,887**
DEBT			
Convertible bonds		368,321	488,705
Bonds	1,389,691	877,210	
Borrowings and other debt	1,444,413	1,815,697	2,769,333
Deposits received	41,497	40,293	30,910
Advances and down payments received	11,250	10,319	8,281
Trade notes	18,206	12,175	15,207
Taxes due and other employee-related liabilities	14,670	13,764	7,406
Debt on fixed assets	3,549	983	705
Tax liabilities (corporate income tax - *exit-tax*)	219,730	322,114	10,794
Other debt	6,441	4,767	2,281
EQUALIZATION ACCOUNT			
Pre-paid income	12,995	7,183	378
TOTAL III	**3,162,441**	**3,472,826**	**3,334,000**
GRAND TOTAL (I + II + III)	**7,169,179**	**7,261,322**	**5,461,687**

Appendix to the corporate financial statements

I • Highlights

1.1 • Significant events

Fiscal year 2004

GECINA exercised its right to call for early redemption of the GECINA November 2002 and ex-SIMCO July 1997 convertible bond issues. This led to the conversion or cash redemption of 3,838,831 bonds and the corresponding issuing of 6,880,172 shares.

The Board of Directors on June 2 decided to reduce share capital through the retirement of three million shares held as treasury stock.

The amended Finance Bill for 2004 provides for an exceptional tax of 2.5% levied on long-term capital gains reserves. This resulted in a tax liability of €4,988,000.

The Group also debited the revaluation reserve by €9,173,000 to reflect the decline in the asset portfolio's appraised block value excluding transfer fees (see 3.1.3).

Fiscal year 2003

1. Option for SIIC tax status (Sociétés d'Investissements Immobiliers Cotées) and revaluation

In September 2003, GECINA opted for the new tax system for *Sociétés d'Investissements Immobiliers Cotées* (Listed Property Companies – SIIC) and accordingly restated the balance sheet value of tangible and financial fixed assets as of January 1, 2003.

The restatement was based on block valuation appraisals as of December 31, 2002. The revaluation gain totaled €1,150,751,000 as of December 31, 2003.

The SIIC regime option implies an exit tax in the amount of €429,485,000, of which €365,757,000 was charged to the revaluation reserve and €63,728,000 was booked as an expense during fiscal year 2003.

2. Merger of SIMCO into GECINA

The SIMCO Extraordinary Shareholders' Meeting and the GECINA Combined General Shareholders' Meeting of December 17, 2003, decided to merge SIMCO into GECINA effective retroactively as of January 1, 2003. GECINA thus issued 671,148 new shares in remuneration of the 2.77% of SIMCO's capital not held as of that date.

3. Completion of a major disposal program

In 2003, the GECINA Group sold €999,000 of assets, primarily low-yield residential properties. A total €774,000 of these disposals were made pursuant to an October 2002 agreement with the American investment fund Westbrook Partners that had been entered as an off-balance sheet commitment as of December 31, 2002.

4. Bond conversions

Bond conversions made during the fiscal year and concerning primarily the GFC bond issue made in 1997 and maturing on January 1, 2004, triggered the issuance of 1,301,599 new shares. As a result of these conversions, shareholders' equity increased by €119,072,000 (see 4.7) and net profit for the financial year by €11,092,000.

Fiscal year 2002

SIMCO acquisition

Upon conclusion of the public exchange offering for SIMCO's shares, GECINA had acquired 95.9% of SIMCO's share capital representing 97.2% of voting rights, as well as 95.6% of its outstanding convertible bonds and 97.9% of Certificates of Guaranteed Value (CGV).

The settlement date was November 15, 2002.

The total transaction price was €2,269,004,000, of which €746,102,000 (including the premium) was equity financed (through the issue of 7,808,046 new shares) and €1,522,902,000 was bank financed.

In connection with the offer, the Group issued bonds convertible into GECINA shares in exchange for convertible bonds issue by SIMCO. At the close of the offer period, 95.9% of the SIMCO convertible bonds were tendered for the newly issued GECINA bonds.

1.2 • Comparability of financial statements

In view of the merger transactions discussed above and the voluntary revaluation of the asset portfolio, the 2003 and 2004 financial statements are not directly comparable with those of 2002.

The following notes discuss the impact of material transactions during the 2003 financial year on assets, liabilities or certain income statement line items.

Change in accounting treatment: as per recommendation 2003-R.01 of the French Accounting Board (CNC), length-of-service awards (employee benefits) were recorded for the first time as an expense during the fiscal period and provisioned for €701,000.

II • Accounting methods and principles

The financial statements have been prepared in accordance with the French GAAP *(Plan Comptable Général 1999)* and on a going concern basis.

Because active portfolio management is central to the real estate business, and in order to improve the presentation of the Group's activities, capital gains and losses on property sales and allowances to and releases of reserves for real estate asset depreciation are recorded as separate operating line items.

III • Valuation methods

The accounts have been prepared using the historical cost convention.

Voluntary revaluation of certain balance sheet assets as of January 1, 2003 was carried out (see note 1.1).

3.1 • Fixed assets

3.1.1 • Gross value of fixed assets

Land and buildings that were voluntarily revalued as of January 1, 2003, are recorded using the restated value relative to the basis of block valuation appraisals excluding duties as of effective December 31, 2002 (see note 1.1).

Tangible and intangible fixed assets, acquired since January 1, 2003, are carried at their acquisition price, with the exception of built properties, which are recorded at their construction cost.

3.1.2 • Depreciation and amortization of fixed assets

Tangible and intangible fixed assets are depreciated/amortized using the straight-line method, based on the expected useful life of the assets:

Intangible fixed assets:	
Computer software	1 to 5 years
Built properties as of January 1, 2003 (restated values*):	
Residential properties	80 years
Commercial properties	50 years
Buildings on third-party-owned land	lease term
Fixtures and installations, improvements and fittings	5 to 20 years
Other fixed assets:	
Misc. fixtures and installations, improvements and fittings	5 to 20 years
Transportation equipment	4 to 5 years
Office and computer equipment	3 to 5 years
Office furniture	10 years

(*) Following the voluntary revaluation of January 1, 2003, depreciation has been calculated using a schedule of between 50 and 80 years based on the appraised block value (excluding duties) as of December 31, 2002, and allocated between land and buildings.

3.1.3 • Valuation adjustments and depreciation reserves

Pursuant to an opinion issued by the Emergency Council of the National Accounting Board *(Comité d'Urgence du Conseil National de la Comptabilité)* in 2003 and valid for two years, declines in appraised block values (excluding duties) as of December 31, 2003, and December 31, 2004, relative to December 31, 2002, have been corrected by reversing €35,247,000 (€9,173,000 for fiscal year 2004, €26,074,000 for fiscal year 2003) from the revaluation reserve constituted at the opening of the fiscal period. Depreciation charges were consequently adjusted by €145,000.

Furthermore, in addition to the valuation adjustment discussed above, a supplemental net provision of €3,861,000 was calculated for the portfolio in case the revaluation reserve proves insufficient (notably concerning SIMCO properties as its revaluation reserve was eliminated by the merger), according to the following methods:

Investment Properties

A provision for depreciation is constituted on a line-by-line basis when a property's appraised value established by an independent appraiser is less than book value, minus a 15% deductible. The provision is primarily allocated to non-depreciable items and is adjusted every year on the basis of new appraisals.

Real estate assets held for sale

Buildings held for sale in the near term are valued at either their appraised or estimated market value. Depreciation is recognized when this amount is less than book value.

3.1.4 • Provisions for major repairs

a) *CRC* Regulation 2002-10, modified by *CRC* Regulation 2003-07, stipulates either application of a "components" approach or setting up provisions for significant maintenance and substantial renovations, no later than January 1, 2005. GECINA did not opt for an advance application of the "components" approach in FY 2004. As regards multi-year programs, the Group does not need to set up provisions for significant maintenance and substantial renovations.

b) The costs of building maintenance and refurbishing for new occupants are expensed to the fiscal year in which they are incurred. Renovations are capitalized.

3.2 • Long-term financial assets

Equity investments are recorded at their acquisition or subscription cost, except for those which have been revaluated and had been detained as of January 1, 2003. They primarily concern GECINA stakes in companies that own rental properties (equity interests, non-capitalized loans). Impairment is recognized for these securities and related receivables when they show depreciation with respect to their use value. Degree of impairment is calculated by taking several factors into account: restated NAV, profitability, and the strategic value of the investment for the Group.

Treasury stock is also entered as a long-term financial asset, except shares specifically allocated to employee and corporate officer option grants, which are recorded as marketable securities.

3.3 • Operating receivables

Receivables are carried at their nominal value. Rent receivables are provisioned when the risk of lease default becomes apparent, the provision amount based on the age of the debt, the legal situation and the lease terms.

3.4 • Marketable securities

Marketable securities are carried at cost in the balance sheet. An allowance for impairment is recognized whenever the estimated fair value is lower than the net book value.

Treasury stock specifically allocated to cover option grants to employees or corporate officers is also recorded as marketable securities. When necessary, this stock is depreciated based on the lowest option exercise price or the average stock price over the last month of the fiscal year.

3.5 • Adjustment accounts (assets)

This item primarily includes:
- Building refurbishment costs prior to market sale (and sales-related expenditures). These costs are recovered when the properties are sold.
- Fixed asset acquisition costs, which are amortized over five years.
- Bank fees charged to open lines of credit, spread over the maturity of the borrowing.
- Premiums on derivative hedging instruments spread over the term of the contracts.
- Issue or redemption premiums for bonds, which are amortized over the duration of the borrowing, using the straight-line method.

3.6 • Bonds

Bonds issued by the Company are carried at their redemption value. The redemption premiums are recorded, correspondingly, as balance sheet assets, and are amortized using the straight-line method over the duration of the borrowings.

3.7 • Financial instruments

The Group uses interest-rate swaps, caps and floors to hedge its interest-rate exposure on outstanding commitments. The resulting gains and losses are recorded in the statement of income on a prorata basis.

3.8 • Defined benefits

Retirement indemnity obligations

Accrued retirement indemnities paid in application of company or branch agreements are covered by insurance policies or provisions for the portion insufficiently or not covered by the insurance policies.

Supplemental retirement obligations with respect to certain employees

Commitments regarding additional retirement benefits for certain employees are estimated using the actuarial method and mortality tables. They are managed and administered by external organizations and involve payments to these organizations. Additional provisions are recognized when commitments are insufficiently covered.

Length-of-service awards

Provisions to cover commitments concerning length-of-service awards to employees were set up for the first time on December 31, 2004 (see 1.2 and 4.8), and recorded as an operating expense.

IV • Notes to the balance sheet

4.1 • Fixed assets

ASSETS in € thousands	GROSS VALUES AT 01/01/2004	REVALUATION [2]	ACQUISITIONS	DECREASES	GROSS VALUES AT 12/31/2004
Intangible fixed assets	**662**	**0**	**0**	**593**	**69**
Concessions, licenses and similar	662			593	69
Other					
Tangible fixed assets	**3,927,606**	**– 9,173**	**52,018**	**59,632**	**3,910,819**
Land	1,224,146	– 2,977		16,860	1,204,309
Buildings	2,602,324	– 4,442	41,866	39,367	2,600,381
Buildings on third-party-owned land	95,774	– 1,796	675		94,653
Other tangible fixed assets	2,159	42	139	1,169	1,171
Fixed assets in progress	3,106		9,338	2,236	10,208
Prepaids	97				97
Long-term financial assets	**2,628,271**	**0**	**988,858**	**457,659**	**3,159,470**
Equity interests	2,453,474		205,381	208,534	2,450,321
Receivables from controlled entities	89,802		522,581	76,243	536,140
Other long-term securities [1]	81,574		260,823	172,230	170,167
Loans	1,361		28	317	1,072
Other long-term financial assets	2,060		45	335	1,770
TOTAL	**6,556,539**	**– 9,173**	**1,040,876**	**517,884**	**7,070,358**

(1) Including treasury stock (see 4.4).
(2) As of December 31, 2004 (see 3.1.3).

The change in shareholdings was largely due to internal restructuring measures: dissolution of certain entities through complete transfer of assets, merger of subsidiaries via intra-group share swaps (GECITER and PARIGEST absorbed certain Group companies), capital increases at subsidiary level (SP1 and SP2).

Receivables from controlled entities reflect stable financing in the form of long-term loans, implemented by Gecina for its subsidiaries at the end of the fiscal period, which were partly booked in 2003 as "other receivables" (current account loans).

The most significant loans were €300,000 for "SOCIETE DES IMMEUBLES DE FRANCE", €84,000 for "RUE DE LA FAISANDERIE POISSY" and €40,000 for "1 QUAI M. DASSAULT SURESNES".

Receivables stemming from centralized cash management are maintained as current account loans (operating receivables).

AMORTIZATION in € thousands	GROSS VALUES AT 01/01/2004	REVALUATION	ALLOWANCES	RELEASES	GROSS VALUES AT 12/31/2004
Intangible fixed assets	**434**	**0**	**100**	**525**	**9**
Concessions, licences and similar	434		100	525	9
Tangible fixed assets	**41,692**	**– 145**	**44,202**	**1,159**	**84,590**
Buildings	38,436	– 84	41,200	556	78,996
Buildings on third-party-owned land	2,833	– 61	2,336		5,108
Other tangible fixed assets	423		666	603	486
TOTAL	**42,126**	**– 145**	**44,302**	**1,684**	**84,599**

DEPRECIATION in € thousands	GROSS VALUES AT 01/01/2004	ALLOWANCES	RELEASES	GROSS VALUES AT 12/31/2004
Intangible fixed assets	**0**	**0**	**0**	**0**
Concessions, licences and similar	0			0
Tangible fixed assets	**3,893**	**7,073**	**3,212**	**7,754**
Land	3,820	4,984	3,140	5,664
Buildings	73	2,089	72	2,090
Long-term financial assets	**193**	**36,195**	**0**	**36,388**
Equity interests	40	36,195		36,235
Receivables from controlled entities	0			0
Other long-term securities	0			0
Loans	0			0
Other long-term financial assets	153			153
TOTAL	**4,086**	**43,268**	**3,212**	**44,142**

The provision for depreciation of equity shareholdings constituted during the fiscal period pertains to the PARIGEST subsidiary's distribution of an exceptional dividend of €116,394,000 drawn from its reserves.

4.2 • Operating receivables

NET RECEIVABLES in € thousands	12/31/2004	12/31/2003	12/31/2002
Rent due	36,725	25,753	23,808
Provisions for impairment of rent due	– 14,368	– 14,291	– 12,738
TOTAL ACCOUNTS RECEIVABLE	**22,357**	**11,462**	**11,070**
Pre-payments on asset disposals	3,063	5,015	2,489
Group receivables (paid cash advances)	38,156	550,684	144,791
Accrued income	18,249	18,138	4,565
Other misc. receivables	7,981	21,062	5,756
Provisions for impairment of other receivables	– 332	– 315	– 285
TOTAL OTHER RECEIVABLES	**67,117**	**594,584**	**157,316**

As of December 31, 2004, accrued expenses relating to recoverable charges from tenants of recently consolidated companies were recorded for the first time. Consequently, an offsetting amount has been entered under “rent due” and “trade payables”.

4.3 • Marketable securities

GROSS VALUES in € thousands	12/31/2004	12/31/2003	12/31/2002
Marketable securities (money market mutual fund units) (1)	94,633	49,193	44,843
Convertible bonds (2)			322,473
Bonds		50,250	50,250
Accrued interest on bonds		2,890	11,917
Purchases of partial shares in merged companies	555		
Treasury shares, held for employees (3)	10,994	11,805	11,805
TOTAL	**106,182**	**114,138**	**441,288**

(1) The security portfolio consists of shares in money market funds.
(2) At the close of fiscal year 2002, GECINA held 3,667,873 SIMCO convertible bonds that had been tendered during the SIMCO acquisition.
The Board of Directors decided in 2003 to eliminate these bonds from balance sheet assets and correspondingly reduced the amount recorded under “convertible bonds” and “bond redemption premiums”.
(3) Treasury shares included for €10,994,000 the 226,421 GECINA shares held for the purchase options granted to employees and officers.

4.4 • Change in treasury stock

	NUMBER OF SHARES	in € thousands
Balance at 1/1/2004 (after two-for-one stock split)	1,606,082	81,574
Acquisitions	4,096,465	260,011
Cancellation for capital reduction	– 3,000,000	– 172,230
Transfer of shares held for employees (former employees)	16,579	812
Balance at 12/31/2004 (1)	**2,719,126**	**170,167**

(1) Carried as “other long-term financial assets”.

4.5 • Deferred expenses

in € thousands	12/31/2004	12/31/2003	12/31/2002
Acquisition of securities or properties amortized over 5 years	108	429	47,498
Renovation of properties sold by units booked as income as each unit is sold	611	337	2,401
Premiums on derivative hedging instruments spread over the term of the contracts	12,930	7,906	10,126
Bank fees for the opening of lines of credit and banks commissions and fees on bond issues, spread over the term of the loan starting from the first drawdown date	3,217	3,037	1,419
TOTAL	**16,866**	**11,709**	**61,444**

4.6 • Bond redemption premiums

This entry records as of December 31, 2004, the premiums related to non-convertible bonds issued in 2003 and 2004 and amortized over the duration of the borrowings (€833,000 amortized in 2004).

The decrease is primarily due to the conversion and early redemption of the GECINA and ex-SIMCO convertible bonds (see 1.1).

4.7 • Changes in share capital and net position

At the December 31, 2004, reporting date, share capital included 62,101,841 shares of stock, each with a par value of €7.50.

in € thousands	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES	REVALUATION DIFFERENTIAL	RETAINED EARNINGS	NET POSITION
12/31/2001	**288,571**	**368,830**	**249,138**	**0**	**26,170**	**932,709**
Bond conversions	4	32				36
Mergers		256,352	796			257,148
Public offering for SIMCO	117,121	617,744	11,237			746,102
2001 net income appropriation		– 35,197	1,008		– 26,170	– 60,359
12/31/2002	**405,696**	**1,207,761**	**262,179**	**0**	**0**	**1,875,636**
Bond conversions	19,524	97,595	1,953			119,072
Fusion	10,067	42,513	1,007		79,454	133,041
Mergers				1,602,284		1,602,284
Revaluation increases/decreases		425,459		– 451,533		– 26,074
2002 net income appropriation			264		5,056	5,320
12/31/2003	**435,287**	**1,773,328**	**265,403**	**1,150,751**	**84,510**	**3,709,279**
Bond conversions	51,718	275,381	4,497			331,596
Capital reduction	– 22,500	– 147,480	– 2,250			– 172,230
Capital increase (employees)	1,259	5,966	117			7,342
Revaluation increases/decreases				– 9,173		– 9,173
Line item transfers		– 683	146,654	– 145,971		0
Awaiting appropriation [(1)]					– 4,988	– 4,988
2003 net income appropriation		– 30,475	2,346		– 84,510	– 112,639
12/31/2004						
	465,764	**1,876,037**	**416,767**	**995,607**	**– 4,988**	**3,749,187**

(1) Exit tax on special long-term capital gain reserve.

Key transactions in 2004

The GECINA stock's par value was reduced by 50% on January 2, 2004.

Bond conversions led to the issuing of 6,895,814 new shares, and 130,861 shares were issued to meet employee stock option exercises. The launch of an employee investment fund and associated capital increase benefiting Group employees required the creation of 36,920 shares.

The capital reduction corresponds to the cancellation of 3,000,000 shares of treasury stock.

The decline in appraised value of portfolio buildings as of December 31, 2004, was charged to the revaluation reserve (see 3.1.3).

4.8 • Provisions for liabilities and charges

PROVISIONS in € thousands	GROSS VALUES AT 12/31/2002	GROSS VALUES AT 12/31/2003	ALLOWANCES	RELEASES	GROSS VALUES AT 12/31/2004
Provisions for taxes on capital contributions and mergers (1)	107,329	0			0
Provisions for tax audits (2)	27,763	41,328	438		41,766
Provisions for interest expense (3)		5,391	3,100		8,491
Provisions for risks related to subsidiaries		5,105			5,105
Other provisions for liabilities and charges (4)	4,795	3,675	878	3	4,550
TOTAL	**139,887**	**55,499**	**4,416**	**3**	**59,912**

(1) Provisions for deferred taxes on capital gains related to business contributions and mergers and for which deferrals have been granted in the case of transactions eligible for favorable tax treatment.
These provisions, which are released to earnings as the related merger capital gains become taxable earnings (over the average amortization schedule for built properties; for the total value in the case of property disposals), have been released in total for 2003, because of opting for the SIIC tax system and the payment of an exit tax of 16.5% on these gains, benefiting from deferrals.

(2) See 6.2

(3) This provision represents the valuation differential resulting from renegotiation in 2003 and 2004 to the schedule for existing interest-rate swap contracts covering the 2004-2008 period, the rates and terms of these contracts otherwise remaining unchanged. The provision will be reversed starting in 2005 based on the renegotiated schedule.

(4) In compliance with the French Accounting Board's recommendation 2003-R.01, a provision of €701,000 for length-of-service awards was constituted for the first time at the end of the fiscal period and recorded as an operating expense.
This item also includes a €2,702,000 provision to complement insurance coverage of supplementary retirement obligations.

4.9 • Borrowings and financing debt

BY DUE DATE in € thousands	LESS THAN 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS	TOTAL 12/31/2004	TOTAL 12/31/2003	TOTAL 12/31/2002
Convertible bond borrowings				0	368,321	488,705
Other bond borrowings	39,690	250,000	1,100,000	1,389,690	877,210	
Borrowings and financing debt (excluding Group)	463,667	809,556	16,809	1,290,032	1,064,476	2,733,348
Group financing debt	154,381			154,381	751,221	35,985
TOTAL	**657,738**	**1,059,556**	**1,116,809**	**2,834,103**	**3,061,228**	**3,258,038**

The line items for 2003 essentially concern the issuing of non-convertible bonds for €850,000, in replacement of bank lines of credit.

The changes in 2004 resulted mainly from:
- conversion or early redemption of convertible bonds;
- a €500,000 bond issue;
- reorganization of intra-group borrowing.

Convertible bonds: converted or redeemed as of 12/31/2004

ISSUE DATE	ex-GFC 10/03/97	GECINA 2002 11/15/2002	SIMCO 1997 (1) 7/09/97
Issue value	€133,572,231	€289,651,931	€13,311,657
Issue price	€91.47	€78.97	€78.97
Redemption price	€101.88	€93.15	€93.15
Number of bonds issued	1,460,294	3,667,873	168,566
Par value	3.25%	3.25%	3.25%
Maturity	January 1, 2004	January 1, 2006	January 1, 2006
Conversion parity	2 shares for 1 bond	18 shares for 10 bonds	18 shares for 10 bonds
Situation as of 12/31/2004			
Bonds still outstanding	0	0	0
Bonds converted or redeemed	1,460,294	3,667,873	168,566
Debt on the balance sheet	**0**	**0**	**0**
Possible new shares resulting from conversion	0	0	0

(1) bonds not converted.

Bonds: €1,350,000,000

ISSUE DATE	2/19/2003	4/17/2003	10/17/2003	6/01/04
Issue value	€496,670,000	€99,049,000	€249,587,500	€498,280,000
Issue price	€993.34	€990.49	€998.35	€996.56
Redemption price	€1,000	€1,000	€1,000	€1,000
Number of bonds issued	500,000	100,000	250,000	500,000
Par value	4.875%	4.875%	3.625%	4.875%
Maturity	February 19, 2010	February 19, 2010	October 17, 2007	January 25, 2012
Debt on the balance sheet	**€500,000,000**	**€100,000,000**	**€250,000,000**	**€500,000,000**
Issue premium	€3,330,000	€951,000	€412,500	€1,720,000

Bank covenants

The Group's main lines of credit include contractual terms requiring adherence to certain financial ratios (based on consolidated figures), determining interest conditions or early repayment clauses. The most important ratios can be summarized as follows:

	STANDARD	AS OF 12/31/2004 (CONSOLIDATED)
Net financial debt / Revalued block value of property holdings	maximum 50% (1)	36.3%
EBITDA (excluding divestments) / Financial expense	minimum 2.25/2.50 (1)	3.27
Value of security deposits / Block value of property holdings	maximum 15%/20%	5.0%
Minimum block value of property held	minimum €6,000 m	€8,067 m

(1) Excluding temporary exceptions.

GECINA has a bond issue contract and bank financing contracts that contain clauses permitting creditors to require early redemption in such cases as a change in control of the company, cross defaults or a significant decline in its agency ratings.

4.10 • Exposure to interest-rate risk

in € thousands	DEBT BEFORE HEDGING AT 12/31/2004	IMPACT OF HEDGING INSTRUMENTS AT 12/31/2004		DEBT AFTER HEDGING AT 12/31/2004	DEBT AFTER HEDGING AT 12/31/2003	DEBT AFTER HEDGING AT 12/31/2002
Floating rate financing debt	1,137,187	– 1,989,694	1,345,000	492,493	– 350,741	472,546
Fixed rate financing debt	1,488,791	1,989,694	– 1,345,000	2,133,485	2,611,851	2,707,503
Net interest bearing financing debt (*)	**2,625,978**	**0**	**0**	**2,625,978**	**2,261,110**	**3,180,049**

(*) Gross value excluding accrued interest, bank overdraft facilities and Group debt.

Derivative instruments

in € thousands	12/31/2004	12/31/2003	12/31/2002
Swaps of fixed rates for floating rates	1,309,694	1,376,115	1,573,712
Caps and corridors	680,000	680,000	680,000
Swaps of floating rates for fixed rates	1,345,000	847,000	50,250
TOTAL	**3,334,694**	**2,903,115**	**2,303,962**

The interest rate exposure of Group debt is hedged through €3.334 billion in derivative instruments, including €1.345 billion of floating/fixed rate swaps relating only to bond issues. Fair value for the derivative portfolio shows a termination cost of €47,200,000 as of December 31, 2004.

Based on the contract terms for the current hedging portfolio as of December 31, 2004, a 1% rise in interest rates would negatively impact fiscal year 2005 net profit by €2,600,000. A 1% drop in interest rates would reduce net profit by €3,500,000.

4.11 • Accrued expenses and income, prepaid income and expenses

These items are recorded under the following balance sheet headings:

in € thousands	12/31/2004	12/31/2003	12/31/2002
Bonds	39,691	37,100	13,328
Financial debt	9,835	7,615	18,574
Trade payables	13,916	11,476	13,621
Taxes due and other employee-related liabilities	11,940	8,504	4,163
Other	787	1,065	1,031
Total accrued liabilities	**76,169**	**65,760**	**50,717**
Prepaid income	**12,995**	**7,183**	**378**
TOTAL LIABILITIES	**89,164**	**72,943**	**51,095**
Long-term financial investments	0	5,132	105
Trade note receivables	13,251	5,761	6,055
Other receivables	18,249	19,340	3,889
Marketable securities	0	2,890	11,916
Cash and near cash	3,559	1,718	0
Total accrued income	**35,059**	**34,841**	**21,965**
Prepaid expenses	**1,455**	**539**	**127**
TOTAL ASSETS	**36,514**	**35,380**	**22,092**

4.12 • Security deposits

This entry totals €41,500,000, mainly attributable to tenant security deposits.

4.13 • Other liabilities

All other liabilities are current, with the exception of an exit tax linked to selection of SIIC tax status. The exit tax balance of €215,000 is payable in two installments in 2005 and 2006 (due December 15). The Group is also liable for an exit tax on long-term capital gains of €5,000 with 50% to be paid on March 15, 2006, and the balance on March 15, 2007.

4.14 • Off-balance sheet commitments

in € thousands	12/31/2004	12/31/2003	12/31/2002
Commitments received			
Bank guarantees received in respect of real estate management business	145	145	145
Unused lines of credit	715,000	937,847	127,841
Swaps [(2)]	3,151,694	2,223,114	2,203,962
Caps [(3)]	1,180,000	680,000	680,000
Commitments or options to acquire property	70,356	63,256	688,563
Other	6,530	6,530	6,530
TOTAL	**5,123,725**	**3,910,892**	**3,707,041**
Commitments granted			
Pledges, security deposits and guarantees [(1)]	265,610	280,494	140,742
Guarantees given on swap differentials realised by subsidiaries (notional amount)	221,345	234,913	120,651
Swaps [(2)]	3,151,694	2,223,114	2,203,962
Floors [(3)]	1,180,000	680,000	680,000
Debt guaranteed by collateral	30,162	35,246	108,196
Exclusive or first refusal rights on property sales	70,356	63,256	688,563
TOTAL	**4,919,167**	**3,517,023**	**3,942,114**

(1) Including deposits given by Gecina as of 12/31/2004 on behalf of Group companies for 265,137,000.
(2) Including futures hedging for €497,000,000.
(3) Including futures hedging for €500,000,000.

All material obligations have been reported in the preceding notes.

Retirement indemnity obligations (see 3.9)

The amount of retirement indemnity paid is covered by insurance policies that provided satisfactory coverage of the company's commitments as of December 31, 2004.

Commitments regarding additional retirement benefits managed by external organizations, as a result of additional allowances recorded on the balance sheet, provided overall balanced coverage for a total commitment of €12,465,000, discounted at 5%.

V • Notes to the income statement

5.1 • Income

in € thousands	2004	2003	2002
Rents			
Rents from residential properties	191,464	196,141	131,967
Rents from commercial and office properties	76,553	92,262	54,104
Total rents	**268,017**	**288,403**	**186,071**
Net gain on disposals	10,310	2,585	121,034
TOTAL	**278,327**	**290,988**	**307,105**

Owing to the voluntary revaluation of the property portfolio as of January 1, 2003 (see note 1.1.1), disposals in fiscal years 2003 and 2004 did not generate significant capital gains.

5.2 • Operating expenses

Operating expenses (excluding depreciation and amortization) include €58,919,000 in building expenses rebilled to tenants.

5.3 • Allowances for depreciation, amortization and provisions

These items primarily reflect depreciation of buildings and fixtures, allocations to a depreciation reserve as defined in notes 3.1.2 and 3.1.3, and provisions for liabilities and charges (see 4.8) and securities (see 5.4).

		2004		2003		2002	
in € thousands		ALLOWANCES	RELEASES	ALLOWANCES	RELEASES	ALLOWANCES	RELEASES
Depreciation of fixed assets		44,157		45,070		25,941	
Depreciation of deferred expenses		3,610		52,047		4,625	
Provisions on tangible fixed assets		7,073	3,212	3,893		9,591	4,981
Provisions on long-term financial assets		36,196					9,023
Rent due		695	674	4,054	3,930	2,077	1,331
Other liabilities and charges		4,415	80	25,662	115,155	11,456	6,334
Bond redemption premiums		833		6,989		3,127	
Other		192		29	260	181	71
TOTAL		**97,171**	**3,966**	**137,744**	**119,345**	**56,998**	**21,740**
Including	– operating	53,470	3,966	57,011	4,232	40,786	6,781
	– financial	43,264		61,020	1,636	5,277	9,023
	– non-recurring and taxes	437		19,713	113,477	10,935	5,936

5.4 • Financial results

Significant amortization and provisions included:

- €833,000 in amortization of bond redemption premiums during the period;
- a €3,100,000 provision to reflect the change in value after renegotiation in 2004 of an interest rate swap contract covering the 2004-2008 period (see 4.8);
- a €36,194,000 provision for PARIGEST shares following its exceptional dividend distribution of €116,000 of reserves;
- €3,037,000 in amortization of deferred interest expenses.

The increase in financial revenues stemmed primarily from dividend distributions by Group subsidiaries, and notably PARIGEST's exceptional dividend payout (see above).

5.5 • Exceptional profit

in € thousands	2004	2003	2002
Losses on cancelled shares in acquired companies		– 2,519	
Capital gains/losses on the sale of securities	10,299	7,994	– 385
Provisions for taxes/partial business mergers, and tax assessments	– 437		– 5,070
Other exceptional gains and losses	267	– 512	285
Exceptional profit/loss	**10,129**	**4,963**	**– 5,170**

Capital gains from stock sales result from share exchanges following the merger of certain Group entities (see note 4.1).

5.6 • Transactions with affiliated companies

in € thousands ASSETS		LIABILITIES		FINANCIAL RESULT	
Long-term financial assets	2,950,080	Financial debt	153,064	Financial expenses	53,917
Trade note receivables	443	Trade notes payable	1,673		
Other receivables	38,199	Other debt	2,057	Financial revenues	213,597
Guarantees and pledges given by GECINA on behalf of its subsidiaries			486,482		

VI • Other relevant information

6.1 • Events subsequent to December 31, 2004

On March 14, 2005, the Board of Directors was informed of the sale of 30% of the Group's share capital by AGF and Azur-GMF to Metrovacesa and of Metrovacesa's proposed bid to acquire 100% of the share capital.

6.2 • Non-recurring events and litigation

Certain companies were subject to tax inspections and notified of tax assessments that have essentially been contested. The Group is also subject to a direct or indirect vicarious liability action and other legal procedures launched by third parties. Based on the best estimates of the Group and its advisors, there is no material risk that might significantly affect the Group's earnings or financial position.

6.3 • Workforce

AVERAGE WORKFORCE	2004	2003	2002
• Managers	138	144	75
• Non-management staff	146	162	87
• Building staff and laborers	323	377	233
TOTAL	**607**	**683**	**395**

6.4 • Compensation paid to directors and officers of the Company

Directors' fees paid to members of the Board of Directors for the fiscal year totaled €258,000.

6.5 • Loans and guarantees granted to directors and officers of the Company

None.

6.6 • Identity of the Parent Company

GECINA is accounted for by the equity method in the financial statements of Assurances Générales de France, 87, rue de Richelieu, 75009 Paris.

6.7 • Stock options

	(1)	(1)	(1)				(1)		
Date of Shareholders' Meeting	June 19, 1996	June 7, 2000	June 7, 2000	June 6, 2001	June 6, 2001	June 6, 2001	June 5, 2002	June 6, 2001	June 2, 2004
Date of Board of Directors' Meeting (when options were granted)	Sept. 29, 1999	Sept. 27, 2000	Sept. 26, 2001	June 6, 2001	Sept. 26, 2001	June 5, 2002	Sept. 25, 2002	Nov. 25, 2003	Oct. 12, 2004
Date of expiration	Sept. 29, 2004	Sept.27, 2010	Sept. 26, 2011	June 5, 2009	Sept. 25, 2009	June 4, 2010	Sept. 25, 2012	Nov. 24, 2011	Oct. 11, 2014
Number of shares (after adjustment) (2)	50,575	127,356	128,266	55,591	47,501	123,329	162,822	275,974	313,000
Subscription or purchase price (after adjustment)	€43.18	€40.13	€39.16	€47.87	€46.99	€47.20	€44.28	€51.82	€64.92
Number of shares exercised	50,575	62,061	18,225	–	–	–	–	–	–

(1) Within the framework of the transfer of commitments, relating to stock options, made by SIMCO.
(2) Available for subscription as of January 1, 2004, after adjustment.

6.8 • Statement of cash flow

in € thousands	12/31/2004	12/31/2003	12/31/2002
Cash flow from operations			
Net income	195,373		
Elimination of expenses and income with no material impact on cash flow			
– Depreciation and amortization	93,069		
– Investment subsidies recognized in the income statement	– 268		
– Net capital gains on asset disposals	– 34,102		
– Loss on cancelled shares in acquired companies	19,230		
– Recovery of redemption premiums following bond conversions	– 8,540		
Gross cash flow	**264,762**		
Change in working capital requirements			
– Operating receivables	1,394		
– Trade payables excluding SIIC option debt	15,354		
NET CASH FLOW FROM OPERATIONS	**281,510**	**55,092**	**70,077**
Cash flow from investment activities			
Acquisitions of fixed assets	– 845,154		
Sales of fixed assets	81,950		
Payment of the exit tax (1)	– 107,371		
Reductions of long-term financial assets	76,896		
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**– 793,679**	**890,797**	**– 1,373,301**
Cash flow from financing activities			
Dividends paid	– 133,908		
Paid-in capital increase	7,343		
Debt issues	2,427,315		
Debt redemptions	– 1,704,930		
NET CASH FLOW FROM FINANCING ACTIVITIES	**595,820**	**– 1,573,078**	**1,655,569**
CHANGE IN CASH FLOW	**83,651**	**– 627,189**	**352,345**
Cash flow at start of period	– 89,342		
Cash flow at end of period	– 5,691		

(1) A quarter of the exit tax (€429.5 million) is paid every December 15 from 2003 to 2006. These payments are considered as a reduction in cash for investment/disvestment operations (see 4.9).

Analysis of subsidiaries and equity interests

FINANCIAL INFORMATION in € thousands / SUBSIDIARIES AND EQUITY INTERESTS	EQUITY CAPITAL	SHARE-HOLDERS' EQUITY (OTHER THAN EQUITY CAPITAL)	% EQUITY OWNERSHIP	BOOK VALUE OF SHARES OWNED		OUTSTANDING LOANS AND ADVANCES GRANTED BY THE COMPANY	GUARANTEES AND SURETIES GIVEN BY THE COMPANY	REVENUES (EXCL. TAXES) FOR THE MOST RECENT YEAR ENDED	EARNINGS (PROFIT OR LOSS FOR THE MOST RECENT YEAR ENDED)	DIVIDEND ACCOUNTED FOR BY THE COMPANY DURING THE YEAR
				GROSS	NET					
A - Detailed information on subsidiaries and equity interests:										
SA SOCIETE DES IMMEUBLES DE FRANCE	62,405	1,297,113	99.28%	1,299,108	1,299,108	–	–	35,170	47,396	31,803
SAS GECITER*	13,959	590,356	100.00%	596,645	596,645	300,000	1,658	44,512	15,094	21,174
SA PARIGEST*	96,462	240,523	100.00%	414,800	378,605	–	–	25,774	16,195	129,236
SCI PARIS SAINT-MICHEL	31,946	2,208	100.00%	36,799	36,799	–	–	2,632	1,632	0
SAS SPL	22,898	3,755	100.00%	25,435	25,435	–	–	3,739	1,301	0
SNC MICHELET	–	29,638	99.00%	20,965	20,965	–	–	13,554	6,942	5,557
SAS INVESTIBAIL TRANSACTIONS	16,515	2,958	100.00%	15,900	15,900	–	–	1,922	– 16	0
SCI du 150 ROUTE DE LA REINE à Boulogne	–	1,697	99.00%	8,228	8,228	60	–	4,116	2,141	0
SAS PARISIENNE IMMOBILIERE D'INVESTISSEMENT 1	1,000	– 125	100.00%	6,145	6,145	562	220,987	9,829	351	0
SCI BEAUGRENELLE	22	186	50.00%	5,608	5,608	19,431	–	3,926	186	0
French subsidiaries and equity interests < 1% K parent company										
Other subsidiaries and equity interests										
a. French subsidiaries (total)				19,003	18,963	41,414	263,475	35,538	332	4,165
b. Foreign subsidiaries (total)				–	–	–	–	–	–	–
c. Equity interests in French companies (total)				1,537	1,537	–	–	743	326	125
d. Equity interests in foreign companies (total)				–	–	–	–	–	–	–

* After business combination.

Five-year financial summary

	2000	2001	2002	2003	2004
I - SHARE CAPITAL AT THE END OF THE PERIOD				(2)	
Share capital (in € thousands)	293,280	288,571	405,696	435,287	465,764
Number of ordinary shares outstanding	19,237,876	19,238,050	27,046,376	58,038,246	62,101,841
Maximum number of shares to be issued by bond conversions and/or exercise of subscription rights	2,197,370	2,252,326	4,735,003	7,908,646	175,336
II - OPERATIONS AND PROFIT FOR THE FISCAL YEAR (in € thousands)		(1)			
Revenues (excluding taxes)	149,611	171,415	186,346	288,758	268,017
Pre-tax profit, depreciation and amortization	103,999	57,677	186,269	115,179	287,043
Corporate income tax	30,219	30,174	40,835	75,512	– 1,536
Profit after tax, depreciation and amortization	89,305	5,857	110,176	21,268	195,373
Distributed profit	62,084	69,257	108,186	140,453	229,777
III - EARNINGS PER SHARE (in €)		(1)			
Earnings after tax, before depreciation and amortization	3.87	1.48	7.19	0.68	4.65
Earnings after tax, depreciation and amortization	4.68	0.32	5.45	0.37	3.15
Net dividend per share	3.34	3.60	4.00	2.45	3.70
IV - WORKFORCE					
Average number of employees during the fiscal year	368	363	395	683	607
Annual payroll expense (in € thousands)	10,228	10,265	13,008	26,898	22,422
Annual employee benefits, including social security and other social charges (in € thousands)	4,973	5,162	5,171	11,144	11,061

(1) Including loss on cancelled shares in acquired companies (60,296,000).
(2) Data adjusted for the two-for-one stock split on January 2, 2004.

Group organization chart
at December 31, 2004

- **GECINA** — Residential: 70% / Commercial: 30%
  - **GECITER** — Commercial: 100%
    - **26-28 SAINT-GEORGES** — Commercial: 100%
    - **23-29 CHATEAUDUN** — Commercial: 100%
    - **FAISANDERIE-POISSY** — Commercial: 100%
    - **QUAI M. DASSAULT-SURESNES** — Commercial: 100%
    - **FINANCIERE BANVILLE** — Commercial: 100%
      - **IMMOBILIERE ET COMMERCIALE BANVILLE** — Commercial: 100%
      - **153 RUE DE COURCELLES** — Commercial: 100%
      - **RESTAURANT DU BANVILLE**
  - 99.28% **SIF** — Residential: 15% / Commercial: 85%
    - **5 MONTMARTRE** — Commercial: 100%
    - **55 AMSTERDAM** — Commercial: 100%
    - **CAPUCINES** — Commercial: 100%
    - **ST-AUGUSTIN MARSOLLIER** — Commercial: 100%
    - **MONTTESSUY** — Commercial: 100%
    - **SPIPM** — Commercial: 100%
    - **SADIA** — Commercial: 100%
    - **HOTEL D'ALBE** — Commercial: 100%
    - 70.26% **RENTE IMMOBILIERE** — Commercial: 100%
    - **CFG** — Third-party management firm
  - **MICHELET-LEVALLOIS** — Commercial: 100%
  - **ROUTE DE LA REINE** — Commercial: 100%
  - **PARISIENNE IMMOBILIERE D'INVESTISSEMENT 1** — Commercial: 100%
  - **PARISIENNE IMMOBILIERE D'INVESTISSEMENT 2** — Commercial: 100%
  - **16 VE INVESTISSEMENT** — Commercial: 100%
  - **77-81 BOULEVARD SAINT-GERMAIN** — Commercial: 100%
  - **SPL** — Commercial: 100%
  - **AIC** — Commercial: 100% / Property dealer
  - **INVESTIBAIL TRANSACTIONS** — Commercial: 100% / Property dealer
  - 50% **BEAUGRENELLE** — Commercial: 100%
  - 59.70% **LABUIRE AMENAGEMENT** — Commercial: 100% / Property dealer
  - **PARIGEST** — Residential: 54% / Commercial: 46%
  - **PARIS SAINT-MICHEL** — Residential: 100%
  - **TOUR H15** — Residential: 100%
  - **GEC 3** — Residential: 100%
  - **FEDIM** — Residential: 100% / Property dealer
  - 36.55% **SGIL** — Residential: 100%
  - **GEC 1** — Shell company
  - **GEC 2** — Shell company
  - **LOCARE** — Real estate transactions
  - **FONCIGEF** — Real estate agency
  - **SOGECIL** — Corporation in liquidation
  - **UNION IMMOBILIERE DE GESTION** — Property management
  - **FONCIRENTE** — Real estate management partnership
  - **GIE GESSI** — IT and facilities management service provider

Statutory
Auditors' reports

Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2004

(This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In compliance with the assignment entrusted to us by the Shareholders' Meeting, we have audited the accompanying consolidated financial statements of GECINA for the year ended December 31, 2004.

The consolidated financial statements have been approved by the Board of Directors. Our responsibility 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with the accounting rules and principles applicable in France.

Without qualifying the opinion expressed above, we draw your attention to Note 1.2.c of the consolidated financial statements which discloses the change in accounting method resulting from the adoption of Recommendation 2003-R.01 of the *"Conseil National de la Comptabilité"* concerning long-term service awards.

2 • Justification of our assessments

In accordance with the requirements of article L.225-235 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Change in accounting method:
In the context of our assessment of your Company's accounting rules and principles, we obtained assurance about the appropriateness of the change in accounting method mentioned above and of its presentation.

Application of accounting methods and principles:
Note 3.1.4 to the consolidated financial statements sets out accounting methods and principles relating to the component approach and provisions for charges concerning major overhaul and capital repairs in the context of CRC regulations 2002-10 and 2003-07. We have verified whether the above-mentioned accounting principles and the information provided in the Note were appropriate.

Accounting estimates:
As described in Note 3.1.3 to the consolidated financial statements, the Group's real-estate assets have been subject to appraisal procedures by independent real estate experts. With regard to appraisals as of December 31, 2004, we have ensured that:
- the book values of the revalued real-estate assets have been duly adjusted by crediting the revaluation reserve in accordance with the provisions of the *"Comité d'Urgence du CNC"* dated June 11, 2003;
- sufficient provisions were recorded in accordance with the Company's accounting principles.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

3 • Specific verification

In accordance with professional standards applicable in France, we have also verified the information given on the Group in the management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris and La Défense, April 5, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars et Guérard
Eric Bulle	Philippe Castagnac

Statutory Auditors' report on the annual financial statements for the year ended December 31, 2004

(This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In compliance with the assignment entrusted to us by the Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2004, 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 responsibility is to express an opinion on these financial statements based on our audit.

1 • Opinion on the annual 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 annual financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of December 31, 2004, 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 the opinion expressed above, we draw your attention to Note 1.2 of the annual financial statements which discloses the change in accounting method resulting from the adoption of Recommendation 2003-R.01 of the *"Conseil National de la Comptabilité"* concerning long-term-service awards.

2 • Justification of our assessments

In accordance with the requirements of article L.225-235 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Change in accounting method:
In the context of our assessment of your Company's accounting rules and principles, we obtained assurance about the appropriateness of the change in accounting method mentioned above and of its presentation.

Application of accounting methods and principles:
Note 3.1.4 to the financial statements sets out accounting methods and principles relating to the component approach and provisions for charges concerning major overhaul and capital repairs in the context of CRC regulations 2002-10 and 2003-07. We have verified whether the above-mentioned accounting principles and the information provided in the Note were appropriate.

Accounting estimates:
As described in Note 3.1.3 to the financial statements, GECINA's real-estate assets have been subject to appraisal procedures by independent real estate experts. With regard to appraisals as of December 31, 2004, we have ensured that:

- the book values of the revalued real-estate assets have been duly adjusted by crediting the revaluation reserve in accordance with the provisions of the *"Comité d'Urgence du CNC"* dated June 11, 2003;
- sufficient provisions were recorded in accordance with the company accounting principles.

The assessments were made in the context of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

3. Specific verifications and information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and the conformity with the annual 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 annual financial statements.

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, have been properly disclosed in the management report.

Paris and La Défense, April 5, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars et Guérard
Eric Bulle	Philippe Castagnac

Statutory Auditors' special report on regulated agreements
Year ended December 31, 2004

(This is a free translation into English of the Statutory Auditors' special report issued in the French language and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we are required to report to you on regulated agreements that have come to our attention. Our responsibility does not include identifying any undisclosed agreements.

We hereby inform you that we have not been informed of any agreement pursuant to article L.225-38 of the French Commercial Code *(Code de commerce)*.

Paris and La Défense, April 5, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars et Guérard
Eric Bulle	Philippe Castagnac

Special Statutory Auditors' report on the authorization to increase the share capital by issuing shares and/or share equivalents, with or without elimination of preferential subscription rights, and/or share equivalents granting entitlement to debt securities

(This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In our capacity as Statutory Auditors of GECINA and in compliance with the assignment provided for in articles L.225-129-2, L.225-135, L.225-138, L.228-92 and L.228-93 of the French Commercial Code, we set out below our report on the authorizations requested by your Board of Directors to enable them, for a twenty-six month period as from the date of this Shareholders' Meeting, to carry out, with or without elimination of preferential subscription rights, issues of shares of capital and/or share equivalents granting access to the share capital of GECINA and companies of which it directly or indirectly holds more than half the share capital, operations on which you are requested to make a decision. The number of shares to be created may be increased under the conditions provided for by article L.225-135-1 of the French Commercial Code.

Our report also relates to the authorization requested by the Board of Directors to issue share equivalents granting entitlement to debt securities.

Your Board of Directors proposes, on the basis of its report, that you delegate to it, with the possibility for it to subdelegate, your powers to carry out a share issue in an amount of €200 million and to determine the terms and conditions thereof, pursuant to article L.225-129-2 of the French Commercial Code, for a twenty-six month period. It also proposes to eliminate your preferential subscription rights.

We carried out our assignment in accordance with the professional standards applicable in France. These standards require that we carry out procedures in order to verify the terms and conditions for determining the issue price of the shares and/or share equivalents to be issued, with elimination of the preferential subscription rights where applicable, as well as the terms and conditions for determining the issue price of share equivalents granting entitlement to debt securities.

Subject to a subsequent review of the terms and conditions of the proposed share issues, we are not in a position to comment on the terms and conditions of determining the issue price of the shares and share equivalents granting access to the Company's capital and/or the share equivalents granting entitlement to debt securities which are not specified in the Board of Directors' report.

As the issue price of new shares and/or share equivalents granting access to the Company's capital or entitlement to debt securities, where applicable, is to be determined by the Board of Directors when the operations are carried out, we are not in a position to comment on the final terms and conditions under which the share issue will be conducted nor, in consequence, on the proposed elimination of shareholders' preferential subscription rights to subscribe for certain such issues, the principle of which is in keeping with the nature of the proposed operation.

In accordance with article 155-2 of the French Decree of March 23, 1967, we will prepare an additional report when the operations are carried out by your Board of Directors.

Paris and la Défense, June 9, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars & Guérard
Eric Bulle	Philippe Castagnac

Special Statutory Auditors' report on the authorization to increase the share capital by issuing shares or share equivalents, with elimination of the shareholders' preferential subscription rights

(This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In our capacity as Statutory Auditors' of GECINA and in compliance with the assignment provided for by the French Commercial Code and, in particular, articles L.225-135 and L.228-92, we present below our report on the authorizations requested by your Board of Directors, pursuant to article L.225-147 of the French Commercial Code, to enable them, for a twenty-six month period as from the date of this Shareholders' Meeting, to increase the share capital, by up to 10% of your Company's capital, with elimination of the shareholders' preferential subscription rights, on one or more occasions, by issuing shares or share equivalents as payment for contributions in kind made to your Company in accordance with the terms and conditions described in the related proposed resolution.

Your Board of Directors suggests, on the basis of its report, that you delegate to it, pursuant to article L.225-129-2 of the French Commercial Code, your powers to decide on the share issues to be carried out and also proposes to eliminate your preferential subscription rights.

We carried out our assignment in accordance with the professional standards applicable in France. These standards require that we carry out procedures in order to verify the terms and conditions for determining the issue price of the shares or share equivalents to be issued and, where applicable, the elimination of the preferential subscription rights.

As the issue price of new shares is to be determined by the Board of Directors when the operations are carried out, we are not in a position to comment on the final terms and conditions under which these issues will be conducted, nor, in consequence, on the proposed elimination of shareholders' preferential rights to subscribe for certain such issues, the principle of which is in keeping with the nature of the proposed operation.

In accordance with article 155-2 of the French Decree of March 23, 1967, we will prepare an additional report when the operations are carried out by your Board of Directors.

Paris and la Défense, June 9, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Bulle

Mazars & Guérard
Philippe Castagnac

Special Statutory Auditors' report on the share issue reserved for employees who are members of a Company employee savings plan

(This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with article L.225-138-II of the French Commercial Code, we present below our report on the authorizations requested by your Board of Directors in order to offer them the possibility to carry out an increase in share capital of a total maximum amount of €15 million, by means of the issue of shares or share equivalents reserved for the employees of GECINA and the employees of French or foreign consolidated companies who are members of a Company employee savings plan, an operation on which you are called upon to make a decision.

This share issue is submitted for your approval pursuant to the provisions of articles L.225-129-6 and L.225-138-1 of the French Commercial Code and article L.443-5 of the French Labor Code.

Your Board of Directors invites you, on the basis of its report, to grant it, for a period of 26 months and within the context of article L.225-129-2, the powers to decide on the operation and set the terms and conditions for the share issue.

Your Board of Directors also proposes to eliminate your preferential subscription rights in favor of the employees for whom the share capital increase is reserved.

We carried out our assignment in accordance with the professional standards applicable in France. These standards require that we carry out procedures in order to verify the terms and conditions for determining the issue price of the new shares.

In the absence of any information relating to the terms and conditions for determining the issue price and as the issue price of new shares is to be determined by the Board of Directors when the operation is carried out, we are not in a position to comment on the final terms and conditions under which this issue will be conducted, nor, in consequence, on the proposed elimination of shareholders' preferential rights to subscribe for such issue, the principle of which is in keeping with the nature of the proposed operation.

In accordance with article 155-2 of the French Decree of March 23, 1967, we will prepare an additional report when the operations are carried out by your Board of Directors.

Paris and la Défense, June 9, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars & Guérard
Eric Bulle	Philippe Castagnac

Special Statutory Auditors’ report on the grant of free shares in the form of existing shares or shares to be issued to certain employees and corporate officers

(This is a free translation into English of the Statutory Auditors’ report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with the assignment provided for by article L.225-197-1 of the French Commercial Code, we have prepared this report on the proposal to grant free shares in the form of existing shares or shares to be issued to certain employees and corporate officers of GECINA and related companies or groupings as defined by article L.225-197-2 of the French Commercial Code.

Your Board of Directors proposes that you authorize it to grant free shares in the form of existing shares or shares to be issued. It is the Board’s responsibility to draw up a report on this operation which it desires to perform. It is our responsibility to provide you, where applicable, with our observations on the information which is given to you on the proposed operation.

In the absence of any specific professional standards applicable to such an operation, which is the result of a provision of French legislation adopted on December 30, 2004, we implemented the procedures which we considered necessary. These procedures consisted in verifying, in particular, that the proposed terms and conditions described in the Board of Directors’ report fall within the scope of the provisions laid down by French law.

We have no observations to make on the information provided in the Board of Directors’ report concerning the proposed operation for the granting of free shares.

Paris and la Défense, June 9, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Bulle

Mazars & Guérard
Philippe Castagnac

Statutory Auditors’ report on the proposal to reduce the capital by cancelling shares (article L.225-209 of the French Commercial Code)

(This is a free translation into English of the Statutory Auditors’ report issued in the French language and is provided solely for the convenience of English speaking readers. This attestation should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In our capacity as Statutory Auditors of GECINA, and as required by article L.225-209, paragraph 5, of the French Commercial Code in the case of a capital reduction carried out by cancelling shares bought back by the issuer, we present below our report on our assessment of the reasons for the proposed capital reduction and the terms and conditions of the operation.

We carried out our work in accordance with French professional standards. Those standards require that we perform procedures to obtain assurance concerning the reasonableness of the decision to reduce the capital and of the terms and conditions of the proposed operation.

The proposed capital reduction will concern shares representing up to 10% of the Company’s capital bought back pursuant to article L.225-209, paragraphs 3 and 5 of the French Commercial Code. At the Annual Meeting, shareholders’ will be asked to give an 18-month authorization to the Company to implement the buyback program.

Shareholders are asked to grant the Board of Directors full powers, for a period of 26 months, to cancel the shares acquired, provided that the aggregate number of shares canceled in any given period of 24 months does not exceed 10% of the Company’s capital.

We have no matters to report concerning the reasons for and the terms and conditions of the proposed capital reduction, the implementation of which is conditional upon shareholders authorizing the buyback program.

Paris and la Défense, June 9, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Bulle

Mazars & Guérard
Philippe Castagnac

Draft resolutions,
Shareholders' Meeting of June 29, 2005

Ordinary resolutions

FIRST RESOLUTION • Approval of the annual financial statements

The Shareholders' Meeting, having read the Reports of the Board of Directors, the Chairman, and the Statutory Auditors, hereby approves the annual financial statements for the fiscal year ended December 31, 2004, as presented, together with the transactions referred to in the aforementioned reports, showing a net profit of €195,372,993.

SECOND RESOLUTION • Approval of the consolidated financial statements

The Shareholders' Meeting, having read the Reports of the Board of Directors, the Chairman, and the Statutory Auditors, hereby approves the consolidated financial statements for the year ended December 31, 2004, as presented, together with the transactions referred to in the aforementioned reports, showing a net profit of €174,830,000, Group share.

THIRD RESOLUTION • Transfer to a reserve account

The Shareholders' Meeting decides to transfer to a specific reserve account the revaluation difference related to assets sold during the fiscal year and the additional depreciation resulting from such revaluation in an amount of €25,982,146.

FOURTH RESOLUTION • Appropriation of profit

The Shareholders' Meeting hereby approves the proposals made by the Board of Directors, and resolves to appropriate the following amounts:

From total profit for the year	€195,372,993
Increased by a transfer from additional paid-in capital	€34,403,819
A total amount of	€229,776,812
or distribution of a net dividend of €3.70 per share, of which €2 per share under the SIIC system, representing a maximum amount of	€229,776,812

The total distributable dividend and the deducted amounts shall be adjusted to take into account treasury shares held by the Company on the date of dividend payout, which by law are not eligible for dividends.

The dividend will be available for payment as of July 1, 2005.

The Shareholders' Meeting duly notes the termination of the income tax credit *(avoir fiscal)* in the Finance Act for 2004, and states that in accordance with article 243 bis of the General Tax Code, the dividends distributed to individual shareholders in the context of this resolution are eligible for 50% tax credit provided for in article 158, 3-2 of the General Tax Code.

In accordance with applicable law, dividends paid out in respect of the three preceding fiscal years are indicated in the table below:

FISCAL YEAR	NET DIVIDEND	TAX CREDIT	TOTAL
2001	€3.60	€1.80	€5.40
Adjusted amount*	€1.80	€0.90	€2.70
2002	€4.00	€2.00	€6.00
Adjusted amount*	€2.00	€1.00	€3.00
2003	€2.45	€0.90	€3.35

* Amount adjusted in order to account for the two-for-one stock split effective January 1, 2004.

Moreover, in application of provisions of act 2004-1485 of December 30, 2004, the Shareholders' Meeting decides: First, to transfer to "other reserves" an amount of €200 million now entered under "reserves for long-term capital gains", which brings the positive balance on the latter account to €19,509,078.32, and, second, to transfer to "retained earnings" the amount of €4,987,500 that corresponds to the amount of the exceptional tax on "reserves for long-term capital gains" withdrawn from "other reserves".

FIFTH RESOLUTION • Regulated agreements

The Shareholders' Meeting duly notes the terms of the Statutory Auditors' Special Report on agreements falling within the scope of articles L.225-38 and following of the French Code of commerce and hereby approves said agreements.

SIXTH RESOLUTION • Approval of the transfer of the registered office

The Shareholders' Meeting, duly noting the decision to transfer the registered office from 34, rue de la Fédération - Paris 15th, to 14-16, rue des Capucines- Paris 2nd, taken by the Board of Directors at its meeting of October 12, 2004, hereby approves said transfer.

SEVENTH RESOLUTION • Re-election of a member of the Board of Directors

The Shareholders' Meeting hereby re-elects PREDICA for a term of three years, set to expire at the close of the Shareholders' Meeting called to approve the financial statements for the 2007 fiscal year.

EIGHTH RESOLUTION • Re-election of a member of the Board of Directors

The Shareholders' Meeting hereby re-elects Françoise Monod for a term of three years, expiring at the close of the Shareholders' Meeting called to approve the financial statements for the 2007 fiscal year.

NINTH RESOLUTION • Re-election of a member of the Board of Directors

The Shareholders' Meeting hereby re-elects Philippe Geslin for a term of three years, expiring at the close of the Shareholders' Meeting called to approve the financial statements for the 2007 fiscal year.

TENTH RESOLUTION • Re-election of a member of the Board of Directors

The Shareholders' Meeting hereby re-elects Bertrand de Feydeau for a term of three years, expiring at the close of the Shareholders' Meeting called to approve the financial statements for the 2007 fiscal year.

ELEVENTH RESOLUTION • Resignations and expiration of the term of office of members of the Board of Directors

The Shareholders' Meeting duly notes the resignations as Director submitted by Anne-Marie de Chalambert, Laurent Mignon, Bertrand Letamendia and Christian de Gournay, as well as of Azur-Vie and GMF-Vie. The Meeting also duly notes the expiration of the term of office as Director of Michel Pariat, Charles Ruggieri and Jean-Paul Sorand.

TWELFTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Serge Grzybowski as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

THIRTEENTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Patrick Arrosteguy as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

FOURTEENTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Joaquín Rivero as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

FIFTEENTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Román Sanahuja as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

SIXTEENTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Domingo Díaz de Mera as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

SEVENTEENTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Santiago Fernández Valbuena as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

EIGHTEENTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects José Gracia Barba as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

NINETEENTH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Serafin Gonzalez Morcillo as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

TWENTIETH RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Bancaja as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

TWENTY-FIRST RESOLUTION • Election of a member of the Board of Directors

The Shareholders' Meeting elects Luis Portillo Muñoz as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

TWENTY-SECOND RESOLUTION • Election of a member of the Board of Directors

On condition of the approval of the twenty-ninth resolution, the Shareholders' Meeting elects Michel Villatte as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

TWENTY-THIRD RESOLUTION • Election of a member of the Board of Directors

On condition of the approval of the twenty-ninth resolution, the Shareholders' Meeting elects Javier Sanahuja Escofet as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

TWENTY-FOURTH RESOLUTION • Election of a member of the Board of Directors

On condition of the approval of the twenty-ninth resolution, the Shareholders' Meeting elects Joaquín Meseguer Torres as a Director, for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

TWENTY-FIFTH RESOLUTION • Election of an Auditor

The Shareholders' Meeting elects Antonio Truan Laka as auditor *(censeur)* for a term of office of three years, expiring at the close of the Annual Shareholders' Meeting called to approve the financial statements for fiscal year 2007.

TWENTY-SIXTH RESOLUTION • Determination of the total amount of Directors' fees

The Shareholders' Meeting sets at €600,000 the total annual amount of Directors fees allocated to the members of the Board of Directors.

TWENTY-SEVENTH RESOLUTION • Termination of the authorization to issue bonds, granted in the 15th resolution of the combined Shareholders' Meeting of June 2, 2004

In accordance with the provisions of government order *(ordonnance)* 2004-604 of June 24, 2004, the Shareholders' Meeting, and having fulfilled the quorum and majority requirements pertaining to ordinary shareholders' meetings and having duly noted the Report of the Board of Directors, decides to terminate the authorization to issue bonds, insofar as this is necessary, given that article L.228-40 of the Code of commerce gives the Board the capacity to issue bonds, with the possibility of further delegating this authority.

TWENTY-EIGHTH RESOLUTION • Authorization to the Board of Directors to trade in the Company's own shares

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to ordinary shareholders' meetings and having duly noted the Report of the Board of Directors, authorizes the Board of Directors, with the possibility of further delegation, to purchase shares in the Company pursuant to the provisions of articles L.225-209 and following of the Code of commerce, and this for purposes of:

- implementing all stock options plans under the provisions articles L.225-177 and following of the Code of commerce;
- allotting shares to employees in connection with employee profit sharing and/or employer-sponsored company savings plans, under conditions provided by law and in particular articles L.443-1 and following of the Labor Code;
- free allotments of shares under the provisions of articles L.225-197-1 and following of the Code of commerce;
- transfer of shares (in exchange, as payment or otherwise) in the context of acquisitions by the Company or the Group;
- transfer of shares in the context of the exercise of claims to shares of the Company through the reimbursement, conversion, exchange, exercise of warrants or otherwise;
- cancellation of some or all of the shares thus repurchased, subject to approval of the thirty-ninth resolution, below, by the Extraordinary Shareholders' Meeting and under the conditions indicated therein;
- implementation of an asset and financial management program that includes purchases and sales of shares according to market conditions, retaining or making such shares available in the context of a liquidity contract with an investment company, or other sale or transfer, including in a context of lending or borrowing of shares.

Purchases of the Company's own shares are permitted within the following limits:

- the number of shares acquired in the course of a repurchase program cannot exceed 10% of shares outstanding at any time; this percentage also applies to the level of share capital adjusted for operations subsequent to this Shareholders' Meeting. As of December 31, 2004, there were 62,101,841 shares outstanding;
- the number of treasury shares the Company holds at any time cannot exceed 10% of its share capital.

The acquisition, sale or transfer of shares may be carried out at any time (including during the period of a tender offer) and by any means, whether in the market or over-the-counter, including block purchases or sales (with no limit to the portion of a repurchase program carried out in this way), use of options or futures contracts traded in a regulated market or over-the-counter or by providing shares following on conversion, exchange, reimbursement, exercise of a warrant or any other way, as a consequence of the issue of securities providing a claim to shares of the Company.

The maximum purchase price authorized under this resolution is €130 per share.

The total amount allocated to the share repurchase program authorized above cannot exceed €745,222,092.

Beginning on this day, this authorization invalidates any previous authorization to operate in shares of the Company, up to the limit of the unused portion of said previous authorizations. It is valid for a period of 18 months beginning on this day.

In case of any change in the par value of the share, any capital increase through the incorporation of reserves, free allotment of shares, a stock split or reverse split, distribution of reserves or any other assets, redemption of shares, or any other operation affecting shareholders' equity, the Shareholders' Meeting delegates the power to modify the above-mentioned maximum purchase price in order to take into account the effects of said operations on the value of the share.

The Shareholders' Meeting grants all powers to the Board of Directors, with the possibility of further delegation under the conditions provided by law, to decide and act on the implementation of this resolution, to specify its terms as necessary and determine of terms and conditions of carrying out the share repurchase program, including the right of delegation, under terms specified by law, and in particular to place orders in the stock exchange, to conclude agreements for keeping registers of shares purchased or sold, and to make the necessary declarations to the AMF (*Autorité des marchés financiers*, French Financial Markets Authority) or any institution that may replace it, to complete all formalities and more generally, to carry out all due diligence.

Extraordinary resolutions

TWENTY-NINTH RESOLUTION • Modification of the by-laws to increase the membership of the Board of Directors from 15 to 18.

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to extraordinary shareholders' meetings, decides to replace the first sub-paragraph of article 12 of the by-laws with the following sub-paragraph: "The Company is governed by a Board of Directors, made up of at least three (3) members and as many as eighteen (18) members, without prejudice to the exceptions provided by law."

THIRTIETH RESOLUTION • Modification of the by-laws to permit election of a Co-Chairman

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to extraordinary shareholders' meetings, decides to replace article 13 of the by-laws with a new article 13, as follows: "**ARTICLE 13 - OFFICERS OF THE BOARD OF DIRECTORS.**

The Board of Directors chooses a Chairman from among its individual members, and may choose a Co-Chairman and one or several Vice-Chairmen. If the Board decides to elect a Co-Chairman, this title shall also be given the Chairman, without affecting the powers of incumbent on him alone in accordance with the law or the by-laws.

The Board of Directors sets the term of office of the Chairman and, if applicable, of the Co-Chairman and Vice-Chairmen. These cannot be longer than their term of office as Director.

The Chairman of the Board, and the Co-Chairman and Vice-Chairmen, if elected, may be removed at any time by the Board of Directors.

No-one over the age of 70 may be elected Chairman, Co-Chairman or Vice-Chairman. If the Chairman, Co-Chairman or a Vice-Chairman reaches this age, he is considered to have resigned at the close of the Shareholders' Meeting called to approve the financial statements for the fiscal year during which her/she reaches that age limit.

Meetings of the Board are presided over by the Chairman. In his absence, the meeting the chaired by the Co-Chairman or by one of the Vice-Chairmen designated by the Board for this purpose at each such meeting. Should the Chairman, Co-Chairman and Vice-Chairmen all be absent at a given meeting, the Board chooses one of its members to chair the meeting.

The Board also chooses a Secretary."

THIRTY-FIRST RESOLUTION • Change in the by-laws concerning the call of a Board of Directors meeting by one or more of its Directors

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to extraordinary shareholders' meetings, decides to replace the third sub-paragraph of article 14 of the by-laws with the following sub-paragraph: "A group of Directors constituting at least one-third of the membership of the Board may call a meeting of the Board at any time, in specifying its agenda."

THIRTY-SECOND RESOLUTION • Authorization of the Board of Directors to decide on an increase in share capital, through the issuance of shares and/or other securities that give a claim to shares of the Company or of securities that give a claim to acquire debt instruments, with pre-emptive subscription rights maintained

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary Shareholders' Meetings, and having read the Report of the Board of Directors and the Statutory Auditors' Special Report, and pursuant to the provisions of articles L.225-129 and following of the Code of commerce, and in particular its article L.225-129-2:

1. authorizes the Board of Directors to decide on an increase in share capital in one or more offerings, in France or abroad, in the proportion and timing it determines, in euros or in any other currency or monetary unit determined with reference to several currencies, through the issue of shares (excepting preferred shares) or securities that give a claim to shares of the Company, payable in cash or freely allotted and governed by articles L.228-91 and following of the Code of commerce. It is understood that subscription to shares or other securities may be paid in cash, in the whole or in part in exchange for debt instruments, through the capitalization of reserves, earnings or additional paid-in capital;
2. authorizes the Board of Directors to decide on the issue of shares or securities that give a claim to shares in companies in which the Company has a direct or indirect interest in more than half the share capital;
3. decides to set as follows the limits to any capital increases made by the Board of Directors under this authorization:
   - the maximum par value of new equity issues that may be realized either immediately or at maturity by virtue of this authorization may not exceed 200 million euros, it being understood that the capital increase proposed in the thirty-third resolution below will be imputed against this figure, and that the maximum level of capital increases that may be authorized in this resolution and those authorized in the thirty-third, thirty-fourth, thirty-fifth, thirty-sixth, thirty-seventh and thirty-eighth resolutions proposed to this Shareholders' Meeting, and in the sixteenth resolution voted by the Shareholders' Meeting of June 2, 2004 may not exceed 350 million euros;
   - in the case of new financial operations, the par value of shares issued to protect the rights of holders of securities with a claim to shares in the Company may be issued in addition to the above-mentioned ceilings;
4. this authorization is valid for a period of validity twenty-six months as of the date of this Shareholders' Meeting;
5. in case that the Board of Directors decides to make use of this authorization:
   - decides that the issue or issues authorized will maintain pre-emptive subscription rights for existing shareholders, who may subscribe to an irreducible number of shares in proportion to those they already hold;
   - duly notes that the Board of Directors has the right to create reducible rights of subscription;
   - duly notes that if required, this authorization shall entail the express waiver by shareholders, in favor of holders of securities providing a claim to shares in the Company immediately or at maturity, of their pre-emptive subscription rights to shares to which they are entitled with respect to said securities;
   - duly notes the fact that, should subscriptions on an irreducible basis, and if applicable, on a reducible basis, fail to absorb all of the capital increase, the Board of Directors may have recourse to one or more of the following measures, as provided for by law and in the order it will determine:

- limit the capital increase to the amount of subscriptions claimed, on condition that said amount reaches three-quarters of the capital increase decided;
- distribute as it deems best all or part of the shares, or of the securities with a claim to shares in the Company, that the Board has decided to issue but that have not been subscribed;
- offer all or part of said unsubscribed shares or securities to the public, whether in the French market or a market abroad;
• decides that the Company may issue share purchase warrants, either open to subscription or freely allotted to existing shareholders;
• decides that in the case of a free allocation of unattached share purchase warrants, the Board of Directors is free to decide whether the fractional number of warrants remaining after redemption may be traded and the corresponding securities sold;

6. decides that the Board of Directors is fully authorized to implement this authorization, with the possibility of further delegation as provided by law, and in particular to:
• decide on a capital increase and determine the securities to be issued;
• decide the amount of the capital increase, the issue price at par and any issue premium that may be asked;
• determine the dates and terms and conditions of the capital increase and the nature and characteristics of the securities to be created; in the case of bonds or other debt instruments (including the securities giving a claim to acquire debt instruments that are provided for in article L.228-91 of the Code of commerce), to determine whether said securities shall be subordinated (and, if applicable, their ranking, in accordance with the provisions of article L.228-97 of the Code of commerce), to set applicable interest rates (including fixed or variable rates, with zero coupon or indexed), their maturity (fixed or indeterminate), and other terms and conditions of issuance (including provision of guarantees or warranties) and amortization (including redemption in assets of the Company); as appropriate, warrants may be attached to these securities that give a claim to distribution or acquisition or subscription to bonds or other debt securities, or to complex bonds as understood by the financial market authorities (for example because of their terms and conditions of redemption, or other rights such as indexation and the possibility of options); and, during the lifetime of the securities concerned, to modify the terms and conditions described above with regard to applicable formalities;
• determine how shares or securities giving a claim to shares in the Company, to be issued now or later, are to be paid in;
• set, if appropriate, the terms and conditions for the exercise of rights linked to shares or to securities giving a claim to shares in the Company that are to be issued, determine the date as of which the new shares shall earn dividends, even retroactively, determine how said rights to shares or to securities giving a claim to shares in the Company are to be exercised, including as appropriate through conversion, exchange or reimbursement, including through transfer of Company assets including already-issued securities, as well as all other conditions and terms and conditions of the capital increase;
• set how, in accordance with the law, the Company will be able, as appropriate, to acquire or trade securities in the stock exchange, whether these are already issued or to be issued immediately or at maturity, whether at any time or in specific periods determined, and whether with a view to cancellation or not, taking into account the provisions of the law;
• provide for the possibility to suspend the exercise of rights attached to these securities, in accordance with applicable law and regulations;
• impute, at its sole initiative, and after each capital increase, the costs of said capital increase to additional paid-in capital, and to deduct from such additional paid-in capital the level of funds necessary to add one-tenth of the new capital raised to the legally required reserves;
• set, and make all adjustments necessary to take into account the effects of operations of the Company's capital, particularly in case of a change in par value, a capital increase through capitalization of reserves, a free allotment of shares, a stock split or reverse split, a distribution of reserves or any other assets, a partial reimbursement of capital to shareholders, or any other operation affecting shareholders' equity, and as necessary to set the means to assure that the rights of owners of securities constituting claims to shares of the Company are preserved;

- recognize the realization of each capital increase and proceed to the corresponding changes in the by-laws;
- more generally, to draw up all necessary agreements, in particular to assure the success of the securities issues envisaged and to take all measures and complete all formalities useful to the issuance, listing and financial servicing of all securities issued by virtue of this authorization and the exercise of the rights pertaining thereto;

7. duly notes that as of this date and up to the level of the unused portion of the same, this resolution invalidates all previous authorizations with the same purpose, i.e., all authorizations generally applicable to capital increases, with pre-emptive subscription rights maintained, within the scope of the securities and operations provided for in this resolution, and in particular the seventeenth resolution voted at the Shareholders' Meeting of June 2, 2004.
8. duly notes that, should the Board of Directors make use of the authorization contained in this resolution, it will inform the subsequent ordinary Shareholders' Meeting of such use, in accordance with the law and regulations.

THIRTY-THIRD RESOLUTION • Authorization granted to the Board of Directors to decide on a capital increase by issuing securities, with pre-emptive subscription rights waived, with a claim to the Company's share capital, or securities with a claim on debt instruments.

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary General Meetings of Shareholders, and having read the Report of the Board of Directors and the Statutory Auditors' Special Report, and pursuant to the provisions of articles L.225-129 and following of the Code of commerce, and in particular its articles L.225-129-2, L.225-135 and L.225-148:

1. delegates to the Board of Directors its competence to decide on a capital increase, in one or more public offerings of shares (excluding preferred shares) or securities with a claim to the Company's share capital and in the proportion and timing of its choice, in France or abroad, in euros or other currencies or monetary units determined with reference to several currencies, freely allotted or against remuneration, as governed by articles L.228-91 and following of the Code of commerce. It is understood that subscription to the shares or other securities may be paid up for cash, in the whole or in part in exchange for debt instruments, through the capitalization of reserves, earnings or additional paid-in capital, or in kind. These securities can be issued for the purpose of redeeming other securities that may be presented to the Company, in the context of an exchange offer made in France or abroad, in accordance with local rules (for example a "reverse merger" as in English-speaking countries), and covering securities as defined in the provisions of article L.225-148 of the Code of commerce.
2. delegates to the Board of Directors its competence to decide on the issue of shares or securities with a claim to shares in the Company to be issued following issuance of securities giving a claim to shares in the Company by companies in which the Company has a direct or indirect interest in more than half the share capital: this decision entails the express waiver by shareholders, in favor of holders of securities issued by such Group companies, of their pre-emptive subscription rights to shares or securities with a claim to shares in the Company to which they are entitled by virtue of said securities;
3. authorizes the Board of Directors to decide on the issue of shares or securities that give a claim to shares of companies in which the Company has a direct or indirect interest in more than half the share capital;
4. decides to set as follows the limits to any capital increases made by the Board of Directors under this authorization:
   - the maximum par value of new equity issues that may be realized either immediately or at maturity by virtue of this authorization may not exceed 200 million euros, it being understood that the capital increase proposed in thirty-second resolution above will be imputed against this figure, and that this amount of 200 million euros will be imputed against the overall ceiling provided for in paragraph 3 of said resolution;
   - In the case of new financial operations, the par value of shares issued to protect the rights of holders of securities with a claim to shares in the Company may be issued in addition to the above-mentioned ceiling;
5. to set the period of validity of this authorization at twenty-six months beginning on the date of this Shareholders' Meeting;

6. decides to waive their pre-emptive subscription rights to the securities issued hereunder, while providing the Board of Directors, in accordance with article L.225-135 of the Code of commerce, with the ability to grant them a priority right to acquire all or a portion of the securities issued, in proportion to number of shares held by each, for a set period of time and in accordance with terms and conditions set in accordance with the applicable law and regulations; this number of shares may be supplemented by an additional subscription on a reducible basis. This priority right shall not lead to the creation of negotiable rights;
7. duly notes the fact that, should subscriptions, including subscriptions by existing shareholders, fail to absorb all of the capital increase, the Board of Directors may have recourse to one or more of the measures provided for in accordance with the law, and in an order it may determine. This includes limiting the capital increase to the amount of subscriptions received, on condition that said amount reaches three-quarters of the capital increase decided on;
8. duly notes that if required, this authorization shall entail the express waiver by shareholders, in favor of holders of securities providing a claim to shares in the Company of their pre-emptive subscription rights to shares to which they are entitled with respect to said securities;
9. duly notes that, in accordance with the first sub-paragraph of paragraph 1 of article L.225-136 1° of the Code of commerce:
   - the issue price of shares issued directly shall be at least equal to the minimum provided for by regulations in force on the date of issue, i.e., the weighted average of the price on the last three previous days of trading on Euronext's Eurolist prior to the date the subscription price for the capital increase is set, less a 5% discount after correction of this average in case there are different ex-dividend dates;
   - the issue price of securities with a claim to shares in the Company shall be such that the amount immediately received by the Company, supplemented as appropriate by any amount subsequently received, for each share issued as part of the capital increase shall be at least equal to the minimum subscription price defined in the previous sub-paragraph;
   - when any type of security providing a claim to shares in the Company is converted, reimbursed or otherwise transformed into shares, the result of this transaction shall be that the number of shares thus obtained for each such security - taking into account the par value of said bond or security - shall be such that the amount per share received by the company shall be at least equal to the subscription price defined in the first sub-paragraph of paragraph 9 of this resolution;
10. grants the Board of Directors full powers to implement this authorization, with the possibility of further delegation under the conditions provided by law, and in particular for the following purposes:
   - to decide on a capital increase and determine the securities to be issued;
   - to decide the amount of the capital increase, the issue price at par and any issue premium that may be asked;
   - to determine the dates and terms and conditions of the capital increase and the nature and characteristics of the securities to be created; in the case of bonds or other debt instruments (including the securities giving a claim to acquire debt instruments that are provided for in article L.228-91 of the Code of commerce), to determine whether said securities shall be subordinated (and, if applicable, their ranking, in accordance with the provisions of article L.228-97 of the Code of commerce), to set applicable interest rates (including fixed or variable rates, with zero coupon or indexed), their maturity (fixed or indeterminate), and other terms and conditions of issuance (including provision of guarantees or warranties) and amortization (including redemption in assets of the Company); as appropriate, warrants may be attached to these securities that give a claim to distribution or acquisition of, or subscription to bonds or other debt securities, or to complex bonds as understood by the financial market authorities (for example because of their terms and conditions of redemption including remuneration, or other rights such as indexation and the possibility of options); and, during the lifetime of the securities concerned, to modify the terms and conditions described above with regard to applicable formalities;
   - to determine how shares or securities giving a claim to shares in the Company, to be issued now or later, are to be paid in;

- to set, if appropriate, the terms and conditions for the exercise of rights linked to shares or to securities giving a claim to shares in the Company to be issued, and determine the date as of which the new shares shall earn dividends, even retroactively, determine how said rights to shares or to securities giving a claim to shares in the Company are to be exercised, including as appropriate through conversion, exchange or reimbursement, including through transfer of Company assets including already-issued securities, as well as all other conditions and terms and conditions of the capital increase;
- to set how, in accordance with the law, the Company will be able, as appropriate, to acquire or trade securities in the stock exchange, whether these are already issued or to be issued immediately or at maturity, whether at any time or in specific periods determined, and whether with a view to cancellation or not, taking into account the provisions of the law;
- to provide for the possibility to suspend the exercise of rights attached to these securities, in accordance with applicable law and regulations;
- in case securities are issued for the purpose of remunerating those securities presented in the context of an exchange offer: to draw up a list of said securities presented in the context of an exchange offer; set the terms and conditions for the issuance of the securities provided in remuneration, including the exchange parity, and as necessary, the cash amount to be paid should the number of securities presented not be fully divisible by the exchange parity. The same applies to an alternative offer of purchase or exchange, a single offer proposing the purchase or exchange of the said securities against payment of other securities or in cash, an offer that is principally a tender or exchange offer combined with a subsidiary exchange or tender offer, or any other form of public offer in conformity with the applicable laws and regulations;
- to impute, at its sole initiative, and after each capital increase, the costs of said capital increase to the premiums attached to it, and to deduct from the amount of the premiums the level of funds necessary to add one-tenth of the new capital raised to the legally required reserves;
- to set, and make all adjustments necessary to take into account the effects of operations of the Company's capital, particularly in case of a change in par value, a capital increase through capitalization of reserves, a free allotment of shares, a stock split or reverse split, a distribution of reserves or any other assets, a partial reimbursement of capital to shareholders, or any other operation affecting shareholders' equity, and as necessary to set the means to assure that the rights of owners of securities constituting claims to shares of the Company are preserved;
- to recognize the realization of each capital increase and proceed to the corresponding changes in the by-laws;
- more generally, to draw up all necessary agreements, in particular to assure the success of the securities issues envisaged and to take all measures and complete all formalities useful to the issuance, listing and financial servicing of all securities issued by virtue of this authorization and the exercise of the rights pertaining thereto;

11. duly notes that as of this date and up to the level of the unused portion of the same, this resolution invalidates all previous authorizations with the same purpose, i.e., all authorizations generally applicable to capital increases, without pre-emptive subscription rights, within the scope of the securities and operations provided for in this resolution;

12. duly notes that, should the Board of Directors make use of the authorization contained in this resolution, it will inform the subsequent Ordinary Shareholders' Meeting of such use, in accordance with the law and regulations, as well as the use of other authorizations including the eighteenth resolution voted at the Shareholders' Meeting of June 2, 2004.

THIRTY-FOURTH RESOLUTION • Authorization to the Board of Directors to increase the number of shares to be issued in case of a capital increase with or without pre-emptive subscription rights

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary Shareholders' Meetings, and pursuant to the provisions of articles L.225-135-1 of the Code of commerce:

1. delegates to the Board of Directors its competence to decide to increase the number of securities to be issued in case of an increase in the Company's share capital, with or without pre-emptive subscription rights and at the same price determined for the initial issue, and within the deadline and limits provided in regulations applicable on the date of issue;

2. decides that the par value of capital increases decided on by virtue of this resolution shall be imputed against the ceiling stipulated Paragraph 3 of the thirty-second resolution voted by this Meeting.

The period of validity of this authorization is twenty-six months beginning on the date of this Shareholders' Meeting.

THIRTY-FIFTH RESOLUTION • Possibility of issuing shares without pre-emptive subscription rights in remuneration of contributions in kind applied to shares or securities with a claim to shares in the Company

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary General Meetings of Shareholders, and having read the Report of the Board of Directors and the Statutory Auditors' Special Report, and pursuant to the provisions of article L.225-129 and following of the Code of commerce, in particular the sixth sub-paragraph of article L.225-147, gives full powers to the Board of Directors, with the possibility of further delegation under the conditions set by law, to: remunerate contributions in kind to the company that consist of shares or securities with a claim to shares in the Company, in cases when the provisions of article L.225-148 of the Code of commerce do not apply; draw up a list of securities presented for exchange; set the conditions for issuance; and set the exchange parity and as necessary, the cash amount to be paid should the number of securities presented not be fully divisible by the exchange parity. Said remuneration shall not exceed the limit of 10% of shares outstanding at any time, with this percentage applying to a number of shares adjusted as a function of operations undertaken subsequent to this Shareholders' Meeting. As an example, there were 62,101,841 shares outstanding as of December 31, 2004.

THIRTY-SIXTH RESOLUTION • Authorization granted to the Board of Directors to raise equity capital through the capitalization of reserves, earnings, additional paid-in capital or other elements

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary General Meetings of Shareholders, and having read the Report of the Board of Directors, and pursuant to the provisions of article L.225-130 of the Code of commerce:

1. authorizes the Board of Directors to raise equity capital through the capitalization of reserves, earnings, additional paid-in capital or other elements of shareholders' equity that may be capitalized in accordance with regulations and the by-laws, and this in one or more operations and in the proportion and timing it determines, whether through freely allotting shares or increasing the par value of existing shares, or a combination of the two. The maximum amount of equity capital that may be raised by virtue of this authorization may not exceed 100 million euros, it being understood that the amount will be imputed against the overall ceiling provided for in Paragraph 3 of the thirty-second resolution voted by this Meeting;
2. should the Board of Directors avail itself of this authorization, delegates to it full powers to implement this authorization to, with the possibility of further delegation under the conditions set by law, including in particular to:
   - set, if appropriate, the amount and nature of the sums to be capitalized, setting the number of new shares to be issued and/or the amount by which the par value of existing shares comprising the share capital will be increased, and determine the date as of which the new shares shall earn dividends, even retroactively, or the date on which the increase in par value will take effect;
   - decide, in the case free allotment of shares:
     - whether odd lots of allotment rights may be traded and the corresponding shares sold, with the proceeds distributed among holders of said rights in accordance with the law and regulations;
     - set, and make all adjustments necessary to take into account the effects of operations of the Company's capital, particularly in case of a change in par value, a capital increase through capitalization of reserves, a free allotment of shares, a stock split or reverse split, a distribution of reserves or any other assets, a partial reimbursement of capital to shareholders, or any other operation affecting shareholders' equity, and as necessary to set the means to assure that the rights of owners of securities constituting claims to shares of the Company are preserved;
     - recognize the realization of each capital increase and proceed to the corresponding changes in the by-laws;
     - More generally, to draw up all necessary agreements, in particular to assure the success of the securities issues envisaged and to take all measures and complete all formalities useful to the issuance, listing and financial servicing of all securities issued by virtue of this authorization and the exercise of the rights pertaining thereto;
3. duly notes that as of this day, this authorization invalidates any previous authorization to raise equity capital through the capitalization of reserves, earnings, additional paid-in capital or other elements of shareholders' equity, and in particular the eighteenth resolution voted by the Shareholders' Meeting on June 2, 2004, up to the limit of the unused portion of said previous authorizations. It is valid for a period of 18 months beginning on this day.

THIRTY-SEVENTH RESOLUTION • Authorization to be granted to the Board of Directors to decide on the capital increase through an issue of shares or securities reserved to members of the savings plan without pre-emptive subscription rights to the benefit of the latter

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary General Meetings of Shareholders, and having read the Report of the Board of Directors and the Statutory Auditors' Special Report, and pursuant to the provisions of article L.225-129-6 and L.225-138-1 of the Code of commerce, in addition to those of articles L.443-1 and those following of the Labor Code.

1. authorizes the Board of Directors to decide on the increase in capital, in one or in one or more offerings, of a maximum par value of 15 million euros, by issues of shares or securities giving access to the capital reserved for members of one of several employer-sponsored company savings plans (or another plan to members under which article L.443-5 of the Labor Code would permit reservation of a capital increase on equivalent terms) which would be set up within the Group made up of the Company and French or foreign enterprises within the Company's scope of consolidation in application of article L.444-3 of the Labor Code; it being understood that the maximum par value of the capital increase likely to be carried out immediately or in the longer term by virtue of the present authorization will be imputed to overall ceiling stipulated in Paragraph 3 of the Thirty-Second Resolution of the present Meeting;
2. sets at twenty-six months, with effect from the date of the present Meeting, the validity period of the share issue delegation that is the object of the present delegation;
3. decides that the issue price of the new shares or transferable securities giving access to fresh capital will be determined in accordance with article L.443-5 of the Labor Code and will be at least equal to 80% of the Reference Price (as defined below) or at 70% of the Reference Price when the period of unavailability laid down in the plan in accordance with L.443-6 of the Labor Code exceeds, or is equal to, ten years. However, the Shareholders' Meeting expressly authorizes the Board of Directors, if it believes it appropriate, to reduce or abolish the above-mentioned discounts, within legal and regulatory limits, to take into account, inter alia, legal, accounting, fiscal and local applicable social welfare systems. For the purposes of this paragraph, the Reference Price is the average of the opening trading prices of the Company's share on the Euronext Eurolist in the twenty trading sessions preceding the day of the decision fixing the opening date of subscription by members to a corporate savings plan;
4. authorizes the Board of Directors to make a free allotment to the above-mentioned beneficiaries, in addition to shares or securities giving access to shares in the Company paid for in cash, of shares or securities giving access to shares in the Company, to be issued or already issued, by way of substitution of all or part of the discount relative to the Reference Price and/or an additional payment it being understood that the advantage resulting from this allotment may not exceed the legal or regulatory limits pursuant to articles L.443-5 and L.443-7 of the Labor Code;
5. decides to abolish, to the benefit of the above-mentioned beneficiaries, the pre-emptive subscription rights of shareholders for shares that are the object of the present authorization;
6. decides that the Board of Directors will have full powers to implement this authorization, with the possibility of further delegation as provided by law, and within the limits and on the terms stipulated above, and in particular:
    - to draw up, in accordance with the law, the list of companies of which employees, early retirees and retirees will be able to subscribe to the shares or securities giving access to shares in the Company so issued and benefit, if need be, from free allotment of shares or securities giving access to shares in the Company;
    - to decide that subscriptions can be made directly or through a corporate investment fund or other structures or entities permitted under the applicable law or regulations;
    - to determine the terms, notably length of service, that beneficiaries of the capital increase will have to satisfy;
    - to set subscription opening and closing dates;
    - to set the amounts of issues that will be carried out by virtue of the present authorization and to set the issue price, dates, periods, details and terms of subscription, paying in, delivery and dividends (including retroactive) in addition to the other terms and details of the issues, within the legal and regulatory limits in force;
    - in the case of free allotment of shares or securities giving access to shares in the Company, to set the number of shares or securities giving access to shares in the Company to be issued, the number of shares to allot to each beneficiary, to draw up dates, periods, details and terms of allotments of these shares or securities giving access to shares in the Company within the legal and regulatory limits in force;

- to recognize the realization of capital increases up to the amount of shares for which subscriptions will be received (after possible reduction in the case of over-subscription);
- where applicable, to impute the costs of capital increases to the amount of additional paid-in capital and deduct from this amount the amounts necessary to raise the legal reserve to one-tenth of the new capital stock resulting from these capital increases;
- to conclude all agreements to accomplish, either directly or though an agent, all the operations and terms and conditions, including the proceeding to the formalities following on capital increases and make the correlative changes to by-laws;
- more generally, to draw up all necessary agreements, in particular to assure the success of the securities issues envisaged and to take all measures and complete all formalities useful to the issuance, listing and financial servicing of all securities issued by virtue of this authorization and the exercise of the rights pertaining to or following on the capital increases realized;

7. decides that this authorization invalidates as of this date and up to the limit of the unused portion of said previous authorizations, any previous authorization granted to the Board of Directors with the effect of increasing the Company's registered capital through an issue of shares reserved for members of the savings plan, without pre-emptive subscription rights for the benefit of these latter and in particular the twenty-first resolution voted at the Annual General Meeting of June 2, 2004.

THIRTY-EIGHTH RESOLUTION • Authorization to the Board of Directors to the proceed with free allotment of shares existing or to be issued, for the benefit of the salaried staff or senior management of the Group (or certain of them)

Having fulfilled the quorum and majority requirements pertaining to Extraordinary General Meetings of Shareholders, and having read the Report of the Board of Directors and the Statutory Auditors' Special Report:

1. authorizes the Board of Directors, within the context of the provisions in articles L.225-197-1 and following of the Labor Code, to proceed, in one or in one or more offerings, to grant free allotments of existing shares or shares to be issued (excluding preferred shares), to the benefit of persons that it will determine among the personnel of the Company or of companies or groups with which it has links under the terms stipulated in article L.225-197-2 of the said Code and the senior management covered by article L.225-197-1, II, on the terms defined below;
2. decides that existing shares or shares to be issued allotted by virtue of this authorization may not represent more than 3% of equity capital on the day the Board of Directors takes its decision, it being understood that the maximum par value of the capital increase likely to be carried out immediately or in the longer term by virtue of the present authorization will be imputed against the overall ceiling stipulated in paragraph 3 of the thirty-second resolution of this Meeting;
3. decides that allotment of the said shares to their beneficiaries will become final at the end of a minimum acquisition period of two years and that the beneficiaries will be obliged to hold the said shares for a minimum period of two years beginning with the date of the definitive allotment of the said shares;
4. confers all powers on the Board of Directors to implement this authorization, and in particular to:
   - determine the beneficiaries of share allotments among employees of the Company or the above-mentioned companies or groups;
   - set the terms and, as appropriate, the criteria for share allotments;
   - in the case of new share issues impute the amounts necessary to pay in such shares to reserves, profits or issue premiums;
5. duly notes the fact that, should the Board of Directors makes use of this authorization, it will inform the Ordinary Shareholders' Meeting each year of the transactions carried out by virtue of the provisions in articles L.225-197-1 to L.225-197-3 of the Code of commerce, on the terms stipulated in article L.225-197-4 of the said Code;

6. decides that this authorization is granted for a period of twenty-six months with effect from today;
7. decides that the Board of Directors will also have all powers, with the option to delegate in accordance with the law, to recognize the capital increases to an amount equal to the amount of free share allotments, to modify the by-laws accordingly, and carry out all formalities necessary for listing of the shares thus issued, make all declarations to all appropriate organizations and to otherwise do the necessary.

THIRTY-NINTH RESOLUTION • Authorization to the Board of Directors to reducing the share capital by cancellation of treasury shares

The Shareholders' Meeting, having fulfilled the quorum and majority requirements pertaining to Extraordinary General Meetings of Shareholders and having read the Report of the Board of Directors and the Statutory Auditors' Special Report, authorizes the Board of Directors to reduce the share capital, in one or several stages, in the proportions and on the dates that it will decide, by cancellation of any number of treasury shares that it will decide within the limits authorized by law, pursuant to the provisions in articles L.225-209 and following in the Code of commerce.

The maximum number of shares that may be cancelled by the Company by virtue of this authorization during a period of twenty-four months, is ten per cent (10%) of the shares making up the share capital of the Company, it being recalled that this limit applies to the amount of the Company's capital that will be adjusted, if need be, to take into account operations affecting the share capital undertaken after the present General Meeting.

This authorization invalidates as of this date and up to the limit of the unused portion of said previous authorizations, any previous authorization granted to the Board of Directors with the effect of reducing the share capital by cancellation of treasury shares. It is granted for a period of twenty-six months with effect from today.

The General Meeting confers all powers on the Board of Directors, with the option to delegate, to carry out transaction(s) for share cancellations and capital reduction that could be carried out by virtue of this present authorization, and to modify the by-laws in consequence and accomplish all formalities.

FORTIETH RESOLUTION • Powers to comply with legal and other formalities

The Shareholders' Meeting hereby grants full powers to the bearer of a copy or an extract of these minutes for the purpose of complying with all formal filing, publication and other requirements.

General information pertaining to the issuer and its share capital

General information pertaining to GECINA

Corporate name: GECINA

Registered office: 14-16 rue des Capucines - PARIS (75002).

Legal form

A form of public limited company or corporation *(société anonyme)*, governed by the Code of commerce and the Decree of March 23, 1967, and subsequent legislation.

Governing law

French law.

Tax status of a Listed Real Estate Company

In 2003, the Company has elected for the new tax system, instituted by the French tax code for 2003 of December 30, 2002, and applicable starting January 1, 2003, which foresees the setting up of Listed Real Estate Companies (*Sociétés d'Investissements Immobiliers Cotées,* or SIIC). It allows these companies, electing for this status, to benefit from tax exemptions relating to corporate income and capital gains realised pursuant to their activities as real estate companies, on the condition that they pay an exit tax calculated at a tax rate of 16.5% on unrealized capital gains, booked at January 1 of the fiscal year of election, and subsequent to payment over a period of four years. In counterpoint to this tax exemption, SIICs must distribute 85% of their exempted current taxable income and 50% of capital gains, realised over the value serving as the basis for calculating the *exit-tax*.

Incorporation and duration of the Company

The Company was incorporated on February 10, 1959, for 99 years. The Company expires on January 14, 2058.

Corporate purpose (article 3 of the by-laws)

The Company's purpose is to operate individual rental properties or groups of properties located in France or abroad.

To this end, the Company may:

- acquire undeveloped or previously developed land through purchase, exchange, payment in kind or other type of payment;
- build individual properties or blocks of properties;
- acquire built properties or blocks of properties through purchase, exchange, payment in kind or other type of payment;
- finance the acquisition and construction of properties;
- rent, administer and manage properties, either on its own behalf or on behalf of third parties;
- dispose of any real estate assets or titles;
- acquire equity interests in any company or organization involved in the exercise of activities related to its corporate purpose, through any authorized means, including capital contribution and the subscription, purchase or exchange of securities or voting rights;
- more generally, engage in all types of financial, real estate and investment transactions directly or indirectly related to this corporate purpose or in the furtherance thereof.

Board Chairmanship and general management

The Board of Directors, meeting June 5, 2002, elected to separate the functions of Chairman of the Board and Chief Executive Office of the Company.

Company and Trade Register

RCS PARIS 592 014 476
Identification number: SIRET 592 014 476 00150
NAF code: 702 A.

Documents pertaining to the Company are available for consultation at

Registered offices.

Fiscal year

The fiscal year is 12 months, beginning on January 1 and ending on December 31.

Statutory distribution of profits (article 23 of the by-laws)

Net profits for the fiscal year are determined in accordance with legal provisions and allocated by the Shareholders' Meeting, duly assembled for this purpose.

Net profits for the fiscal year and any retained earnings, less any prior losses and amounts appropriated to reserves pursuant to legal provisions, constitute the distributable profit.

After having approved the financial statements and duly noted the amount of distributable sums, the Annual Meeting of the Shareholders shall decide on the proportion to be distributed as a dividend.

The Annual Meeting of the Shareholders called to approve the financial statements may grant each shareholder the option of receiving all or a portion of the dividend or advances on distributed dividends, in cash or in ordinary shares issued by the Company, at an issue price determined in advance in accordance with applicable law. The offer of payment must be made simultaneously to all shareholders.

However, with the exception of a reduction of share capital, no distribution may be made to shareholders if the amount of net assets is less than the total amount of share capital plus legal and other reserves that are unavailable for distribution, or if such distribution would bring net assets to below this threshold.

The Shareholders' Meeting shall determine the date, method and place of dividend payout during the annual meeting. If this is not the case, such decisions shall fall to the Board of Directors. Dividends must be made available for payment within nine months following the end of the fiscal year.

The Shareholders' Meeting determines the appropriation of the remainder, which may be carried forward as retained earnings or allocated to one or more reserves.

General meetings of shareholders (article 20 of the by-laws)

Shareholders are called to meetings and conduct business in accordance with applicable laws and regulations.

Meetings are held at the registered office or any other venue stated in the notice of meeting.

All shareholders have the right to attend meetings of shareholders in person or by proxy, provided that they submit valid identification and proof of share ownership, by registering nominative shares, attesting to the nontransfer of bearer shares until the date of such meeting. These formalities must be accomplished at least five days before the scheduled meeting date.

The voting rights attached to shares are directly proportional to the share of equity capital owned and each share entitles its holder to one vote.

Meetings of shareholders are chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman or by a Director explicitly appointed by the Board to fulfill this function. If the Board fails to appoint an acting Chairman, the Shareholders elect a Chairman for the meeting.

Minutes of meetings of the shareholders are prepared and copies of the minutes are certified and distributed in accordance with legal provisions.

Disclosure of shareholding thresholds (article 9 of the by-laws)

In addition to legally defined thresholds in force, shareholders are required to disclose shareholdings that exceed additional thresholds of 2% of share capital or voting rights or any multiple of this percentage, within fifteen days of having exceeded one of these thresholds.

Failure to disclose the required information shall entail the forfeiture of voting rights with respect to any shares exceeding the fraction of shareholding which should have been disclosed, in accordance with the terms and conditions set forth in law, provided that such a request by one or more shareholders together owning 5% of the share capital is recorded in the minutes to the meeting of the shareholders.

Identity of shareholders (article 7 of the by-laws)

Shares are obligatorily registered shares. They entitle the bearer to inscription in due form under the conditions and according to the practices, foreseen by the legislation and regulations in force.

General information pertaining to the share capital of the Company

Procedures for modifying share capital and rights attached to various types of shares

The Extraordinary Meeting of Shareholders may grant the Board of Directors the right to modify the share capital and the number of shares, notably in the event that share capital is raised or reduced.

Share capital

At December 31, 2004, share capital totaled €465,763,807.50, divided into 62,101,841 fully paid-up shares, all of the same type, with a par value of €7.50 each.

Amount of unused authorizations to issue new equity

1. The Extraordinary and Ordinary General Meeting held on June 2, 2004, authorized the Board of Directors to issue Company shares or securities in any form, including unattached stock purchase warrants payable in cash or freely allotted, in one or more offerings, in France or abroad, in euros or foreign currencies, in the amounts and on the dates determined by the Board. These securities may be issued with a claim to shares of the Company, immediately or at maturity, at any time or on a determined date, and may consist of bonds, be combined with the issue of bonds, or consist of instruments enabling the issue of bonds. The amount of new equity issued, immediately or at maturity, by virtue of the aforementioned authorization may not exceed the principal amount of 150 million euros, to which shall be added, as required, the principal amount of additional shares issued in order to protect the rights of holders of securities with a claim to shares of the Company, in accordance with applicable law.

The principal amount of debt securities issued by virtue of the aforementioned authorization may not exceed 1.5 billion euros on the date of issue. These securities may be issued with pre-emptive subscription rights maintained or waived.

These unused authorizations remained valid for a period of twenty-six months, as of the Shareholders' Meeting of June 2, 2004.

The Board of Directors requests that the Shareholders' Meeting authorizes it to issue new equity and thereby increase the Company's share capital:
- through the capitalization of reserves, earnings or additional paid-in capital, by a maximum amount of 150 million euros;
- through the issue of a maximum of two million shares reserved for employees enrolled in employer sponsored savings plan, by a maximum principal amount of 15 million euros.

These authorizations are valid, in the first instance for a period of twenty-six months, and in the second, for a period of five years, as from the date of the Meeting.

2. At the meeting of the shareholders held on June 2, 2004, the Shareholders authorized the Board of Directors to grant employees, directors and officers of the Company and Group companies stock subscription and purchase options, limited to 2.5% of the number of shares constituting the fully diluted share capital.

The Board set up a stock purchase option plan in 2004 involving 313,000 shares, which was described in a special report to the Combined General Shareholders' Meeting held on June 29, 2005.

Securities with a claim to share capital

- Convertible bonds
  There are no more bonds that may be converted into securities with a claim to share capital because the GECINA November 2002 and ex-SIMCO July 1997 bonds were reimbursed before maturity on August 23, 2004.
- Share subscription options
  At December 31, 2004, the number of potential shares to be created by exercising share subscription options is 175,336.
- The Company has not issued founder's shares or voting right certificates.
- The Company has not issued any other securities with a claim to its share capital.

Changes in share capital since January 1, 2000

YEAR	OPERATION	NUMBER OF SHARES	SHARE CAPITAL (in FRF)	ISSUE OR MERGE PREMIUM (in FRF)
2000	Share capital at January 1, 2000	19,236,325	1,923,632,500	
	Conversion of 1,551 ex-GFC 3.25% bonds	1,551	155,100	775,500
	Share capital at December 31, 2000	19,237,876	1,923,787,600	

YEAR	OPERATION	NUMBER OF SHARES	SHARE CAPITAL (in €)	ISSUE OR MERGE PREMIUM (in €)
2001	Share capital at January 1, 2001 (par value: €15)	19,237,876	288,568,140	
	Merger with INVESTIBAIL	2	30	39
	Conversion of 44 ex-GFC 3.25% bonds	44	660	3,365
	Conversion of 208 ex-Sefimeg 3.75% bonds	128	1,920	990
	Share capital at December 31, 2001	19,238,050	288,570,750	
2002	Share capital at January 1, 2002	19,238,050	288,570,750	
	Public Exchange Offer for SIMCO	7,808,046	117,120,690	628,981,500
	Conversion of 9 ex-GFC 3.25% bonds	9	135	823
	Conversion of 338 ex-SEFIMEG 3.75% bonds	208	3,120	28,855
	Conversion of 71 November 2002 3.25% bonds	63	945	6,242
	Share capital at December 31, 2002	27,046,376	405,695,640	
2003	Share capital at January 1, 2003	27,046,376	405,695,640	
	Merger with SIMCO	671,148	10,067,220	67,015,561
	Conversion of 1,299,315 ex-GFC 3.25% bonds	1,299,315	19,489,725	99,357,852
	Conversion of 2,539 November 2002 3.25% bonds	2,284	34,260	188,850
	Share capital at December 31, 2003	29,019,123	435,286,845	
2004	Share capital at January 1, 2004[(1)]	58,038,246	435,286,845	
	Conversion of 7,821 ex-GFC 3.25% bonds	15,642	117,315	
	Conversion of 3,647,014 November 2002 3.25% bonds	6,564,697	49,235,228	
	Conversion of 146,338 ex-SIMCO July 1997 3.25% bonds	263,425	1,975,688	
	Adjustment for the conversion of November 2002 3.25% bonds	51,719	387,893	
	Adjustment for the conversion of ex-SIMCO July 1997 3.25% bonds	331	2,483	
	Exercise of share subscription options	130,861	981,458	
	Subscription through Company Savings Plan	36,920	276,900	
	Cancellation of shares	– 3,000,000	– 22,500,000	
	Share capital at December 31, 2004	62,101,841	465,763,807.50	

(1) After two-for-one stock split.

Analysis of capital and voting rights

At present, there are no shares that entitle their holder to double voting rights. However, the number of voting rights must be adjusted to take into account treasury shares, which do not grant voting rights.

- To the best of the Company's knowledge, the following table summarizes its capital ownership and voting rights at December 31, 2004:

SHAREHOLDERS	SHARE CAPITAL		VOTING RIGHTS	
	NUMBER	%	NUMBER	%
AGF Group	13,907,930	22.40%	13,907,930	23.51%
Crédit Agricole Group-Predica	7,686,806	12.38%	7,686,806	12.99%
Azur-GMF Group	6,488,092	10.45%	6,488,092	10.97%
Other institutional shareholders resident in France	9,765,548	15.71%	9,765,548	16.51%
Non-resident shareholders	15,025,758	24.20%	15,025,758	25.40%
Individual shareholders	6,282,160	10.12%	6,282,160	10.62%
Treasury shares	2,945,547	4.74%	–	–
TOTAL	**62,101,841**	**100.00%**	**59,156,294**	**100.00%**

To the best of the Company's knowledge, no other shareholders own more than 5% of the Company's share capital or voting rights and no shareholders' agreements exist.

The percentages in equity capital and voting rights held by all members of top and executive management are, respectively, 15.5% and 16.3%.

At December 31, 2004, the Group's employees held 98,055 GECINA shares directly and 24,227 GECINA shares indirectly through the "GECINA actionnariat" Company mutual fund *(FCPE)*, equal to 0.20% of the share capital.

- As of March 15, 2005, following the sale of securities by the AGF and Azur-GMF Groups to Metrovacesa, the breakdown of capital ownership and voting rights is as follows:

SHAREHOLDERS AT 03/15/2005	SHARE CAPITAL		VOTING RIGHTS	
	NUMBER	%	NUMBER	%
Metrovacesa	18,630,552	30.00%	18,630,552	31.49%
Crédit Agricole Group-Predica	7,686,806	12.38%	7,686,806	13.00%
Other institutional shareholders resident in France	11,531,018	18.56%	11,531,018	19.49%
Non-resident shareholders	15,025,758	24.20%	15,025,758	25.40%
Individual shareholders	6,283,160	10.12%	6,283,160	10.62%
Treasury shares	2,944,547	4.74%	–	–
TOTAL	**62,101,841**	**100.00 %**	**59,157,294**	**100.00 %**

To the best of the Company's knowledge, there are no significant pledges on "pure" registered GECINA shares.

The company has not pledged its treasury stock.

Three-year summary of changes in share ownership

The Company's share ownership has evolved in the following manner:

	AT 12/31/2002[1]	AT 01/31/2004[2]	AT 12/31/2004[2]	AT 03/15/2005[2]
Metrovacesa				30.00%
AGF Group	23.1%	24.0%	22.4%	0.15%
Azur Group	18.6%	13.6%	10.5%	2.70%
Batipart	1.0%			
Axa	7.5%			
Crédit Agricole Group-Predica	6.8%	9.7%	12.4%	12.38%
Crédit Foncier de France	4.1%			
Other institutional shareholders resident in France	17.4%	21.4%	15.7%	15.71%
Non-resident shareholders	9.3%	17.8%	24.2%	24.20%
Individual shareholders	10.1%	9.8%	10.1%	10.12%
Treasury shares	3.1%	3.7%	4.7%	4.74%
	100.0%	**100.0%**	**100.0%**	**100.00%**

(1) Source: Identifiable bearer shares *(TPI),* December 2002.
(2) According to a file of registered shareholders.

Transactions carried out by the Company on its own shares

The meeting of the Shareholders held on June 2, 2004, renewed the authorization granted to the Company to purchase its own shares on the stock market for a period of eighteen months. The maximum purchase price was set at €90. The maximum number of shares that may be owned is 10% of the total equity capital at the moment of transaction. This authorization was granted in connection with the repurchase program described in the condensed registration statement that received Visa No. 04-408 of the *Autorité des marchés financiers* (the French Financial Markets Authority) on May 12, 2004.

During the fiscal year 2004, the Company repurchased 4,096,465 shares as treasury stock.

At December 31, 2004, the Company owned 2,945,547 treasury shares.

Dividends

The date and place of dividend payout is determined by the Shareholders' meeting or, failing that, by the Board of Directors, within nine months following the end of the fiscal year. In the event that shareholders are offered dividend payment in the form of Company shares, this offer must be made within three months of the date of the Annual General Shareholders' Meeting.

YEAR ENDED	DISTRIBUTION	NUMBER OF SHARES	DIVIDEND PER SHARE	DISTRIBUTION PER SHARE TAX CREDIT	DISTRIBUTION PER SHARE TOTAL DISTRIBUTION
2000	€64,254,506	38,475,752	€1.67	€0.84	€2.51
2001	€69,256,980	38,476,100	€1.80	€0.90	€2.70
2002	€108,185,504	54,092,752	€2.00	€1.00	€3.00
2003 (1)	€37,724,860	58,038,246	€0.65	–	€0.65
2003 (2)	€104,468,843	58,038,246	€1.80	€0.90	€2.70
2004 (3)	€124,203,682	62,101,841	€2.00	–	€2.00
2004 (4)	€105,573,130	62,101,841	€1.70	–	€1.70

(Data adjusted for the two-for-one stock split on January 2, 2004)

Dividends not claimed within five years become the property of the French Tax Office *(Direction Générale des Impôts)*.

(1) Pursuant to the SIIC tax system.
(2) Pursuant to the common law tax system.
(3) Proposal submitted for the approval of the Meeting of the Shareholders held on June 29, 2005, pursuant to the SIIC tax system.
(4) Proposal submitted for the approval of the Meeting of the Shareholders held on June 29, 2005, pursuant to the common law tax system.

Market in Company securities

Place of listing

GECINA shares are listed on Euronext Paris Stock Exchange (Eurolist-A) under the ISIN code number FR0010040865. Transactions are eligible for inclusion in the differed settlement system *(Service à Règlement Différé - SRD)*, and the security is part of the CAC NEXT20, SBF120 and SBF80 indexes.

Footsie Economic Sector: 862 (Real Estate Investment and Promotion).

Other places of listing

ISSUE DATE	FEBRUARY 19, 2003	OCTOBER 17, 2003	JUNE 25, 2004
Issue amount	600 million euros	250 million euros	500 million euros
Issue price	99.334% up to an amount of 500 million euros 99.049% up to an amount of 100 million euros	99.835%	99.656% up to an amount of 500 million euros
Maturity date	February 19, 2010	October 17, 2007	January 25, 2012
Interest rate	4.875%	3.625%	4.875%
ISIN code	FR0000472441	FR0010021220	FR0010095422
Place of listing	Luxembourg Stock Exchange	Luxembourg Stock Exchange	Luxembourg Stock Exchange

Trading volume in number of shares and amount of equity traded

1 • Shares (ISIN code FR0010040865)

• *Trading volume and change in price*

MONTH	NUMBER OF SHARES TRADED FOR THE MONTH	AVERAGE AMOUNT TRADED FOR THE MONTH (in € millions)	PRICE (HIGH) (in €)	PRICE (LOW) (in €)
September 2003	2,348,136	122.96	53.50	51.35
October 2003	1,361,704	73.51	54.95	52.90
November 2003	2,549,516	143.23	57.50	53.65
December 2003	1,681,606	97.21	58.90	57.00
January 2004	1,839,883	108.81	61.00	58.00
February 2004	3,355,947	201.54	61.65	58.20
March 2004	1,927,606	121.30	64.30	60.25
April 2004	2,616,707	167.40	66.50	61.05
May 2004	3,838,932	240.58	64.60	60.10
June 2004	2,250,159	143.74	65.60	61.15
July 2004	1,901,291	123.97	67.50	64.00
August 2004	2,198,986	148.14	68.75	64.90
September 2004	2,019,462	139.44	70.65	67.25
October 2004	1,778,416	119.38	68.40	66.25
November 2004	1,549,511	108.30	71.45	67.45
December 2004	3,010,299	216.96	73.95	70.80
January 2005	2,952,406	223.99	79.50	71.10
February 2005	4,468,146	360.87	84.70	77.10
March 2005 (1)	1,808,191	143.69	81.20	77.50

(historical data adjusted for the two-for-one stock split on January 2, 2004).

Source: Euronext.

(1) The May 2005 data refer to 10 trading days, until the trading of GECINA shares was suspended on March 14, 2005.

In the stock market, GECINA's share price increased by 25.04% in 2004, from €58.30 on December 31, 2003, to €72.90 on December 31, 2004. This lowest price of €58.00 was recorded in January and the highest price of €73.95 was recorded in December.

A total of 28,287,199 shares were traded in 2004, representing €1.839 billion. At the end of 2004, the Company's stock market capitalization stood at €4.527 billion.

• *Trading volume and change in price over the last five years*

YEAR	NUMBER OF SHARES TRADED	NUMBER OF TRADING DAYS	PRICE (HIGH) (in €)	PRICE (LOW) (in €)	PRICE (CLOSE) (in €)
2000	10,566,352	253	52.95	47.25	51.00
2001	9,217,858	253	53.50	40.00	45.75
2002	9,565,596	255	52.00	42.80	50.50
2003	31,682,926	255	58.90	48.25	58.30
2004	28,287,199	259	73.95	58.00	72.90

(historical data adjusted for the two-for-one stock split on January 2, 2004).

Source: Euronext.

2 • Bonds convertible into shares

No bonds that may be converted into securities with a claim to share capital have been issued since the GECINA ex-GFC convertible bonds reached maturity on January 1, 2004, and since GECINA exercised an early redemption on the GECINA November 2002 and ex-SIMCO July 1997 convertible bonds in May 2004, leading to the conversion or redemption of these two bonds.

• ***GECINA November 2002 3.25% bonds convertible into shares*** (ISIN code FR0000181265)

MONTH	NUMBER OF SECURITIES TRADED FOR THE MONTH	AVERAGE AMOUNT TRADED FOR THE MONTH (in € millions)	PRICE (HIGH) (in €)	PRICE (LOW) (in €)
September 2003	102,025	10.07	98.20	90.10
October 2003	2,638	0.26	107.00	98.80
November 2003	12,063	1.23	104.20	97.45
December 2003	13,349	1.44	114.00	97.50
January 2004	150,743	15.58	106.00	99.00
February 2004	50,269	5.12	103.00	100.00
March 2004	656	0.07	110.00	103.00
April 2004	3,699	0.40	119.00	107.50
May 2004	353,074	37.62	108.00	106.00

(historical data adjusted for the two-for-one stock split on January 2, 2004).

Source: Euronext.

• ***Ex-SIMCO July 1997 3.25% bonds convertible into shares*** (ISIN code FR0000094997)

MONTH	NUMBER OF SECURITIES TRADED FOR THE MONTH	AVERAGE AMOUNT TRADED FOR THE MONTH (in € millions)	PRICE (HIGH) (in €)	PRICE (LOW) (in €)
September 2003	133	0.01	95.10	93.65
October 2003	2,046	0.20	97.80	94.50
November 2003	454	0.04	100.10	97.05
December 2003	719	0.07	103.00	99.00
January 2004	727	0.07	103.00	97.50
February 2004	3,021	0.30	112.00	97.00
March 2004	92	0.01	105.00	103.00
April 2004	251	0.03	110.50	105.50
May 2004	74	0.01	106.90	106.50

(historical data adjusted for the two-for-one stock split on January 2, 2004).

Source: Euronext.

Special report submitted by the Board of Directors

to the combined Ordinary and Extraordinary Shareholders' Meeting of June 29, 2005

concerning the employee stock option subscription and/or purchase plan

Pursuant to the authorization granted by the sixteenth resolution of the General Shareholders' Meeting held on June 2, 2004, the Board of Directors approved a stock option subscription and/or purchase plan whose purpose is to associate more closely GECINA's executives and senior managers with the company's development. During fiscal year 2004, the Board of Directors granted 313,000 stock purchase options to the two officers and to 52 Group employees, but none of these options was exercised. Furthermore, no share subscription option was granted.

The table below indicates, under article L.225-184 of the French Code of commerce *(Code de commerce)*, the number, price and maturity date of the options granted by GECINA to its officers and to each of the ten employees benefiting from the largest number of options.

The table also indicates the nature and mode of exercise of the options as well as the offered discount percentage.

PLANS	GRANTEE	DATE OF THE AUTHORIZING GM	START DATE OF EXERCISE PERIOD	OPTION STRIKE PRICE	DISCOUNT	NUMBER OF OPTIONS GRANTED IN 2004	NUMBER OF SHARES PURCHASED IN 2004	PRICE OF SHARES PURCHASED IN 2004	BALANCE TO BE EXERCISED AT 12/31/2004	MATURITY DATE
2004 purchase										
option plan	**1. Directors and Officers**									
	A. Jeancourt-Galignani	6/2/2004	10/12/2004	€64.92	5%	33,000	–	–	33,000	10/11/2014
	S. Grzybowski	6/2/2004	10/12/2004	€64.92	5%	33,000	–	–	33,000	10/11/2014
	Subtotal					**66,000**	–	–	**66,000**	
	2. Employees									
	J-P Sorand	6/2/2004	10/12/2004	€64.92	5%	20,000	–	–	20,000	10/11/2014
	M. Gay	6/2/2004	10/12/2004	€64.92	5%	18,000	–	–	18,000	10/11/2014
	M. Brunel	6/2/2004	10/12/2004	€64.92	5%	18,000	–	–	18,000	10/11/2014
	Y. Dieulesaint	6/2/2004	10/12/2004	€64.92	5%	15,000	–	–	15,000	10/11/2014
	A. Lajou	6/2/2004	10/12/2004	€64.92	5%	15,000	–	–	15,000	10/11/2014
	E. Marcot	6/2/2004	10/12/2004	€64.92	5%	15,000	–	–	15,000	10/11/2014
	D. Outin	6/2/2004	10/12/2004	€64.92	5%	14,000	–	–	14,000	10/11/2014
	J-A Daniel	6/2/2004	10/12/2004	€64.92	5%	10,000	–	–	10,000	10/11/2014
	F. Vasseur	6/2/2004	10/12/2004	€64.92	5%	10,000	–	–	10,000	10/11/2014
	P. Oriez	6/2/2004	10/12/2004	€64.92	5%	6,500	–	–	6,500	10/11/2014
	Subtotal					**141,500**			**141,500**	
	TOTAL					**207,500**			**207,500**	

The General Meeting is also hereby informed that, because of the distribution of issue premiums created for the purpose of financing the dividend voted on June 2, 2004, the Board of Directors has adjusted the number and the price of earlier stock options issued but not exercised. This is done in accordance with article L.225-181 of the French Code of commerce *(Code de commerce)* and under the conditions set down in articles 174-12 and 174-13 of the Decree of March 23, 1967.

The table shown in note 6.7 to the corporate financial statements summarizes current plans after adjustment.

Report submitted by the Chairman
on corporate governance and internal control

To the Shareholders,

Each year, the Chairman must, in pursuance of provisions of the Financial Security Act of August 1, 2003, report to the shareholders in a report attached to the Board of Directors' report on the terms of implementation and organization of its work and on the internal control procedures set up by the Company. Hence, this report addresses each of the two points set down in the Act. It was prepared with the support of Internal Audit and the office of the Secretary General, in conjunction with a series of meetings with the heads of the other divisions within the Group.

I • Terms of implementation and organization of the Board of Directors' work

The governance rules defined by the GECINA Board of Directors are in line with those contained in the report published in October 2003 by AFEP and MEDEF.

1 • Mode of organization and proceedings of the Board

The Board of Directors of GECINA is comprised of 14 members.

The Board's internal regulations were approved by the Board on June 5, 2002, and updated on January 15, 2003 and April 20, 2004, and supplements the rules contained in the by-laws concerning the proceedings of the Board.

Meetings of the Board of Directors

The Board of Directors meets at least four times a year and as often as necessary when convened by the Chairman of the Board of Directors or at the request of at least one third of the Directors if the Board has not met for more than two months. Decisions are made by a majority of the votes of members present or represented. In case of a tie, the Chairman has a casting vote.

Shares held

During his term of office, each Director must hold 400 shares having a par value of €7.50.

Within five days of each transaction, each Director reports to the office of the Secretary General of GECINA the securities transactions he has carried out whether directly or through a third party, on his own behalf or on behalf of a third party pursuant to an agreement outside the framework of asset management for third parties. This procedure also applies to transactions made on the accounts of the Director by his spouse (provided that such spouse is not legally separated from such Director) or by any person holding a power of attorney.

This reporting mechanism also applies to the Chief Executive Officer.

Directors' fees

Directors' fees are allocated to each Director. Each Director is granted fixed compensation of €5,000. In addition, a variable amount of €1,500 per meeting is paid individually to each Director depending on his record of attendance at the Board's meetings.

As regards specialized committees, each Chairman receives a fixed individual amount of €3,000 as a Director's fee. A variable amount of €1,500 per meeting is paid individually to each member depending on his record of attendance at the meetings.

Independent Directors

During its meeting held on April 20, 2004, the Board of Directors reviewed the findings of the Appointments and Compensation Committee concerning the qualifications of independent Directors.

The Committee endorsed the Director independence principles contained in the corporate governance recommendations circulated by MEDEF and AFEP in October 2003. These principles stipulate that an independent Director may not:

- be an employee or Director of the Company or have been an employee of the Company or a Director during the last five years;
- be an officer of any company in which the Company directly or indirectly holds any directorship, or in which an employee who has been appointed as such or an officer of the Company (presently or in the last five years) holds an office as a Director;
- be a client, supplier, investment banker or commercial banker:
  - having material relationships with the Company or with the Group,
  - or for which the Company or the Group represents a significant share of total operational volume;
- have any close family ties with a corporate officer;
- have been an auditor of the Company in the last five years;
- have been a Director of the Company for more than twelve years;
- Directors representing major shareholders of the Company are deemed independent when they do not participate in the control of the Company and their shareholding percentage is less than 10%; above this 10% threshold, the Board, acting on the basis of a report of the Appointments and Compensation Committee, must decide by taking into account the composition of the share capital and the existence of any potential conflicts of interest.

On the basis of these recommendations, the Board of Directors determined that six Directors were not independent:

- Laurent Mignon and Bertrand Letamendia because of the positions they hold within Assurances Générales de France, an entity into whose accounts GECINA is consolidated;
- Antoine Jeancourt-Galignani, Michel Pariat, Charles Ruggieri and Jean-Paul Sorand, because of their status as officers of the Group in the last five years.

The Board thus determined that eight Directors were independent:

- Anne-Marie de Chalambert, Françoise Monod, Christian de Gournay, Bertrand de Feydeau and Philippe Geslin;
- Azur Vie, represented by Bruno Legros, GMF Vie represented by Sophie Beuvaden, and PREDICA, represented by Jean-Pierre Bobillot.

In the near future, the Board will discuss the consequences of the resignation of some Directors and the adjustments that are or will become necessary as a result of coming events.

Role of the Board

The Board of Directors is responsible for determining the Company's operational policies. The Board of Directors may review any matter related to the Company's management. The Board of Directors is regularly informed of the Group's operations and assets and of its financial position and cash management. The Board of Directors is also informed of material commitments made by the Group.

The Board of Directors must approve any transaction entailing a strategic change in the development of the Company's operations.

As part of the approvals granted by the General Shareholders' Meeting, the Board of Directors decides on any transaction bringing about a change in the share capital or the issuance of new shares by the Company.

2 • Organization of work for preparing the meetings of the Board

In order to improve the quality of the Board's work and support the Board in the fulfillment of its duties, the GECINA Board of Directors formed three specialized committees during its meeting of January 15, 2003: the Appointments and Compensation Committee, the Audit Committee and the Quality and Sustainable Development Committee.

The internal regulations of each of these Committees determine its mode of operation and mandate.

Appointments and Compensation Committee

This Committee is comprised of five Directors: Laurent Mignon, Chairman, Sophie Beuvaden, Christian de Gournay, Françoise Monod and Antoine Jeancourt-Galignani. The Chairman of the Board is not a member of this Committee when it meets to review compensation issues.

The Committee is responsible for making proposals or giving opinions to the Board for the election of corporate officers. The Committee is also responsible for identifying independent Directors, as the majority of its members must consist of independent Directors.

When meeting to review compensation issues only, the Committee is responsible for making proposals to the Board as regards the compensation of corporate officers, for giving an opinion on the mode of compensation of members of the Group's senior management and for making any proposal concerning stock option plans.

This committee met twice during fiscal year 2004:
- March 24, 2004: Review of the adaptation of GECINA's organization and procedures to developments in corporate governance; identification of Directors who may be considered independent; proposal to adjust the parameters used in determining the variable portion of the compensation of the Chief Executive Officer;
- September 21, 2004: Review of adjustments to be made to stock options granted but not yet exercised when the dividend was distributed in June 2004, in light of the deduction made from issue premiums in order to provide for its financing; analysis of the new draft rules for the stock options plan, in the context of the 16th resolution adopted by the General Shareholders' Meeting of June 2, 2004; review of a proposal to grant stock options for fiscal year 2004.

The overall attendance rate at committee meetings in 2004 was 100%.

Audit Committee

This Committee is comprised of four Directors: Philippe Geslin, Chairman, Bertrand Letamendia, Jean-Pierre Bobillot and Bruno Legros. At least two thirds of its members must be independent Directors. The Chairman of the Committee is chosen among the independent Directors.

The Committee is responsible for reviewing financial statements and maintaining a direct dialogue with the Company's financial managers and the Statutory Auditors, for giving an opinion on any issue concerning the Statutory Auditors and for reviewing the operation of the Group's internal control.

The Committee met six times during fiscal year 2004. The main topics covered were as follows:
- February 3 and 12, 2004: After examination of their proposals, interviews with the teams of the five audit firms that responded to the call for tender made for the renewal of the Group's statutory auditors;
- February 24, 2004: Analysis of the financial statements for fiscal year 2003 and the plan for dividend distribution; review of the functioning of internal audit;
- May 26, 2004: Internal audit (risk mapping, audit plan for 2004, review of a proposal to draw up standard procedures);

- July 27, 2004: Review of the interim financial statements at June 30, 2004; analysis of first figures showing the impact of introducing IAS; pursuit of the internal audit review;
- October 11, 2004: Review of the consequences of applying IAS.

In 2003, the overall attendance rate at Committee meetings was 92%.

Quality and Sustainable Development Committee

This Committee is comprised of four Directors: Charles Ruggieri, Chairman, Anne-Marie de Chalambert, Bertrand de Feydeau and Jean-Paul Sorand, reporter.

The Committee is responsible for listing the main categories of risks threatening GECINA and monitoring the action program prepared in order to address these risks, assess the quality of service offered to tenants and examine the Group's contribution to sustainable development.

Depending on the matters reviewed, the Committee calls where applicable on the Risk Manager or on other operational managers of the Group.

The Committee met four times in 2004. The main subjects covered were as follows:

- February 3, 2004: Proposal to channel the work of the Committee to three areas: risks, sustainable development and quality;
- September 15, 2004: Proposal to define the major goals for each of these three areas;
- October 20, 2004: Presentation by the Chief Executive Officer of the impact of major actions accomplished or underway on risks and on sustainable development;
- December 22, 2004: Presentation made to the Committee by GECINA staff members in charge of the projects for quality indicators and formalizing the new set of procedural standards, presentation of the rendering of building charges and first actions undertaken as a result of quality surveys among residential tenants.

The overall attendance rate at committee meetings in 2004 was 87%.

Given the resignation of some Directors who are also committee members, the Board will take the decisions necessary in the light of coming events.

3 • Measures taken by the Board during the fiscal year

The Board of Directors met six times during fiscal year 2004. During each meeting, a report on the activity of the Group (rental operations, disposals and funding in particular) was presented.

During these meetings, the main topics covered were as follows:

- February 25, 2004: Closing of the financial statements for the 2003 fiscal year; dividend distribution proposal; invitation to the General Shareholders' Meeting; review of the recommendations of the Accounting and Audit Committee for the choice of statutory auditors and of the proposals to be made to the General Shareholders' Meeting of June 2, 2004; extension to all group subsidiaries of participation in the central cash management agreement between GECINA and its affiliates; presentation of significant investment projects now under study;
- April 20, 2004: Approval of the independent Directors proposed by the Appointments Committee; approval of the Board's new internal regulations and committees; Chairman's presentation of his draft report to the next General Shareholders' Meeting, drawn up in accordance with the Financial Security Act; report on the work of the Quality and Sustainable Development Committee; setting the bonus for the Chief Executive Officer, based on the proposal of the Compensation Committee; opening of a window for employees' subscription to shares of the Company and setting the subscription price; decision to exercise the possibility of advance redemption of GECINA convertible bonds issued in November 2002 and ex-SIMCO bonds issued in July 1997; presentation of significant investment projects now under study;

- June 2, 2004 (following on the General Shareholders' Meeting): modification of the share capital (bond conversions and cancellations of shares); implementation of a new share repurchase program; decision to increase the EMTN issue program to €1.5 billion; presentation of the last acquisitions realized or in progress (€546.5 m) ;
- July 28, 2004: Closing of the interim financial statements as of June 30, 2004; updating the 2004 budget; capital increase (bond conversion, adhesions to the company savings plan and exercise of stock options); grant of power to the Chairman and the Chief Executive Officer to issue bonds in accordance with the order *(Ordonnance)* of June 24, 2004;
- October 12, 2004: capital increase (bond conversion, exercise of stock options); adjustments to convertible bonds and stock options; review of the consequences of the implementation of the new accounting standards; report of the Compensation Committee and approval of the new rules for the stock options plan; transfer of the registered address to 14-16, rue des Capucines in Paris's 2nd arrondissement;
- December 14, 2004: discussion of the Company's investment strategy and announcement that a study has been initiated on an investment project worth close to €1 billion.

The overall attendance rate at the meetings of the Board in 2004 was 88%.

4 • Powers of the Chief Executive Officer

The Chief Executive Officer, appointed by the Board of Directors, has the broadest powers to act for the Company in all circumstances. He exercises these powers within the realm of company activity defined in the by-laws, and without prejudice to the powers expressly reserved for the General Shareholders' Meeting or the Board of Directors.

In order to affirm the convergence of the functions of the two positions, the internal regulations of the Board of Directors specify that certain decisions require advance consultation between the Chairman of the Board and the Chief Executive Officer. These include appointment and compensation of the members of the Executive Committee, acquisitions and disposals of buildings and banking/financial operations of over €15 m.

5 • Evaluation of the work of the Board

The rules for evaluating the work of the Board are set down in its internal regulations:
- discussion at least once a year on how the Board and its committees function;
- possible discussion every two years, excluding senior management and presided by the Chairman of the Appointments and Compensation Committee, on the quality of the Company's management, its relations with the Board and the recommendations the Board would make to management;
- evaluation every three years of the composition, organization and functioning of the Board.

II • Internal control

The internal control mechanism existing within GECINA serves the following purposes:
- ensuring that management decisions and the conduct of operations are in line with the framework of the policies approved for the Company by corporate bodies, in accordance with applicable laws and regulations and with the Company's internal regulations;
- foreseeing and managing risks stemming from the Company's business;
- ensuring that the accounting, financial and management information fairly reflects the Company's operations and position.

To be sure, like any control system, this mechanism cannot provide an absolute guarantee of total elimination of risks.

1 • Organization and Management of the Company

Management of the Company

On June 5, 2002, the Board of Directors of GECINA decided to separate the offices of Chairman of the Board of Directors and that of Chief Executive Officer, in accordance with the provisions of the New Economic Regulations Act of May 15, 2001. By dissociating operational responsibilities from the Chairman's leadership of the Board and supervision of Company bodies, this mode of organization contributes to a strengthening of the control of the Company's affairs.

Organization of the Company

The operational organization of GECINA is based on the formation of asset management entities grouping properties by geographic area, organized into profit centers and covering all functions necessary for the management of the buildings (customer relations, administrative, technical and accounting management). This integrated organization is structured around each building and makes it possible to define responsibilities more closely and increase responsiveness to events.

These asset management entities are grouped into three divisions, which are clearly identified and separated for operational purposes: Commercial Property Division, Residential Property Division and Lyons Regional Division.

Marketing activities are developed through a specialized subsidiary, LOCARE, which trades in the rental and sale market, whether for the Group or for external principals.

Asset management (investments and disposals) and construction (monitoring major construction sites and development projects) are the responsibility of the Development Division.

The Group's divisions that are entrusted with human resources management and financial and administrative management are organized in ways that are typical of such structures.

Management Committees

GECINA Group Management relies on the Executive, Investment, Asset Management, Financial and Results Committees.

- The Group's management structure is supplemented by an Executive Committee that meets on a weekly basis and includes the managers of seven divisions in addition to the Chairman and the Chief Executive Officer. The Committee as a whole is responsible for implementing strategic decisions and ensuring that the main management decisions are consistent.
  The Committee is supported by Special Committees responsible for preparing and steering the various measures taken by the Group in the relevant areas:
  - the Investment Committee meets as needed to decide on current acquisitions or disposals.
  - the Asset Management Committee, which has a wider membership, meets every two months. The Committee reports on trends in property holdings and major measures and projects.
  - the Finance Committee meets on a monthly basis in order to review the Company's financial position and cash forecasts as well as financing, hedging and investment decisions.
  - the Results Committee meets each quarter in order to review the Group's budget monitoring statements and various activity indicators. On the basis of the explanations provided with the support of the Management Control unit, the Committee identifies risks and performance improvement factors.

Management procedures

The project for formalizing new standards for procedures, announced in last year's report, was launched at the beginning of summer 2004 and now covers a large portion of operating activities. It is coordinated by the internal audit unit and is also supported by outside consultants (Deloitte) monitored by a Steering Committee set up for this purpose. The new standards, which include previously defined best practices, will cover all of GECINA's operational and functional activities. Setting up these new procedures will reinforce the security of operations in setting up the necessary audit within the organization.

In 2004, the scope of the project was mainly the formalization of procedures specific to the sales and rental businesses. In 2005, the project will mainly cover development and functional areas.

The dissemination to employees of the first procedures under the new standards will start in the beginning of spring 2005. The new procedures are accessible via the company intranet.

Quality indicators

A project to initiate reporting of quality indicators was also begun during 2004. This project concerns all the Group's divisions and functions, whether operational or functional. It will use synthesized indicators to monitor the quality of GECINA's principal functions, both internally and with third parties. Reporting is made to the office of the Chief Executive Officer on a regular basis. It should permit selective guidance of the performance and the proper functioning of the process.

Group Organization

The Group is primarily comprised of subsidiaries that are wholly-owned or nearly so. The Group is organized in a centralized manner with common teams and units applying the same methods and procedures to all companies.

2 • Structures carrying out internal control functions

GECINA is equipped with three structures responsible for control functions: the risk management, management control and internal audit units. These entities form part of the Financial and Administrative division. They report to the office of the Chief Executive Officer and to the specialized committees of the Board of Directors – specifically, the Accounting and Audit Committee on questions of internal audit and the Quality and Sustainable Development Committee for work on risk management.

Risk management

In cooperation with the operational and functional divisions, the risk management unit is responsible for identifying and handling risks related to the security of assets and individuals, to managing lines of empowerment and to environmental issues.

Risk management is an expert department responsible for steering, coordinating and controlling the management of risks. To improve its assistance of the operating divisions, especially in cross-divisional projects, the risk management team added a new member in 2004 and is now comprised of five persons.

This department provides guidance and assistance in its area of expertise to the various divisions of the Group, and may also monitor and make recommendations.

More specifically, it is responsible for:
- diagnosing risk through direct inspection and the definition of technical recommendations, thanks to technological and regulatory intelligence;
- supporting operational managers in the monitoring and control of risks affecting the property for which they are responsible;
- ensuring centralized control of risk monitoring;
- keeping the office of the Chief Executive Officer informed and making appropriate proposals;
- supporting the execution of general projects or those spanning several divisions – choice of technical solutions, preparation of specifications and selection of service providers, monitoring and control of services;
- awareness-raising and training programs.

The security diagnosis is made periodically on buildings held by the company, under the responsibility of the risk management department. It makes possible not only risk diagnosis but also prevention and corrective measures.

There is also a 24-hour crisis mechanism that can be set off in case of a major event. It consists of the Gecina Security Center, on-call availability and a crisis unit.

The activities of the risk management department are also supported by an operating risks committee *(Comité Opérationnel des Risques - COR)* responsible for defining internal standards and organizing joint decision-making on risk issues. During fiscal year 2004, *COR* worked on managing asbestos-linked risks, water consumption and the safety of elevators in property holdings.

In addition to these functions, the risk management department is also responsible for the management of insurance policies and reported losses.

Management control

Through its budgeting activities and analyses, Group management control contributes significantly to managing risks, particularly those related to property valuation, the management of rental properties and financial and accounting information.

In order to track operations as well as possible, management control is carried out at twin levels: an operational level within each division and a centralized level within the Management Control Division. The latter, comprised of seven employees, relies on a network of management controllers within the operational divisions.

In particular, the Management Control Division is responsible for budget preparation and control, monitoring of key activity indicators, analysis of the profitability of property and conducting property appraisals.

Budget preparation and control

A budget forecast is prepared for each property and includes rents, works and other property-related expenses. Assumptions are made for each building as regards the vacancy rate, turnover rate, progress of new rentals and re-rental lead times. For the commercial property sector, the budget is prepared by reviewing each lease agreement of the rental statement.

Budget monitoring of the buildings is made on a monthly basis for the rental and works components and on a quarterly basis for other property expenses. Gaps between forecasts and actual amounts are identified, analyzed and justified in liaison with the operational units concerned.

As regards operating expenses, budgets are prepared on a monthly basis. Payroll expenses are monitored on a monthly basis and other expenses are monitored on a quarterly basis.

Monitoring of management indicators

Activity indicators have been set up for each area in order to measure the performance of the rental activity. These indicators cover notified terminations, exits and re-renting data and thus enable the ongoing analysis, working with the other operational divisions, of vacancy, price and re-renting lead time data as well as turnover rates.

Property profitability analysis

The profitability of buildings is valued in reference to the last property appraisals known. Property assets are classified by category (per asset type and per region). Buildings having an abnormally low profitability are subject to specific monitoring in order to optimize their performance or decide on their future status.

Property appraisals

The Management Control unit is responsible for carrying out and updating the property appraisals prepared by independent experts. This function is thus dissociated from the sales function and reports to the Development Division.

Internal audit

The main functions of the audit unit, as well as the internal control responsibilities of the operational and functional divisions, are defined in the Group's audit charter.

An annual audit program is prepared by the audit division and approved by the Chief Executive Officer and the Chairman of the Board. Audit reports are given to the Chief Executive Officer, the Chairman and members of the divisions concerned. The annual audit plan and the reports of the audit assignments are also given to the Accounting and Audit Committee.

The audits undertaken in 2004 looked into new business areas, such as budgets for works, management of bad debt expense and mission costs. Earlier work on rents and receipt issue is also monitored. This year, the internal audit unit also undertook a first mapping of operations-related risks, which will be updated and enhanced as the Company grows.

The GECINA audit team was strengthened in 2004 with the recruitment of an experienced new member. This allows for a broader audit scope and better support for the project to formalize new standard procedures. The internal audit unit will also be responsible for monitoring and approving the updating of new procedures. Thanks to these measures, the team will be able to better guide the internal control standards.

The actions taken in 2004 (launching of the formalization of new standard procedures, mapping of operations-related risks and strengthening of the internal audit team) are necessary steps towards the future implementation of a system for evaluating internal control.

3 • Major operational processes

Internal control processes, intended to manage risks associated with the Company's business operations, are described below through three major processes: asset valuation, rental management and support functions.

Asset valuation

Property appraisals

Property assets are valued twice per year through appraisals prepared by independent experts. In accordance with the recommendations of the French Financial Markets Authority *(AMF - Autorité des marchés financiers)*, these appraisals are made using recognized methods that remain consistent from year to year and from expert to expert.

Investments

Management of risks associated with investments (asset portfolios and development projects) is achieved through an acquisitions process based on a technical, financial and legal examination of the project. This process is steered by the Development Division, with support from other divisions as needed. If necessary, it also calls on outside resources such as lawyers, tax experts, auditors and real estate experts.

Investment decisions are approved by the Investment Committee. Acquisitions of buildings for more than €15 m require prior consultation between the Chairman and the Chief Executive Officer.

Transactions are made secure through reliance on notaries or attorneys.

Disposals

A disposal plan covering all assets that do not meet the criteria for retention as Group property holdings is prepared by the Development Division. This plan covers disposals of residential buildings in blocks and units. Arbitrage proposals included in the plan are approved by Management Control. Anticipated sale prices are compared with the valuations derived from property appraisals in order to ensure that – except in duly justified exceptional situations – prices are in line with market data.

The disposal plan is submitted for approval to the Investment Committee. Disposals of buildings at a price of more than €15 m require prior consultation between the Chairman and the Chief Executive Officer.

As is the case for investments, the implementation of disposal plans is steered by the Development Division with support from other divisions as needed. If necessary, it also calls on outside resources such as lawyers, tax experts, notaries, surveyors and other experts.

The completion of the transactions is then made secure through the specific procedure required for the preparation of notarized deeds or deeds of transfer of shares approved by law firms.

Unit sales

In the case of sales by unit, a specific procedure applies to each building. A detailed file that includes both legal and technical aspects is created. The units are sold by LOCARE teams. Sales respect regulations in force and agreements made in the coordinating committees, which require providing tenants with complete documentation including preferential conditions and the protections given them.

Asset maintenance and enhancement

The control of expenses associated with works is backed by the existence of work programs prepared for each building. A works profitability analysis is prepared prior to any commitment in excess of predefined limits.

The selection of suppliers is made by examining estimates for projects valued at less than €45,000 and by calls for tenders, under strict rules, for all projects of more than €45,000.

The reliability of approvals of work orders and billings is enhanced through a system of authorization levels based on the level of responsibility of employees and entered into the company IT system.

As regards residential assets, price statements define standard services per category of buildings, and suppliers are required to comply with the relevant data.

Rental management

Price determination

As regards residential assets, the prices of new rentals are determined through a comparison between market levels and in-house data on unit characteristics, works undertaken, etc. Rents thus set are monitored in accordance with a precise schedule and are regularly reviewed during the marketing period in joint meetings with LOCARE teams.

For commercial assets, rents are likewise set in relation to market data (published prices, statistics, etc.) and, for larger properties, on the basis of a specific market study conducted with the sales team. Rents and lease conditions are systematically monitored within the Company hierarchy and regularly reviewed during the marketing period in cooperation with LOCARE's teams.

Leases are systematically monitored for all assets in operation. Any new rental conditions proposed are studied under a specifically defined procedure. For large-scale retail spaces, specific-use properties or spaces that are atypical of commercial properties, conditions for lease renewal are determined after consultation with a recognized outside expert.

Marketing

LOCARE is responsible for marketing, with separate teams for residential and commercial properties. When appropriate these teams work with principal brokers, designated on the basis of their performance and their presence in a given geographical area, who are given joint exclusivity with LOCARE.

Marketing is monitored in joint meetings of the Property Divisions and LOCARE.

Building-by-building reporting permits regular monitoring of new rentals, time between rentals and vacant properties.

Vacancy monitoring

There is a register of properties that are vacant or expected to become vacant since tenants have given notice or have expressed the intention to leave. Updated daily, this register makes it possible to monitor vacancy trends and measure the occupancy rate of each building and of the properties in operation.

Planning for refurbishing or renovation and for market actions to take in order to secure a new tenant begins as soon as possible after the date notice is given.

All of this asset management data is automatically transferred to the IT system used to support the commercial work carried out by Locare.

Tenant selection

The new tenants of the residential assets are selected by a committee that meets on a daily basis to make a complete analysis of each candidacy presented, with particular attention to his/her solvency.

The new tenants of the commercial property assets are selected after a creditworthiness review. GECINA took out an insurance contract in order to protect itself against the non-payment risks associated with office property leases. After an assessment of the risks associated with prospective lessees and their acceptance by the insurer, unpaid rents are guaranteed over a period of several years, in the event of default.

Collection

Delays in payment are monitored regularly for properties in operation, with systematic reminder notices given. Outstanding payments are treated together with a litigation service made up of specialists.

Support functions

IT systems

Management of risks associated with the operation of the IT system relies on a number of computer control mechanisms, including in particular rules for authorization, controls serving to verify the smooth completion of the processes and regular data back-ups. The back-up supports are redundant and maintained with specialized service providers. A back-up contract also makes it possible to ensure the continuation of the Company's operations in case of unavailability of the information system following a major disaster.

Since the beginning of 2004, GECINA's accounting and financial information has been processed through a single IT system. When the administrative staff moved to the new Group headquarters, a new IT infrastructure was set up with the intent of reinforcing the security and longevity of the IT system. Other IT actions taken include setting up interface controls and an in-house service contract that is monitored with monthly indicators.

An IT Committee meets every two months to follow the progress of activities and projects associated with this function and to determine how well they meet the needs and expectations of users.

Preparing financial and accounting information

Accounting for all Group companies is done in the same division and through a single IT system, aimed at improving monitoring of accounting treatment and consolidation, in compliance with the principles and standards defined at the consolidated level. The accounting function took many steps in 2004 in the areas of reliability and quality of financial information. This includes in particular the harmonization of Group methods and accounts charts, increased automation of data entry and setting up a new consolidation mechanism.

More generally, the reliability of accounting information is protected by an organization relying on the division of duties and on monitoring by different Group units. The operating divisions handle billing and the collection of rental payments and charges, using procedures that include a set of detailed controls. The entry of major transactions into the accounting system is automated. A second level of budget control is provided based on the Group accounts charts and comparative analyses developed by Management Control.

Legal function

The greater part of legal risks, and particularly those linked to asset acquisitions/disposals, is monitored with assistance from either in-house or outside legal counsel.

In lease/rental management, leases with new tenants and marketing contracts are all drafted on the basis of standards developed by management services. Tenant litigation is monitored by a specialized team.

The Legal department also provides ongoing legal services to all Group companies.

Financial management

Financial risks are managed by the cash and financing staff, which regularly monitors market trends, the Group's financial ratios and projected financing needs. The latter are updated continuously. Interest rate risk is covered through hedging, as part of a policy aimed at protecting the Company from interest rate trends. Liquidity risk is managed through constant monitoring of the maturity of financing instruments, the maintenance of available lines of credit and resource diversification.

The Finance Committee determines financial management policy and audits its execution on a monthly basis. Banking or financial operations of more than €15 m require prior consultation between the Chairman and the Chief Executive Officer.

The safety of financial flows is ensured by the banking signature organization process, which entrusts to a small number of persons, in keeping with the segregation of duties and within specifically defined boundaries, the delegations necessary for the operation of bank accounts.

Statutory Auditors' report,

prepared in accordance with the final paragraph of article L.225-235 of the French Commercial Code *(Code de commerce)*

on the report prepared by the President of the Board of Directors, on the internal control procedures relating to the preparation and processing of financial and accounting information. Year ended December 31, 2004

(This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In our capacity as Statutory Auditors of GECINA, and in accordance with the final paragraph of article L.225-235 of the French Commercial Code, we report to you on the report prepared by the President of your Company in accordance with article L.225-37 of the French Commercial Code for the year ended December 31, 2004.

It is for the President to give an account, in his report, notably of the conditions in which the duties of the Board of Directors are prepared and organized and of the internal control procedures in place within the company. It is our responsibility to report to you our observations on the information set out in the President's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

We performed our procedures in accordance with professional guidelines applicable in France. These require us to perform procedures to assess the fairness of the information set out in the President's report on the internal control procedures relating to the preparation and processing of financial and accounting information. These procedures notably consisted of:

- obtaining an understanding of the objectives and general organization of internal control, as well as the internal control procedures relating to the preparation and processing of financial and accounting information, as set out in the President's report;
- obtaining an understanding of the work performed to support the information given in the report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the President of the Board's report, prepared in accordance with the final paragraph of article L.225-37 of the French Commercial Code.

Paris and La Defense, April 5, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Bulle

Mazars et Guérard
Philippe Castagnac

Board of Directors
and Executive Management

Antoine Jeancourt-Galignani

Born 1/12/1937
French nationality
14-16, rue des Capucines - 75002 Paris

Board member
Appointed by the GM of May 23, 2000.
Appointment renewed by the GM of June 3, 2003.
Expiry of term of office: GM of fiscal year 2005.

Main position held:
Chairman of the Board of Directors of GECINA

Other positions and offices held in 2004:
- Chairman of the Board of Directors of SOCIETE DES IMMEUBLES DE FRANCE - SIF *(until 2/25/04)*
- Chairman of the Supervisory Board of Euro Disney SCA
- Member of the Supervisory Board of Oddo & Cie SCA
- Board member of SOCIETE DES IMMEUBLES DE FRANCE - SIF, Société Générale, AGF, TOTAL, Kaufman et Broad

Positions and offices held in foreign companies: SNA Holding Ltd, Bermuda (Chairman of the Board of Directors), SNA SAL, Lebanon (Board member), SNA-RE Ltd, Bermuda (Board member), JETIX Europe, Netherlands (Supervisory Board member), Hypo Real Estate Holdings, Germany (Supervisory Board member)

Antoine Jeancourt-Galignani owned 2,000 GECINA shares at December 31, 2004.

Gross compensation paid directly or indirectly to Antoine Jeancourt-Galignani in 2004 amounted to €176,000, as opposed to €304,589 in 2003. Compensation for 2003 included a non-recurring bonus of €150,000, relating to the conclusion of the public offering initiated by GECINA on the shares of Simco.

Antoine Jeancourt-Galignani was paid €18,500 in Directors' fees by GECINA.

Antoine Jeancourt-Galignani also benefits from the use of a company car.

The Board granted the Chairman 33,000 stock options for fiscal year 2004.

As of December 31, 2004, the Chairman held stock options with the following characteristics:

DATE GRANTED	NUMBER OF OPTIONS GRANTED	EXPIRATION DATE	STRIKE PRICE (in €)	NUMBER OF OPTIONS EXERCISED IN 2004	OPTIONS STILL TO BE EXERCISED
09/26/2001	20,213	09/25/2009	46.99	0	20,213
06/05/2002	24,260	06/04/2010	47.20	0	24,260
11/25/2003	30,325	11/24/2011	51.82	0	30,325
10/12/2004	33,000	10/11/2014	64.92	0	33,000

Serge Grzybowski

Born 9/14/1958
French nationality
14-16, rue des Capucines - 75002 Paris

Chief Executive Officer, since June 5, 2002.

Main position held:
Chief Executive Officer of GECINA

Other positions and offices held in 2004:
- Board member of SOCIETE DES IMMEUBLES DE FRANCE - SIF (Chairman), LOCARE (Chairman), PARIGEST, HOTEL D'ALBE
- Trustee of FONCIGEF
- Legal representative of GECINA, trustee of SCI BEAUGRENELLE, SCI TOUR H 15, SCI PARIS SAINT-MICHEL, SCI ROUTE DE LA REINE, SCI 16,VE INVESTISSEMENT, SCI DU 77/81, BOULEVARD SAINT-GERMAIN, SNC MICHELET LEVALLOIS
- Legal representative of GECINA, Chairman of GECITER, Aménagement Innovation et Construction - AIC, SAS SPL, SAS INVESTIBAIL TRANSACTIONS, SAS PARISIENNE IMMOBILIERE D'INVESTISSEMENT 1 - SPII 1, SAS PARISIENNE IMMOBILIERE D'INVESTISSEMENT 2 - SPII 2, SAS FEDIM, SAS UNION IMMOBILIERE DE GESTION - UIG, SAS GEC 1, SAS GEC 2, SAS GEC 3, SAS 26/28, RUE SAINT-GEORGES, SAS 23/29, RUE DE CHATEAUDUN

Serge Grzybowski owned 550 GECINA shares at December 31, 2004.

Gross compensation paid directly or indirectly to Serge Grzybowski in 2004 amounted to €418,460, as opposed to €519,146 in 2003, including:
- a fixed sum of €280,000, as opposed to €243,918 in 2003;
- a variable payment of €135,801, calculated on the basis of change in consolidated current cash flow per share, as opposed to €122,569 in 2003;
- the use of an automobile for €2,659, identical to 2003.
- Compensation in 2003 included a non-recurring bonus of €150,000, relating to the conclusion of the public offering initiated by GECINA on the shares of SIMCO.

Serge Grzybowski also benefits from the use of a company car.

Serge Grzybowski does not receive Directors' fees from the Group.

The Board granted Serge Grzybowski 33,000 stock options for fiscal year 2004.

Under certain circumstances, Serge Grzybowski may receive an indemnity if his mandate is terminated, equal to two years of compensation, including bonuses.

As of December 31, 2004, Serge Grzybowski held stock options with the following characteristics:

DATE GRANTED	NUMBER OF OPTIONS GRANTED	EXPIRATION DATE	STRIKE PRICE (in €)	NUMBER OF OPTIONS EXERCISED IN 2004	OPTIONS STILL TO BE EXERCISED
09/26/2001	20,213	09/25/2009	46.99	0	20,213
06/05/2002	24,260	06/04/2010	47.20	0	24,260
11/25/2003	30,325	11/24/2011	51.82	0	30,325
10/12/2004	33,000	10/11/2014	64.92	0	33,000

Michel Pariat

Born 5/30/1938
French nationality
313, rue Lecourbe - 75015 Paris

Board member, Vice Chairman
Appointed by the GM of December 20, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Chairman of Logement Français

Other positions and offices held in 2004:
- Member of the Supertvisory Board of Promo-Réal
- Board member of IPD France.

Michel Pariat owned 980 GECINA shares at December 31, 2004.

Michel Pariat was paid €15,500 in Directors' fees by GECINA.

As of December 31, 2004, Michel Pariat held stock options with the following characteristics:

DATE GRANTED	NUMBER OF OPTIONS GRANTED	EXPIRATION DATE	STRIKE PRICE (in €)	NUMBER OF OPTIONS EXERCISED IN 2004	OPTIONS STILL TO BE EXERCISED
09/27/2000	27,290 (1)	09/27/2010	40.13	0	27,290
09/26/2001	23,651 (1)	09/26/2011	39.16	0	23,651
09/25/2002	27,287 (2)	09/25/2012	44.28	0	27,287 (3)

(1) Subscription options.
(2) Purchase options.
(3) Since December 31, 2004, Michel Pariat has exercised 1,000 options under this plan, leaving 26,287 unexercised options.

Charles Ruggieri

Born 1/16/1948
French nationality
46, avenue Foch - 57000 Metz

Board member
Co-opted on September 12, 1996 (ratified by the GM of June 4, 1997).
Appointment renewed by the GM of June 5, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Chairman of BATIPART SA

Other positions and offices held in 2004:
- Chairman of the Supervisory Board: Foncière des Régions
- Board member of Sovakle SA, Cial SA, Finagest SA, Suren
- Legal representative of BATIPART, Chairman of Novae, SAS du 46, Avenue Foch
- Board member of L'Arsenal (Association), Cilgere Lorraine (Association), Foncière Logements (Association), Usine d'Electricité de Metz (Organ of municipal government), ANPEEC (EPIC)
- Honorary Chairman of Batigere SAS
- Member of the Supervisory Board of Foncière des Murs
- Board member of UESL (SA a cooperative company with variable capital), representing Cilgere Lorraine
- Board member of Apalof, representing GIE Cilgere

Charles Ruggieri owned 20,540 GECINA shares at December 31, 2004.

Charles Ruggieri was paid €26,000 in Directors' fees by GECINA.

Christian de Gournay

Born 8/25/1952
French nationality
153, rue de la Pompe - 75116 Paris

Board member
Co-opted on March 5, 1997 (ratified by the GM of June 4, 1997).
Appointment renewed by the GM of June 2, 2003.
Expiry of term of office: GM of fiscal year 2005.

Main position held:
Chairman of the Executive Board of Cogedim
Christian de Gournay owned 400 GECINA shares at March 15, 2005.
Christian de Gournay was paid €18,500 in Directors' fees by GECINA.

Bertrand Letamendia

Born 02/06/1947
French nationality
93, rue de Richelieu - 75002 Paris

Board member
Co-opted on February 8, 2000 (ratified by the GM of May 23, 2000).
Appointment renewed by the GM of June 5, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Chief Real Estate Officer, AGF Group

Other positions and offices held in 2004:
- Trustee of SNC AGF Immobilier
- Trustee of SNC Phenix Immobilier
- Member of the Supervisory Board of Klépierre
- Board member of Sogeprom
- Chairman of SAS Invco
- Chairman of SAS Etablissements Paindavoine
- Chairman of SAS Etoile Foncière et Immobilière
- Chairman of SAS Financière Cogedim Laennec
- Chairman of SAS Kléber Lamartine
- Chairman of SAS Madeleine Opéra
- Chairman of SAS Kléber Passy
- Chairman of SAS 48 Notre Dame des Victoires
- Chairman of SAS Société Commerciale Vernet
- Chairman of SAS Société Foncière Européenne
- Chairman of SAS Société de Négociations Immobilières et Mobilières Maleville (SONIMM)
- Chairman of Vernon SAS
- Chairman of SAS Kléber Longchamp
- Trustee of SNC A.I.P.
- Trustee of SNC Allianz Bercy
- Trustee of Allianz France SARL
- Trustee of Allianz Immo 3 EURL
- Trustee of EURL 20/22, rue Le Peletier
- Trustee of SCI Centre et Paris
- Trustee of SCI Clichassur
- Trustee of SCI 16/18, avenue George V
- Trustee of SCCV 48-50 Henri Barbusse
- Trustee of SCCV 33 La Fayette
- Trustee of Société de Construction et de Gestion Immobilière des Mesoyers
- Trustee of SCI Remaupin
- Trustee of SCI 3, Route de la Wantzenau “Les Portes de L’Europe”
- Trustee of SC Prelloyd Immobilier
- Trustee of SCI VI Jaurès
- Trustee of SCI Via Pierre 1
- Trustee of SCI du 18, rue Vivienne - Vivienne 18

Bertrand Letamendia owned 780 GECINA shares at December 31, 2004.

Bertrand Letamendia was paid €21,500 in Directors’ fees by GECINA.

Azur Vie

Board member
represented by **Bruno Legros**

Born 7/14/1944
French nationality
76, rue de Prony - 75017 Paris

Co-opted on September 12, 1996 (ratified by the GM of June 4, 1997).
Appointment renewed by the GM of June 3, 2003.
Expiry of term of office: GM of fiscal year 2005.

Main position held:
Chief Investment Officer for Azur-GMF

Other positions and offices held in 2004:
- Chairman and Chief Executive Officer of Foncière Malesherbes Courcelles, Sécurité Pierre Investissement
- Board member of ARBF, Grands Millésimes de France
- Trustee of Prony Immobilier, Prony Pierre 1, SCI Socica
- Member of the Board of Trustees of SCE du Château Beaumont, SCE du Château Beychevelle
- Permanent representative of Azur Assurances i.a.r.d.
- Board member of Boissy Finances, Azur-GMF Obligations
- Permanent representative of Azur Vie
- Trustee of SCI Sécurité Pierre
- Permanent representative of Azur-GMF Mutuelles d'Assurances Associées
- Board member of SIIC de Paris
- Permanent representative of GMF Vie
- Member of the Supervisory Board of Société Foncière des Régions

Azur Vie owned 400 GECINA shares at March 8, 2005.

Bruno Legros was paid €21,500 in Directors' fees by GECINA.

GMF Vie

Board member
represented by **Sophie Beuvaden**

Born 4/1/1957
French nationality
76, rue de Prony - 75017 Paris

Appointed by the GM of July 8, 1999. Appointment renewed by the GM of June 5, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Chief Executive Officer Delegate for Finance Division, Azur-GMF Mutuelles d'Assurances Associées

Other positions and offices held in 2004:
In France:
- Chairman of the Board of Directors of Assistance Protection Juridique, Fidelia Assistance
- Board member of SAS SEHPB
- Member of the Board of Trustees of SCE du Château Beychevelle, SCE du Château Beaumont
- Board member of Foncière Malesherbes Courcelles

Abroad:
- Member of the Supervisory Board of Tokajhetszolo
- Board member of Assurances Mutuelles d'Europe, Ame Life Lux, Ame Lux SA, Azuritalia Assicurazioni SPA, Azuritalia Vita, Azur Multirramos, Azur Vida, CSE Ico, CSE Safeguarde, GMF Financial
- Permanent representative of Azur Assurances i.a.r.d.
- Board member of Azur Vie, Sécurité Pierre Investissement
- Permanent representative of Azur Vie
- Board member of GMF Vie
- Permanent representative of GMF Assurances
- Board member of SIIC de Paris, PHRV
- Permanent representative of GMF Vie
- Board member of Azur-GMF Actions Asiatiques, Azur-GMF Actions Françaises, Azur-GMF Moyen Terme, Azur-GMF Sécurité, Cofitem-Cofimur, Restauration Investissement
- Permanent representative of La Sauvegarde
- Board member of Boissy Finances
- Permanent representative of Azur-GMF Mutuelles d'Assurances Associés
- Board member of Filassistance International
- Permanent representative of Alsacienne Vie
- Board member of Boissy Gestion
- Permanent representative of Assurances Mutuelles de France
- Board member of Azur Patrimoine
- Permanent representative of Assistance Protection Juridique
- Board member of Foncière Malesherbes Courcelles

GMF Vie owned 3,974,622 GECINA shares at December 31, 2004.

Sophie Beuvaden was paid €15,500 in Directors' fees by GECINA.

Anne-Marie de Chalambert

Born 6/7/1943
French nationality
7-9, boulevard Haussmann - 75009 Paris

Board member
Co-opted on January 15, 2003 (ratified by the GM of June 3, 2003).
Reelected at the GM of June 2, 2004.
Expiry of term of office: GM of fiscal year 2006.

Main position held:
Director of real estate at Generali Immobilier Conseil

Other positions and offices held in 2004:
- Chairman and Chief Executive Officer of Generali Immobilier Conseil
- Chairman of the Supervisory Board of Generali Immobilier Conseil
- Permanent representative of Generali Assurance Immobilier
- Board member of Silic
- Permanent representative of Fédération Continentale, member of the Supervisory Board of Foncière des Régions
- Trustee of SCI du 174, rue de Rivoli, SCI des 52-52 bis, Boulevard Saint-Jacques and 6, rue Leclerc, SCI du 26-28, rue Jacques Dulud in Neuilly-sur-Seine, SCI des 5 and 7, rue Drouot, SCI du Bois des Roches in Saint-Michel-sur-Orge, SCI France Mornay in Lyons, Generali Daumesnil, SCI, Generali Réaumur, SCI, Generali Optima, SCI, Generali Mondial, SCI, Generali Carnot, SCI, Generali Bellefeuilles SCI, Le Franklin SARL, SNC Generali France Trieste et Venise et Compagnie, SCI du 10-12, boulevard de la Libération-Viroflay, SCI du 24, rue de Mogador in Paris 9th, SCI du 54, avenue Hoche, SCI avenue de France Generali, SCI Lagny-Cuvier-Generali, SCI Espace Seine Generali, SCI Immobilière Font Romeu Neige et Soleil, SCI Kandi Novatis, SCI Haussmann 50 Generali, SCI 3, rue de Londres and 70, rue Saint-Lazare

Anne-Marie de Chalambert owned 400 GECINA shares at December 31, 2004.

Anne-Marie de Chalambert was paid €24,500 in Directors' fees by GECINA.

Laurent Mignon

Born 12/28/1963
French nationality
87, rue de Richelieu - 75002 Paris

Board member
Co-opted on August 30, 2002 (ratified by the GM of December 20, 2002).
Appointment renewed by the GM of June 3, 2003.
Expiry of term of office: GM of fiscal year 2005.

Main position held:
Chief Executive Officer of AGF
Member of the Executive Board of AGF
In charge of Life Insurance and Financial Services

Other positions and offices held in 2004:
- Chairman and Chief Executive Officer of Banque AGF
- Chairman of the Board of Directors of Génération Vie, Coparc, Dresdner Gestion Privée
- Chairman of the Supervisory Board of AGF Asset Management, AVIP
- Vice President of the Supervisory Board of Worms & Cie, Euler Hermès, W Finances
- Board member, Chief Executive Officer of AGF Vie
- Board member, Chief Executive Officer Delegate of AGF Holding
- Board member of AGF International, GIE Placements d'Assurances
- Member of the Supervisory Board of Oddo et Cie SCA, AGF Informatique
- Permanent representative of AGF International
- Board member of AGF Iart
- Permanent representative of AGF Holding
- Board member of Bolloré Investissement, AGF Private Equity
- Permanent representative of AGF VIE
- Board member of Bolloré

Laurent Mignon owned 240 GECINA shares at December 31, 2004.

Laurent Mignon was paid €20,000 in Directors' fees by GECINA.

Jean-Paul Sorand

Born 8/10/1941
French nationality
15, rue Simon Dereure - 75018 Paris

Board member
Appointed by the GM of December 20, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Chairman's Delegate Director

Other positions and offices held in 2004:
- Chairman of PARIGEST
- Board member of SOCIETE DES IMMEUBLES DE FRANCE - SIF, LOCARE, Compagnie Financière de Paris
- Member of the Supervisory Board of Haussmann Immobilier (SCPI).

Jean-Paul Sorand owned 55,640 GECINA shares at December 31, 2004.

Gross compensation paid directly or indirectly to Jean-Paul Sorand in 2004 amounted to €421,574, as opposed to €392,152 in 2003. This includes:
- a fixed payment of €268,303, as opposed to €268,702 in 2003;
- a variable payment, calculated on the basis of change in consolidated current cash flow per share, of €149,881, as opposed to €120,060 in 2003;
- the use of an automobile for €3,390 identical to 2003.

Jean-Paul Sorand also benefits from the use of a company car.

Jean-Paul Sorand was paid €24,500 in Directors' fees by GECINA.

The Board granted Jean-Paul Sorand 20,000 stock options for fiscal year 2004.

As of December 31, 2004, Jean-Paul Sorand held stock options with the following characteristics:

DATE GRANTED	NUMBER OF OPTIONS GRANTED	EXPIRATION DATE	STRIKE PRICE (in €)	NUMBER OF OPTIONS EXERCISED IN 2004	OPTIONS STILL TO BE EXERCISED
09/27/2000	27,290 (1)	09/27/2010	40.13	20,215	7,075
09/26/2001	23,651 (1)	09/26/2011	39.16	15,161	8,490
09/25/2002	27,287 (2)	09/25/2012	44.28	0	27,287
11/25/2003	20,217 (2)	11/24/2011	51.82	0	20,217
10/12/2004	20,000 (2)	10/11/2014	64.92	0	20,000

(1) Subscription options.
(2) Purchase options.

Bertrand de Feydeau

Born 8/5/1948
French nationality
7, rue Saint-Vincent - 75018 Paris

Board member
Appointed by the GM of December 20, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Chief Executive Officer for Economic Affairs of the Association Diocésaine de Paris

Other positions and offices held in 2004:
- Board member of AXA Aedificandi (Sicav)
- Board member of Bail Investissement
- Member of the Supervisory Board of Klépierre
- Observer of Affine - Sefri-Cime
- Chairman of Association pour la Formation Supérieure aux Métiers de l'Immobilier (AFSMI)
- Fellow of the Royal Institution of Chartered Surveyors in the United Kingdom (FRICS)
- Board member and Treasurer of Fondation du Patrimoine
- Delegate of Vieilles Maisons Françaises pour le Département de la Vienne

Bertrand de Feydeau owned 400 GECINA shares at December 31, 2004.

Bertrand de Feydeau was paid €21,500 in Directors' fees by GECINA.

Philippe Geslin

Born 7/9/1940
French nationality
19, rue Decamps - 75016 Paris

Board member
Appointed by the GM of December 20, 2002.
Expiry of term of office: GM of fiscal year 2004.

Other positions and offices held in 2004:
- Board member of Calyon, ARC International, Crédit Foncier de Monaco, Union Financière de France Banque

Philippe Geslin owned 580 GECINA shares at December 31, 2004.

Philippe Geslin was paid €26,000 in Directors' fees by GECINA.

Françoise Monod

Born 7/18/1938
French nationality
174, avenue Victor Hugo - 75116 Paris

Board member
Appointed by the GM of December 20, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Attorney, member of the Paris Bar Association: Cabinet PDGB

Other positions and offices held in 2004:
- Board member of Siparex Associés, Siparex Ventures Gestion, Caixabank France

Françoise Monod owned 400 GECINA shares at December 31, 2004.

Françoise Monod was paid €17,000 in Directors' fees by GECINA.

PREDICA

represented by **Jean-Pierre Bobillot**

Born 2/21/1944
French nationality
50, rue de la Procession - 75015 Paris

Board member
Appointed by the GM of December 20, 2002.
Expiry of term of office: GM of fiscal year 2004.

Main position held:
Deputy Chief Executive Officer of the insurance company Predica.

Predica owned 7,591,718 GECINA shares at December 31, 2003.

Jean-Pierre Bobillot was paid €17,000 in Directors' fees by GECINA.

Statutory Auditors

The Company's current statutory auditors are:

- Mazars & Guérard, Le Vinci, 4 allée de l'Arche - 92075 Paris la Défense Cedex, represented by Philippe Castagnac, appointed by the General Meeting of June 2, 2004, to a six-year term of office, which expires at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2009.
- PricewaterhouseCoopers Audit, 32 rue Guersant - 75017 Paris, represented by Eric Bulle, appointed by the General Meeting of June 2, 2004, to a six-year term of office, which expires at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2009.

Fees paid to the independent auditors for the audit and certification of the individual and consolidated financial statements of the fiscal year 2004 and related services amounted to:

Mazars & Guérard: €470 m

PricewatherouseCoopers Audit: €324 m

The Company's current alternate auditors are:

- Patrick de Cambourg, Le Vinci 4, allée de l'Arche - 92075 Paris la Défense Cedex, appointed by the General Meeting of June 2, 2004, to a six-year term of office, which expires at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2009.
- Pierre Colle, 32, rue Guersant - 75017 Paris, appointed by the General Meeting of June 2, 2004, to a six-year term of office, which expires at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2009.

Latest news

Rental income up 15% in Q1 2005

in € millions	Q1 2005	Q1 2004	Δ
Rental income (IFRS)	132.03	114.86	+ 14.95%
Rent billed (1)	*131.92*	*114.72*	*+ 15.00%*
Application of IFRS 17	*0.11*	*0.14*	
Rental income on a constant structural basis and excluding properties for sale (IFRS)	109.73	102.46	+ 7.10%
Commercial business			
Rental income (IFRS)	80.86	64.74	+ 24.91%
Rent billed (1)	*80.75*	*64.60*	*+ 25.01%*
Application of IFRS 17	*0.11*	*0.14*	
Rental income on a constant structural basis and excluding properties for sale (IFRS)	61.93	56.75	+ 9.12%
Residential business			
Rental income (IFRS)	51.17	50.12	+ 2.09%
Rent billed (1)	*51.17*	*50.12*	*+ 2.09%*
Application of IFRS 17	–	–	–
Rental income on a constant structural basis and excluding properties for sale (IFRS)	47.80	45.71	+ 4.58%

(1) Rental income (French GAAP).

Over the first three months of the year, GECINA saw strong growth in its consolidated rental income compared with Q1 2004, up 14.95% under IFRS to €132.03 million. The application of IFRS 17, which factors in the financial consequences of any provisions included in leases (primarily franchises and rent caps) over the closed term of the lease, does not have any impact on the figures for rental income drawn up under French GAAP. Indeed, this rental income, which corresponds to rent billed, rose to €131.92 million, representing an increase of 15% in relation to Q1 2004.

On a constant structural basis and excluding properties for sale, the Group's rental income (IFRS) is up 7.1%. In addition to this strong internal growth, consolidated rental income has benefited from the impact of the acquisitions made in 2004 (+€11.8 million), while the impact of disposals comes out at only €0.7 million.

Stronger commercial focus

In Q1 2005, rental income on commercial properties accounted for 61.2% of the Group's rental business under IFRS, compared with 56.4% for the same period in 2004. The acquisitions made in 2004, representing nearly 230,000 sq.m of office space, contributed to an 18.22% increase in commercial rent in Q1 2005. On a constant structural basis and excluding properties for sale, rental income on commercial assets rose 9.12%, outpacing the index – which comes out at between 3.58% and 5.74% based on quarterly construction cost indexes published during the period.

The financial occupancy rate remained at a satisfactory level over the quarter, rising to 95.93% in March 2005. Nearly 17,000 sq.m of commercial space were re-let over Q1 2005 with the average rent 20% higher than the average rent on the leases freed up. Furthermore, an additional 1,350 sq.m of space were let for the first time. This dynamic commercial performance was recently confirmed with a deal to lease 1,400 sq.m of the Dauphiné Part-Dieu building with an annual rent of €191/sq.m (net of tax and operating costs), to enter into effect on June 1st, 2005, taking this new building's occupancy rate up to 64%.

Residential business trending up

The residential business generated €51.17 million in rental income, up 2.09%. The impact of the programs to sell of apartments and the disposal of the building at 22-24 rue Balard–rue des Cévennes (Paris 75015) on January 31st, 2005 has been offset by a 4.58% increase in rent on a constant structural basis and excluding properties for sale. The impact of lease indexing – included between 2.96% and 4.58% over the last four quarters – has also contributed to this performance.

At the same time, the upward adjustment of rents made possible under new leases was pursued in Q1 2005. Indeed, 531 apartments (32,993 sq.m) were let to new tenants over this period, representing an annualized turnover rate of 15.10% for the residential property holding in March 2005 compared with 14.23% in March 2004. The average rent on re-letting over the first three months of the year came out at €17.76 per sq.m per month in Paris (€17.09 in Q1 2004) and €12.37 per sq.m per month in the Greater Paris Region (€12.12 in Q1 2004), reflecting an increase of 5.83% for Paris and 0.29% for the Greater Paris Region. The financial occupancy rate remained high over the period, up to 98.37% in March 2005 from 96.96% in March the previous year. Lastly, the average time taken to re-let properties was cut by 10 days between Q1 2004 and Q1 2005, down to 52 days this year.

Proactive management of commercial assets

In line with its objective announced in 2004, the Group, further to a request for proposals, signed a conditional agreement with General Electric Real Estate Group for the sale of eight of GECINA's properties located in Boulogne-Billancourt, Neuilly-sur-Seine, Noisy-le-Grand and Meudon-la-Forêt. The signature of the definitive agreement is scheduled for the end of May.

At the same time, the GECINA Group is able to confirm the signature of a synallagmatic sales agreement on March 23rd, 2005 relative to the acquisition of the historic headquarters of Figaro. Located in the heart of the 2nd arrondissement of Paris, at 37 rue du Louvre, this building offers a surface area of more than 8,000 sq.m and will be significantly redeveloped once the current tenant has left the site at the end of the year.


78-80, rue de la Villette
69003 Lyon


39, rue de Vouillé
75015 Paris

GECINA

Financial Communication Departement: + 33 1 40 40 51 98
Design and production: W PRINTEL
Photography: Luc Boegly, Thomas Dhellemmes, Pascal Dolémieux/Agence Rapho,
Alain Kernévez, Jean-Baptiste Vetter, Studio Pons et X.

14-16, rue des Capucines - 75002 Paris - France - Tel.: + 33 1 40 40 50 50
Mailing address: 14-16, rue des Capucines 75084 Paris cedex 02 - France

29, quai Saint-Antoine - 69002 Lyon - France - Tel.: + 33 4 72 77 11 40

www.gecina.fr
www.locare.fr