ALTAREA COGEDIM

Registration document 2012

REGISTRATION DOCUMENT 2012

This English version has been prepared for the convenience of English language readers. It is a translation of the original French *Document de Référence* 2012. It is intended for general information only and in case of doubt the French original shall prevail.

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Registration document was filed with the Autorité des Marchés Financiers on April 11, 2013 in accordance with Article 212-13 of the AMF General Regulation. This document may be used in support of a financial transaction only if it is supplemented by an offering circular ("note d'opération") approved by the Autorité des Marchés Financiers.

In accordance with Article 222-3 of the AMF General Regulation, this Registration document includes the annual financial report for 2012.

This document has been drawn up by the issuer and is the responsibility of its signatories.

In compliance with Article 28 of Commission Regulation 809/2004/EC, the following information is incorporated into this Registration document by reference:

• the consolidated financial statements and corresponding audit report provided on pages 103 and 176, the annual financial statements and corresponding audit report provided on pages 179 and 198, as well as the management report provided on page 75 of the 2011 registration document filed with the Autorité des Marchés Financiers on April 5, 2012 under number D 12-0292.

• the consolidated financial statements and corresponding audit report provided on pages 104 and 192, the annual financial statements and corresponding audit report provided on pages 194 and 216, as well as the management report provided on page 71 of the 2010 registration document filed with the Autorité des Marchés Financiers on April 29, 2011 under number D 11-0414.

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1 2012 THE ESSENTIAL

Entrepreneurial spirit
Client-centered culture
Innovations

Meeting our clients' essential needs...

With an ever vigilant eye on trends in society, Altarea Cogedim group firmly believes that we have entered a new era. Future-looking solutions, for real estate and other sectors, have already begun to focus on *essential* qualities: more cost effective, greener, more connected, and most importantly, more responsible. With the strength of its threefold expertise in retail (both brick-and-mortar and online since the acquisition of RueduCommerce in 2012), residential and office property, as well as its acknowledged ability to understand its clients' expectations, the Group is poised to seize opportunities that arise from these transformations while remaining true to its values – audacity, innovation, entrepreneurial spirit and client-centered culture. Living, working, shopping: everything will change, and that change is already underway.

Taking inspiration from life, Altarea Cogedim, the first multi-channel property company, meets these needs in a qualitative way; mindful of its social footprint, it is developing a responsible approach to contribute to building a better life together.

For more information on Altarea Cogedim.

Our Values

Setting our own course in a spirit of entrepreneurship

Altarea Cogedim has become what it is today by steering its own course, using a model that goes against the grain, disregarding preconceived notions and fleeting trends. All Group employees share this entrepreneurial spirit and commit themselves day after day, boldly taking calculated risks.

Inventing products, creating value

There are two different approaches to creating habitat: replicating traditional designs or inventing new kinds of places to live, work or shop. Altarea Cogedim has chosen the second path.

Leveraging growth in our markets

Altarea started out as a shopping center developer and has evolved into France's third largest commercial real estate investment trust. In 2007, after acquiring Cogedim, Altarea became active in residential and office property development. Since then, Cogedim has become the fourth largest developer in France (number 1 in Paris and Lyon) and its housing sales have grown twice as fast as the market. Today, Altarea Cogedim is active in the office property market as a service provider, developer and investor with recognized environmental expertise.

In 2012, by acquiring RueduCommerce, a leader in e-commerce in France, Altarea Cogedim became the first multi-channel property company.

Sustainable client-centered thinking

Shopping centers, housing, office buildings, hotels: Altarea Cogedim creates unique habitats for its customers and assumes responsibility for their living and urban environment. The Group ensures that each project offers an appropriate solution for the city of today and tomorrow.

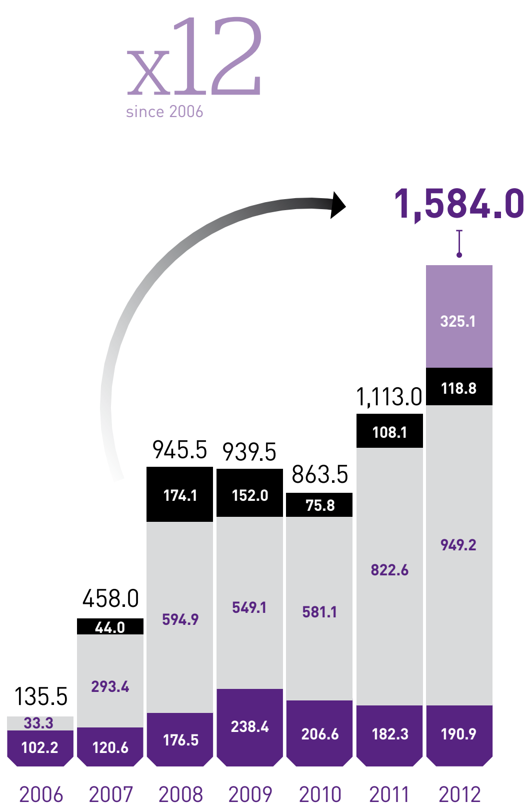
Key figures

With strong long-term growth, Altarea Cogedim group boasts a solid financial position and significant leeway. These strengths are the result of a balanced and diversified business model (brick-and-mortar and online retail, residential and office properties).

REVENUE (in € millions)

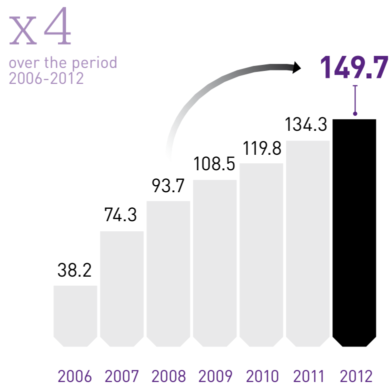
The Group registered strong consolidated sales growth in 2012 (42%), primarily reflecting RueduCommerce's contribution to the income statement following first-time consolidation. Like-for-like, organic growth came to 13% with positive performances by all businesses (retail 5%, residential 15%, office property 10%).

- Brick-and-mortar retail
- Residential property
- Office property
- Online retail



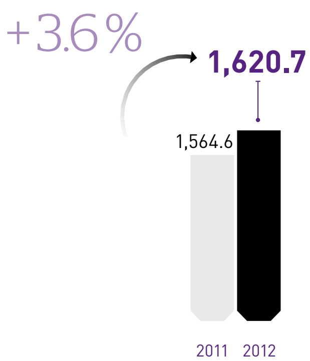
FFO (in € millions)

In line with the stated goal, FFO (Group share) exhibited strong growth of 11.4%, driven in particular by results in residential property.



EPRA NAV* (in € millions)

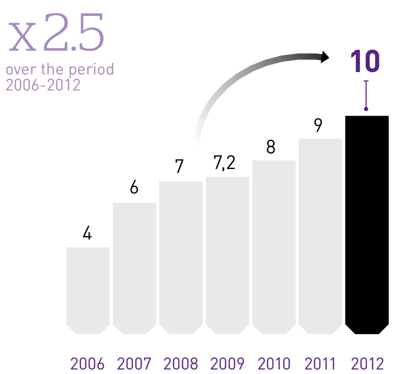
2012 net asset value was stable or slightly up regardless of the methodology used (EPRA NEV, going-concern NAV, EPRA NNNAV).



* EPRA NAV: Market value of equity from the perspective of operations as a going concern.

DIVIDEND/SHARE (€)

In 2012, payment of a dividend of €10 per share, representing a total of €109 million, will be put to a vote at the forthcoming shareholders' meeting on June 10, 2013.



RETAIL

Revenue from brick-and-mortar retail included rental income* of €160.4 million (-1.1%) and €18.0 million from services provided to third parties (+9.6%). This also includes €12.3 million relating to sales in connection with the property development program (Villeneuve-la-Garenne hypermarket building shell sold in large part to Carrefour on an off-plan basis).

* Recognized in accordance with IAS 17 - Leases.

1st

Altarea Cogedim is the 1st multi-channel property company

€4

billion in assets managed by the Group

€146

million in net rental income (IFRS) (+7.3% on a same-floor-area basis in France)

RESIDENTIAL

This strong revenue growth (+15%) was driven by momentum in market share gains in recent years.

€861

million (tax included) in residential property reserved in 2012

€949

million in revenue in 2012 (+15% compared to 2011)

€4.1

billion residential pipeline (properties for sale and property portfolio)

OFFICES – HOTELS

Revenue rose by 10%. Breaking down into some ten programs, significant growth is expected in 2013 as a consequence of the buildup in the backlog over the last two years.

€118.8

million in revenue in 2012 (i.e., 10% compared to 2011)

2

office buildings and a 4-star hotel delivered 347,944 ft² (32,325 m²) in total

3

transactions on surfaces totaling 1,171,000 ft² (108,800 m²) in 2012

LIVING & SHOPPING

Contributing to evolving lifestyles

Imagining the retail solutions of tomorrow

Since acquiring RueduCommerce in 2012, Altarea Cogedim has reorganized its retail division around shopping center properties and the e-commerce site. Thanks to synergies created between brick-and-mortar and online retail, Altarea Cogedim is broadening the shopping base for its clients, retail partners and end customers, thus meeting their essential needs.

Focusing on large formats

Focusing on regional shopping centers in strategic locations, Altarea Cogedim offers its customers a wide range of products through world-class French and international retailers. With Cap 3000, Altarea Cogedim is preparing an extension project to make the site the French Riviera's first waterfront shopping center. Furthermore, Altarea Cogedim is developing one of the largest shopping center projects in France in Villeneuve-la-Garenne, with 160 shops and restaurants.

Broadening our clients' shopping base

Focusing on shopping centers with a regional dimension

"My key priority is a unique experience between online and in-store shopping."

www. Rue du Commerce com

Accessible and overlooking the Seine, the Villeneuve-la-Garenne regional shopping center is one of the largest development projects in France. In time it will accommodate 160 shops and restaurants with panoramic riverview terraces and 12 mid-size stores.

A mixed-use urban program with homes, offices, hotels and an offering of shops and leisure activities, the Toulon-La Valette project extends over some 860,000 ft² (80,000 m²).

> "I want access to a broad offering combined with an enjoyable experience in my shopping center."

With 61.8% ownership of the asset, the Group now controls Cap 3000. Furthermore, Altarea Cogedim has carried out the initial phase of the shopping center remodeling with the construction of 37,750 ft² (3,500 m²) of common areas.

Linking leisure to the shopping experience

Altarea Cogedim is developing an original shopping center model combining retail and entertainment. Veritable living spaces, these shopping centers give a new twist to our customers' shopping habits by complementing stores with restaurants, multiplex cinemas, fitness spaces and entertainment concepts geared to children. After Bercy Village, which just celebrated its 10th anniversary, and Carré de Soie in Greater Lyon, Toulon-La Valette and Ponte Parodi will soon open their doors as symbols of this renewal.

Family Village® retail concepts, the quality focus has paid off

This is a quality-centric approach for edge-of-town shopping centers with a strong environmental component, careful attention to architectural detail and quality mass-market products. Confirmed by the success of the first four shopping centers opened by the Group, Altarea Cogedim inaugurated a 5th Family Village® in Nîmes.

Developing an original shopping center model combining retail and entertainment

Giving priority to a qualitative approach to edge-of-town

Laying of the cornerstone of Cours Dillon, Toulouse
The "À l'Ombre des Jasmins" and "Les Terrasses de Jasmin" residences mark the creation of an exemplary partnership among a private developer, a social housing institution and local governments.

LIVING & FLOURISHING

Promoting access to housing for all

"I am looking for housing adapted to my age, lifestyle and choice of location."

Offering more affordable products

Making quality a priority for residential property regardless of the product range

Adjusting to changing lifestyles

Stepping up range diversification

Attentive to the needs of society, Cogedim offers more affordable products. The Group is thus focusing on entry-level and mid-scale ranges. It also participates as a key partner of stakeholders involved in social housing, for which it provides support early on in the project cycle. Finally, Cogedim remains dynamic when it comes to high-end developments, its traditional business.

"I want access to homeownership and a high-quality home regardless of my budget."

With priority given to Saint-Ouen residents and employees, 225 homes are on offer at very affordable prices, in accordance with the Property Development Charter concluded between Cogedim and the city.

One eternal principle: quality for all

Regardless of the product range offered, Cogedim focuses on quality: choice of location, proximity to public transportation, schools and shops, durable materials, elegant architecture, green spaces, etc. In short, everything to help everyone feel perfectly at home.

Housing for every lifestyle

Quality also means adapting to changing lifestyles.
For buyers looking for unique opportunities in an unspoiled living environment, Cogedim creates private residential parks. For active, independent seniors, Cogedim Club® residences provide non-medical downtown apartments. Students and business people also enjoy dedicated residences with services suited to their needs.

Creator of "New Neighborhoods"

In the Paris Region and French metropolitan hubs, Cogedim works with local governments looking to redevelop their territory, either by creating "New Neighborhoods" from scratch or by building residential complexes within large-scale urban projects.

LIVING & WORKING

Anticipating users' and investors' expectations

"My partner must know how to transform an old public building into a world-class hotel."

Mastery of complex renovations

A major player in complex environmental renovation projects, Altarea Cogedim has executed some of the most beautiful office buildings in the Paris Region, achieving a combination of technological innovation, comfort of use and top environmental performance.

Made-to-measure expertise

Its *savoir-faire* in designing made-to-measure head offices allows Altarea Cogedim to meet the demands of investors and users: compliance with international standards, efficiency and flexibility requirements, NF Démarche HQE® and BREEAM® certifications as well as the BBC® Effinergie label, etc.

Successful hotel developments with high added value

Altarea Cogedim transforms buildings classified as historic monuments into luxury hotels, such as the Hôtel-Dieu in Marseille, converted into an Inter-Continental, and the former Nantes courthouse, now Radisson Blu Hotel.

AltaFund promotes entrepreneurship

Altarea Cogedim's investment fund is dedicated to developing assets of exceptional quality and high environmental added value. It boasts a discretionary investment capacity of over €1.2 billion and aims to address the projected shortage of new or refurbished green buildings in the Paris Region.

A taste for diversity

With expertise in a wide range of products, Altarea Cogedim carries out projects in business and mixed-use districts that constitute true urban hubs combining hotels, shops and housing. This specific model enables the Group to create veritable "pieces of the city."

The former Nantes courthouse has been given a second life as the Radisson Blu Hotel, delivered to Axa Real Estate by Altarea Cogedim.

Combining technological innovation, comfort of use and environmental performance

Carrying out projects in business and mixed-use districts that make up true urban hubs

Boasting a strong capacity for discretionary investment

In July 2012, mere months after its creation, AltaFund carried out its first acquisition: an office building featuring 106,500 ft² (9,900 m²) of useful space located at 128/130 Boulevard Raspail, in the heart of the 6th arrondissement of Paris.

"I need a complete, coherent and sustainable commercial offering."

ENVIRONMENT

A long-term commitment to our stakeholders

Impasse Marie Blanche: a program boasting NF Logement Démarche HQE® certification that meets Paris Climate Plan standards.

Ensuring the long-term durability of our real estate assets

Reducing our environmental footprint

98%*

of new commercial developments certified or undergoing the environmental certification process

96%*

of new residential developments located less than 500 meters from a public transportation network

-10%*

lower energy consumption and CO_2 emissions for the portfolio between 2010 and 2012

* Indicators verified by Ernst & Young.

"My key priority is having a partner who is truly committed to working towards sustainable development."

A long-term vision of the Group's responsibility

Built together with employees, Altagreen is a strategic approach that allows Altarea Cogedim to sustainably meet the needs of its customers and to adapt effectively to its new regulatory, economic, competitive, climatic, energy and health environments. Its ambition: ensure the durability and long-term promotion of the Group's projects and real estate assets.

Major environmental challenges

Altarea Cogedim must rise to a threefold challenge with respect to the environment: improve the quality of its projects for users by seeking out the best balance of durability / comfort / cost saving, render the environmental qualities of its programs and property assets understandable and comparable, and control its overall environmental footprint as well as its carbon dependency in all businesses.

Concrete environmental achievements

As a commercial property owner, the Group protects the value of its assets by limiting their environmental impact, as well as technical and energy obsolescence.
Moreover, all new residential and office property programs are built to meet clients' needs in terms of comfort and health, energy efficiency, accessibility and durability. The Group takes care to minimize the environmental footprint associated with development of these programs.

SOCIAL & SOCIETAL

Developing jobs and skills

Recruitment and promotion momentum

Altarea Cogedim's HR policy goes against current economic and social woes. Founded on recruitment momentum and skill development, the policy stands out for a substantial increase in the number of training hours offered to employees.
Furthermore, mindful to maintain the quality of career development within the Group with an unwavering commitment to gender equality, Altarea Cogedim actively pursues a policy of promotion and mobility.

Jobs and insertion for the benefit of all

Altarea Cogedim aims to create jobs in its residential and commercial programs. In Saint-Ouen, for construction of the Docks eco-neighborhood, Altarea has committed to two social insertion clauses representing a total of more than 15,000 hours of insertion to benefit jobseekers or people following a path of professional insertion.

Encouraging recruitment momentum to ensure superior Group performance

43%
growth in the workforce over one year

38
is the average age in the company

46%
of women work in management positions at Altarea Cogedim

"I want a development partner who created jobs in my area."

The future regional shopping center in Villeneuve-la-Garenne (92) is expected to create 1,500 jobs, with 5% of working hours offered to local jobseekers and individuals working towards economic and social integration.

To encourage artistic creation and commemorate 10 years of photographic exhibitions, Bercy Village asked artist and urban explorer Denis Darzacq to turn his lens towards the neighborhood and those who frequent it.

Our locations

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Cogedim Résidences Services
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Tel.: + 33 (0)4 92 47 80 00

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2

BUSINESS REVIEW

2.1. BUSINESS REVIEW

2.1.1. RETAIL

Altarea Cogedim is the first retail REIT to develop a global multi-channel business model. One of the largest shopping center owners and developers in France, managing a €4-billion asset portfolio, the Group is also a leading French e-retailer thanks to its brand RueduCommerce, whose online business volume came to €423 million.

With its unique offering combining traditional and web-based retail, Altarea Cogedim confirms its position as a pioneer in multi-channel retail, establishing itself as the only retail REIT to provide customers and retailers with overall solutions by offering them both brick-and-mortar and online retail spaces.

QUICKENING CHANGES IN CONSUMER HABITS

Consumer trends are in the midst of a profound transformation as a result of somber economic conditions, as well as the clear generalization of online shopping. The emergence of new mobile devices (Smartphones and computer tablets) has intensified this development. As such:

- **Household consumption in France recorded a 2.9%[1] drop over the year.** Moreover, the situation continued to deteriorate in Q4 2012 (2.5% drop in the first nine months of the year).
- **Concern about economic and social conditions gave rise to an ever higher level of precautionary savings[2]** among French consumers. The windfall effect generated by the increase of "Livret A" and "Livret Développement Durable" (LDD) savings account ceilings intensified this effect. These two accounts collected some €50 billion net in 2012.
- Price is a decisive criterion in the purchasing process, but consumers also demand **a greater number of services, as well as shopping convenience** made possible by a multi-channel offering (store to web / web to store).
- **"E-commerce is durably rooted in French consumer habits"[3]**:
  - Internet sales reached €45 billion in 2012 (+19% in one year), of which 20% were carried out in November and December.
  - The appearance of new customers (+5% over one year) supports this trend, as does the emergence of new e-retailer websites. The number of sites increased by 17%, reaching a total of 117,500 active merchants at the end of 2012.
  - With an estimated €1 billion in sales, m-commerce already accounts for 20% of internet sales.

2.1.1.1. Brick-and-mortar retail

Key figures at December 31, 2012

	Operating			Under development		
December 31, 2012	**GLA m²**	**Current gross rental income[4], in € millions**	**Appraisal value[5], in € millions**	**GLA m²**	**Provisional gross rental income in € millions**	**Net investments[6], in € millions**
Controlled assets[7]	**744,728**	**197.9**	**3,216**	**411,100**	**121.7**	**1,417**
Group share	616,738	158.2	2,563	243,000	71.8	838
Share of minority interests	127,989	39.6	653	168,100	49.8	580
Minority interests	**22,538**	**6.8**	**59**	–	–	–
Management for third parties[8]	**211,600**	**41.8**	**683**	–	–	–
Total assets under management	**978,866**	**246.5**	**3,958**	**411,100**	**121.7**	**1,417**

(1) Source: Banque de France.
(2) Source: Le cercle des épargnants.
(3) Source: Fevad Review of e-commerce in 2012.
(4) Rental value on signed leases at January 1, 2013.
(5) Including transfer duties.
(6) Including interest expenses and internal costs.
(7) Assets in which Altarea holds shares and for which Altarea exercises operational control.
(8) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable annually.

2.1.1.1.1. Net consolidated rental income

Net rental income (IFRS) came to €145.8 million at December 31, 2012, a 2.1% drop compared with 2011 as a result of disposals. **Like for like[9], rental income rose 4.5%.**

By source, the change in net rental income breaks down as follows:

	In € millions	
Net rental income at Dec. 2011	**148.8**	
Centers opened	0.9	*+0.6%*
Disposals	(10.1)	*+6.8%*
Acquisitions	-	-
Redevelopments	(0.6)	*-0.4%*
Like-for-like change	**6.7**	***+4.5%***
Total change in net rental income	(3.1)	*-2.1%*
Net rental income Dec. 2012	**145.8**	

CENTERS OPENED

2012 saw delivery of the eastern extension of the Gramont regional shopping center in Toulouse. In addition to the Auchan "Drive," this extension includes the creation of 17 new shops and an addition of approximately 7,000 m² GLA (75,000ft²) to the Auchan superstore.

DISPOSALS

€108 million in assets were sold in 2012[10]. Disposals include:

- a superstore shopping gallery and a small retail park, both located north of Bordeaux,
- as well as four minor assets in Mantes, Plaisir, Chambéry and outside of Grenoble.

These disposals, together with those carried out in 2011, resulted in a €10.1 million drop in net rents in 2012.

REDEVELOPMENTS

The impact of redevelopments primarily concerns two centers. The first is Massy, whose surfaces are gradually being vacated in preparation for future redevelopment work. Regional authorization has already been granted for this project. The second is Aubergenville, for which the redevelopment plan has been revised to include an entertainment offering.

LIKE-FOR-LIKE CHANGE IN RENTAL INCOME[11]

	Change	%
France *(84% of the portfolio in value terms)*	+€8.5 m	*+7.3%*
International *(16% of the portfolio)*	-€1.8 m	*-5.5%*
Total portfolio	**+€6.7 m**	**+4.5%**

The particularly pronounced increase in France **(+7.3%)** was driven for the most part by the major regional shopping centers (Cap 3000, Toulouse Gramont[12], Bercy Village, etc.), where asset management initiatives were especially intense (with a tenant turnover rate[13] greater than 11%).

Regarding rental income abroad, most of the 5.5% drop concerned the Due Torri shopping center (Lombardy), where a single tenant incident involving a household equipment retailer generated a €1.3 million loss. The drop in net rental income also reflects the impact of the new IMU[14] tax in Italy, which is only partially passed on to tenants.

2.1.1.1.2. Operational performance of shopping centers (France and International)

FRANCE (84% OF THE PORTFOLIO)

Merchant sales and footfall

Data at 100%	Sales (incl. tax)[15]	Footfall[16]
Total shopping centers	**+2.0**	**+3.2%**
CNCC index	+0.2%	-1.1%

Rental activity (gross rental income)

	Number of leases	New rent	Old rent	*Change*
Letting	173	€17.7 m	-	*n/a*
Lease renewals / Re-lettings	76	€8.8 m	€6.8 m	*+29%*
Total 2012	**249**	**€26.5 m**	**€6.8 m**	***n/a***
Note: 2011 Lease renewals / Re-lettings:				*+13 %*

(9) *Excluding impact of openings, acquisitions, disposals and redevelopments.*
(10) *At 100% including transfer duties.*
(11) *Excluding impact of openings, acquisitions, disposals and redevelopments.*
(12) *Excluding the eastern extension.*
(13) *Rental income from renewed/re-let leases, limited to total rental income at the start of the period.*
(14) Imposta Municipale Unica *(Municipal property tax), a land tax that entered into force in Italy on January 1, 2012.*
(15) *Like-for-like revenue development for shopping center tenants.*
(16) *Shopping centers equipped with the Quantaflow system.*

Lease expiry schedule

In € millions, at 100%	By lease expiry date	*% of total*	By 3-year termination option	*% of total*
Past years	13.8	*8.3%*	16.1	*9.6%*
2013	3.9	*2.4%*	19.8	*11.8%*
2014	10.7	*6.4%*	43.5	*25.9%*
2015	4.8	*2.9%*	30.6	*18.3%*
2016	5.0	*3.0%*	30.8	*18.4%*
2017	19.3	*11.5%*	9.2	*5.5%*
2018	23.0	*13.7%*	7.1	*4.2%*
2019	21.1	*12.6%*	0.6	*0.3%*
2020	27.9	*16.6%*	2.6	*1.5%*
2021	17.8	*10.6%*	6.3	*3.8%*
2022	17.7	*10.6%*	0.0	*0.0%*
2023	0.6	*0.4%*	0.0	*0.0%*
> 2023	1.9	*1.1%*	1.0	*0.6%*
Total	**167.6**	***100%***	**167.6**	***100%***

Occupancy cost ratio[17], bad debt ratio[18] and financial vacancy rate[19]

	2012	2011	2010
Occupancy cost ratio	10.1%	9.6%	9.4%
Bad debts ratio	1.5%	1.6%	1.9%
Financial vacancy rate	2.8%	3.9%	3.0%

INTERNATIONAL (16% OF THE PORTFOLIO)

The international shopping center portfolio comprises six Italian assets, mostly located in Northern Italy, and one Spanish asset located in Barcelona.

Operational indicators remain positive in Italy in spite of a very unfavorable economic climate, with merchant sales stable at +0.1%, an occupancy cost ratio of 12.6% and a financial vacancy rate of 2.6%.

Excluding the Due Torri incident (see above), the bad debt ratio remains at 4.4%.

In Spain, merchant sales recorded a 10.0% drop.

The other operational indicators clearly outperformed the market, with an occupancy cost ratio of 10.0%, a financial vacancy rate of 3.0%, no bad debt (-0.1%) and a 12% rent uplift upon renewals/re-lettings.

2.1.1.1.3. Management for third parties

Over the past few years, the Group has significantly developed its management business for third parties. This management concerns both:

- shopping centers that have been sold but which Altarea Cogedim continues to manage,
- centers whose owners called upon Altarea for its expertise in managing shopping centers.

At the end of 2012, these assets accounted for €41.8 million in rental income, for an overall value of nearly €683 million. They have contributed substantially to increasing Altarea France's revenues from third parties.

In € millions	2009	2010	2011	2012	*CAGR*
External services	10.4	13.6	16.5	18.0[20]	*+20%*

Combining controlled assets and assets managed for third parties, Altarea manages a total of 1,700 leases in France and 500 in Italy and Spain.

(17) Calculated as rent and expenses charged to tenants (incl. taxes) over the past 12 months (including rent reductions), in proportion to sales over the same period (incl. taxes) at 100% in France.

(18) Net amount of allocations to and reversals of provisions for bad debt plus any write-offs during the period as a percentage of total rent and expenses charged to tenants, at 100% in France.

(19) Estimated rental value (ERV) of vacant lots as a percentage of total estimated rental value. Excluding property being redeveloped at 100% in France.

(20) Including €13.5 million in fees from rental management for third parties and €4.5 million in development fees for programs built with third parties.

2.1.1.1.4. Portfolio[21]

PORTFOLIO COMPOSITION

Asset format (in € millions)		2012	2011	Change
France	Average value	€79 m	€68 m	+15%
	Number of assets	34	39	-13%
Interna-tional	Average value	€77 m	€81 m	-5%
	Number of assets	7	7	-

Asset format (in € millions)	2012		2011		Change
Regional shopping centers	1,742	*54%*	1,661	*51%*	*+3 pts*
Large Retail Parks (Family Village®)	697	*22%*	684	*21%*	*+1 pt*
Nearby / downtown	777	*24%*	893	*28%*	*–4 pts*
Total	**3,216**	***100%***	**3,238**	***100%***	

Geographical distribution (in € millions)	2012		2011		Change
Paris Region	1,039	*32%*	1,027	*32%*	–
PACA / Rhône-Alpes / South	1,221	*38%*	1,224	*38%*	–
Other French regions	418	*13%*	420	*13%*	–
International	538	*17%*	567	*18%*	–
Total	**3,216**	***100%***	**3,238**	***100%***	

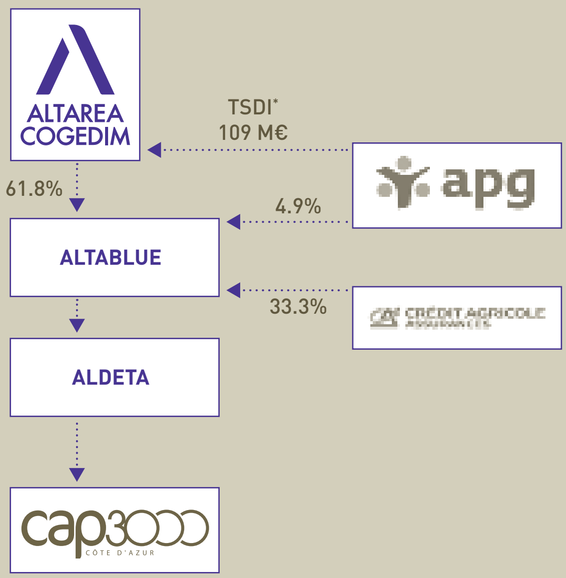
Bercy Village

Following nearly 15 years of legal proceedings, a December 26, 2012 decision by the Council of State definitively granted SCI Bercy Village a building permit for the creation of the shopping center of which it is the owner. This decision puts an end to the dispute regarding the legality of the initial authorizations for the Bercy Village shopping center.

Control of Cap 3000

The extension project regarding Cap 3000 shopping center was decided at the end of 2012. For this purpose, Altablue (holding company owning the center) raised its equity to €409 million, which led to the rewriting of the governance agreement signed with APG and Predica in 2010.

Following these transactions, Altarea's share in Altablue reached 61.8% of the asset, which is accounted on a global integration basis in the Group's consolidated accounts, with an impact on the rental income starting January 1st, 2013.



**Perpetual subordinated debt treated as minority equity interests in the Group's consolidated financial statements (IFRS).*

VALUATION

At December 31, 2012, controlled assets were valued at €3.216 billion, a slight drop compared with 2011 owing to disposals.

In € millions	Gross rental income	Value
Total at Dec. 31, 2011	**192.7**	**3,238**
Centers opened	1.8	42
Acquisitions	-	-
Disposals	(7.1)	(109)
Like-for-like change	10.4	45
Sub-total	**5.1**	**(23)**
Total at Dec. 31, 2012	**197.9**	**3,216**
o/w Group share	*158.2*	*2,563*
o/w Share of minority interests	*39.6*	*653*

(21) Assets controlled by the Group, in value terms including transfer duties.

Like-for-like change	In € millions	%
France	73	*+2.8%*
International	(28)	*– 5.0%*
Total	**45**	***+1.4%***

The decrease in value of Italian assets is due in particular to the impact of the new IMU tax.

CAPITALIZATION RATE[22]

In 2012, the average weighted capitalization rate remained virtually stable at 6.20% (+5 bps).

Average net capitalization rate at 100%	2012	2011
France	6.10%	6.05%
International	6.70%	6.63%
TOTAL portfolio	**6.20%**	**6.15%**

APPRAISAL VALUES

Asset valuation for Altarea Cogedim group is entrusted to DTZ Eurexi and RCG (for shopping center properties located in France and Spain, hotels and business franchises) and to Retail Valuation Italia (for properties located in Italy). The appraisers use two methods:

- A method based on discounting projected cash flow over 10 years, taking into account the resale value at the end of the period determined by capitalizing forecast net rental income over the period. Amid the prevailing inefficient market conditions, appraisers have often opted to use the results obtained using this method.
- A method based on capitalization of net rental income: the appraiser applies a rate of capitalization based on the site's characteristics (surface area, competition, rental potential, etc.) to rental income (including guaranteed minimum rent, variable rent and the market rent of vacant premises) adjusted for all charges incumbent upon the owner. The second method is used to validate the results obtained with the first method.

Rental income takes into account notably:

- Rent increases that should be applied on lease renewals,
- The normative vacancy rate,
- The impact of future rental gains resulting from the letting of vacant premises,
- The increase in rental income from incremental rents.

These valuations are conducted in accordance with the criteria set out in the Red Book – Appraisal and Valuation Standards, published by the Royal Institution of Chartered Surveyors in May 2003. The surveyors' assignments were all carried out in accordance with the recommendations of the COB/CNC "Barthes de Ruyter working group" and fully comply with the instructions of the Appraisal Charter of Real Estate Valuation (*Charte de l'Expertise en Evaluation Immobilière*) updated in 2012. Surveyors are paid lump-sum compensation determined in advance and based on the size and complexity of the appraised properties. Compensation is therefore totally independent of the results of the valuation assessment.

The value of the portfolio by appraiser breaks down as follows:

Expert	Assets	As % of value incl. transfer duties
RCG	France	41%
DTZ	France & Spain	46%
Retail Value Italia	Italy	13%

2.1.1.1.5. Shopping centers under development

At December 31, 2012, the volume of projects under development by Altarea Cogedim represented a forecast net investment[23] of approximately €838 million on a Group share basis, for potential rental income of €72 million, i.e., a forecast gross return on investment of 8.6%.

December 31, 2012	GLA m²	Forecast gross rental income, in € millions	Investments, in € millions	Forecast return
At 100%				
Retail Parks & Family Village®	112,200	16.8	198	8.5%
Shopping centers	298,900	104.9	1,219	8.6%
Total	**411,100**	**121.7**	**1,417**	**8.6%**
o/w redevelopments/ extensions	47,500	28.3	310	9.1%
o/w creations	363,600	93.4	1,107	8.4%
Group share				
Retail Parks & Family Village®	83,000	13.0	156	8.4%
Shopping centers	160,000	58.8	682	8.6%
Total	**243,000**	**71.8**	**838**	**8.6%**
o/w redevelopments/ extensions	32,500	16.5	193	8.5%
o/w creations	210,500	55.3	645	8.6%

(22) The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.
(23) Including interest expenses and internal costs.

Altarea Cogedim only reports on projects that are underway or at the development stage.[24] This pipeline does not include identified projects on which development teams are currently in talks or carrying out advanced studies.

Given the Group's cautious criteria, the decision is made to commence work only once a sufficient level of pre-letting has been reached. In light of the progress achieved in 2012 from both an administrative and commercial point of view, most pipeline projects should be delivered between 2014 and 2016.

At December 31, 2012, the level of commitments for these projects came to 28% (€269 million) on a Group-share basis.

In € millions (net)	At 100%	Group share
Paid out	297	216
Committed, not yet paid out	97	52
Total commitments	**395**	**269**

INVESTMENTS CARRIED OUT IN 2012 FOR PROJECTS UNDER DEVELOPMENT

Over the year, Altarea Cogedim invested[25] €118 million on a Group share basis in its project portfolio.

These investments mainly concern the two shopping centers under development (Villeneuve-la-Garenne and the Nîmes Costières Family Village®) as well as properties undergoing redevelopment and/or extension (Toulouse, Cap 3000, Bercy and Massy).

AUTHORIZATIONS GRANTED

For projects under development, authorizations are progressing as forecast in operational time lines.

2.1.1.1.6. Operating cash flow

In € millions	12/31/2012		12/31/2011
Rental income	160.4		162.1
Net rental income	**145.8**	**–2%**	**148.8**
% of rental revenues	*90.9%*		*91.8%*
External services[26]	18.0	*+10%*	16.5
Production capitalized & held in inventory	12.2		15.1
Operating expenses	(50.5)	–5%	(53.1)
Net overhead expenses	**(20.3)**		**(21.5)**
Share of affiliates[27]	9.4		8.2
Operating cash flow	**135.0**	**–0%**	**135.4**
% of rental income	*84.2%*		*83.5%*

Operating cash flow remained at the same level as at December 31, 2011. The negative impact of disposals was offset by an increase in external services to third parties (partnerships, shopping centers sold but which Altarea Cogedim continues to manage, etc.) as well as by controlled operating expenses.

(24) Projects underway: properties under construction.
Projects under development: projects either fully or partly authorized, where the land has been acquired or for which contracts have been exchanged, but on which construction has not yet begun.

(25) Change in non-current assets net of changes in amounts payable to suppliers of non-current assets.

(26) Including €13.5 million in fees from rental management for third parties and €4.5 million in development fees for programs built with third parties.

(27) Companies consolidated using the equity method (Gare du Nord, Semmaris-Rungis).

Breakdown of retail portfolio managed at December 31, 2012

Center	GLA m²	GRI (in € millions)[28]	Value (in € millions)[29]	O/w Altarea Share	O/w Altarea Value (in € millions)[29]	O/w third-party share Share	O/w third-party share Value (in € millions)[29]
Toulouse Occitania	56,200			100%		–	
Paris - Bercy Village	22,824			85%		15%	
Gare de l'Est	5,500			100%		–	
CAP 3000	64,500			33%		67%	
Thiais Village	22,324			100%		–	
Carré de Soie	60,800			50%		50%	
Massy	18,200			100%		–	
Lille - Les Tanneurs & Grand' Place	25,480			100%		–	
Aix-en-Provence	3,729			100%		–	
Nantes - Espace Océan	11,200			100%		–	
Mulhouse - Porte Jeune	14,769			65%		35%	
Strasbourg - L'Aubette & Aub. Tourisme	8,400			65%		35%	
Strasbourg-La Vigie	16,232			59%		41%	
Flins	9,700			100%		–	
Toulon - Grand' Var	6,336			100%		–	
Montgeron - Valdoly	5,600			100%		–	
Chalon-sur-Saone	4,001			100%		–	
Toulon - Ollioules	3,185			100%		–	
Tourcoing - Espace Saint Christophe	13,000			65%		35%	
Okabé	38,615			65%		35%	
Villeparisis	18,623			100%		–	
Herblay - XIV Avenue	14,200			100%		–	
Pierrelaye (RP)	9,750			100%		–	
Gennevilliers (RP)	18,863			100%		–	
Le Mans Ruaudin Family Village® (RP)	23,800			100%		–	
Aubergenville Family Village® (RP)	38,620			100%		–	
Brest - Guipavas (RP)	28,000			100%		–	
Limoges (RP)	28,000			75%		25%	
Misc. (6 assets)	34,170			n/a		n/a	
Sub-total France	**624,621**	**160.8**	**2,677**		**2,024**		**653**
Barcelone - San Cugat	20,488			100%		–	
Bellinzago	20,491			100%		–	
Le Due Torri	33,680			100%		–	
Pinerolo	8,108			100%		–	
Rome - Casetta Mattei	15,385			100%		–	
Ragusa	12,609			100%		–	
Casale Montferrato	8,288			100%		–	
Sub-total International	**120,107**	**37.0**	**538**		**538**		**–**
CONTROLLED ASSETS	**744,728**	**197.9**	**3,216**		**2,563**		**653**
Paris - Les Boutiques Gare du Nord	3,750			40%		60%	
Roubaix - Espace Grand' Rue	13,538			33%		67%	
Châlons - Hôtel de Ville	5,250			40%		60%	
MINORITY INTERESTS	**22,538**	**6.8**	**59**		**22**		**37**
Ville du Bois	43,000			–		100%	
Pau Quartier Libre	33,000			–		100%	
Brest Jean Jaurès	12,800			–		100%	
Brest - Coat ar Gueven	13,000			–		100%	
Thionville	8,600			–		100%	
Bordeaux - Grand' Tour	11,200			–		100%	
Vichy	13,794			–		100%	
Reims - Espace d'Erlon	12,000			–		100%	
Toulouse Saint Georges	14,500			–		100%	
Chambourcy (RP)	33,500			–		100%	
Bordeaux – St. Eulalie (RP)	13,400			–		100%	
Toulon Grand Ciel (RP)	2,800			–		100%	
ASSETS MANAGED FOR THIRD PARTIES	211,600	41.8	683		–		683
TOTAL ASSETS UNDER MANAGEMENT	**978,866**	**246.5**	**3,958**		**2,584**		**1,373**

(RP) Retail Park

(28) Rental value on signed leases at January 1, 2013.
(29) Including transfer duties.

Breakdown of shopping centers under development at December 31, 2012

		At 100%				Group share			
Center	Creation/ Redev./ Extension	GLA created (m²)	GRI (in € millions)	Net invest.[30] (in € millions)	Return	GLA created (m²)	GRI (in € millions)	Net invest.[30] (in € millions)	Return
Le Mans 2 Family Village®	Creation	16,200				16,200			
Aubergenville 2 Family Village®	Extension	10,200				10,200			
Roncq Family Village®	Creation	58,400				29,200			
Nîmes Family Village®	Creation	27,400				27,400			
Retail Parks		**112,200**	**16.8**	**198**	**8.5%**	**83,000**	**13.0**	**156**	**8.4%**
Villeneuve-la-Garenne	Creation	63,300				31,650			
La Valette-du-Var	Creation	38,400				38,400			
Massy -X%	Redev./Extensions	7,400				7,400			
Cap 3000	Redev./Extensions	18,800				6,300			
Cœur d'Orly	Creation	123,000				30,750			
Aix extension	Extension	4,800				2,400			
Shopping centers France		**255,700**	**88.7**	**1,050**	**8.4%**	**116,900**	**42.6**	**513**	**8.3%**
Ponte Parodi (Genoa)	Creation	36,900				36,900			
Le Due Torri (Lombardy)	Extension	6,200				6,200			
Shopping centers International		**43,100**	**16.2**	**169**	**9.6%**	**43,100**	**16.2**	**169**	**9.6%**
Total at December 31, 2012		**411,100**	**121.7**	**1,417**	**8.6%**	**243,000**	**71.8**	**838**	**8.6%**
o/w Redev./Extensions		47,500	28.3	310	9.1%	32,500	16.5	193	8.5%
o/w Asset creation		363,600	93.4	1,107	8.4%	210,500	55.3	645	8.6%

(30) Including interest expenses and internal costs.

2.1.1.2. Online retail

Altarea Cogedim group is one of the leading names in e-commerce in France thanks to its brand RueduCommerce, whose 2012 business volume came to €432 million (+10%).

2.1.1.2.1. Market trends[31]

In 2012, e-commerce reported sales of €45 billion in France (+19%). General merchandise websites reported a 7% like-for-like increase in sales[32].

This growth was driven in large part by the creation of 17,000 new retail websites (+17%), for a total of 117,500 retail websites in France. Of this total, fewer than 100 sites boast more than €100 million in business.

M-commerce is experiencing strong growth as well, with estimated business volume of €1 billion in 2012 (2.5 times 2011 sales, estimated at €400 million). M-commerce now accounts for 2% of internet sales.

2.1.1.2.2. RueduCommerce.com visitor numbers

VISITOR NUMBERS (TOTAL NUMBER OF CONNECTIONS TO THE SITE)[33]

RueduCommerce.com recorded a 17% increase in traffic year-on-year, from 156 million to 181 million visitors over the year (an average of 15.1 million visitors per month). This growth exceeds that of all pure play general merchandise sites, which came to 9%[34].

7.8% of these visitors used mobile devices: dedicated applications or site navigation (classic or mobile versions) with Smartphones or tablets.

AVERAGE NUMBER OF UNIQUE VISITORS (UV) PER MONTH (INTERNET USERS HAVING VISITED THE SITE AT LEAST ONCE OVER A ONE-MONTH PERIOD)[35]

RueduCommerce further maintained its position as a leading site, ranking among the "Top 10" general e-retailer websites in France[36].

General retailer websites		Average UV per month in 2012, in thousands
1	Amazon	12,428
2	CDiscount	9,168
3	Fnac	8,592
4	PriceMinister	7,544
5	La Redoute	7,371
6	Carrefour	6,667
7	Vente-privée.com	6,047
8	**RueduCommerce.com**	**5,095**
9	3 Suisses	4,469
10	Pixmania	4,339

This "Top 10" ranking may exhibit little progress compared with 2011, but it is nevertheless important to note the significant growth of websites created by brick-and-mortar retailers. Indeed, 10 of these retailers are now included among the Top 40 leading e-commerce sites in France[37] (compared with 7 in 2011). This development endorses Altarea Cogedim's vision of being active on both channels (brick-and-mortar and online), just like its retail clients.

2.1.1.2.3. RueduCommerce performance

Initially an online retailer of high-tech products, RueduCommerce is the first site to have launched a marketplace in France (the "*Galerie*"). The *Galerie's* operating practices are similar in many respects to those of a shopping center.

In 2012, the site reported €423 million in business volume (+10%), with 75% generated by own-brand distribution and 25% by the *Galerie Marchande*.

In € millions	2012	2011	*Change*
Distribution	315.7	289.0	*+9%*
Galerie merchants' sales	107.5	94.7	*+14%*
Business volume	**423.2**	**383.7**	***+10%***

RueduCommerce reported 2.4 million orders in 2012, for an average basket of approximately €201.

(31) Fevad 2012 E-commerce review.
(32) Fevad iCE 40 survey (like-for-like growth of leading sites).
(33) Xiti data.
(34) Médiamétrie//NetRating data, January-November 2012 average.
(35) Médiamétrie//NetRating data, January-November 2012 average.
(36) Médiamétrie//NetRating ranking according to the number of unique visitors per month (i.e., internet users having visited the site at least once over a one-month period) from January to November 2012.
(37) Fevad iCE 40 survey.

2012 HIGHLIGHTS

2012 was the year RueduCommerce was incorporated into Altarea Cogedim and implemented a significant investment program. The principal technological innovations and "multi-channel" experiences include:

- Technological innovations:
  - creation of a more user-friendly site and simplification of the purchasing process,
  - launch of the mobile application in November 2012, becoming one of the primary m-commerce applications in France. The application was downloaded more than 100,000 times by late December, less than two months after its launch,
- Multi-channel synergies:
  - Upmarket positioning and recruitment of 240 new merchants, including 14 chains featured in Altarea Cogedim group's shopping centers[38];
  - Cross-marketing advertising operations (e.g. geolocation-based advertising for the Group's 25 leading shopping centers on RueduCommerce).

THE ONLINE *GALERIE MARCHANDE*

In 2007, RueduCommerce launched the "*Galerie*," an online marketplace based on the RueduCommerce.com site whereby participating online merchants are provided with a sales platform in exchange for a percentage of the partners' sales.

	2012	2011	2010	*CAGR*
Partner merchants' sales (in € millions excl. tax)	107.5	94.7	67.9	*+26%*
RDC commissions (in € millions)	9.4	7.5	5.0	*+38%*
Commission rate	8.8%	8.0%	7.3%	*+1.5pt*
No. of orders (in millions)	1.10	0.93	0.74	*+22%*
Average basket (incl. tax)	€130.5	€138.2	€128.8	*+€1.60*

The Galerie's business volume increased sharply over the year (+14% compared with 2011). This boost is due in particular to strong growth in the fashion, household goods, gardening and DIY departments.

The average commission rate is 8.8%, up 0.8 points compared with 2011 thanks to a more lucrative product mix (mainly fashion, household goods and gardening, the Galerie's principal departments aside from consumer electronics).

The Group's medium-term objective is to attract the majority of retailers operating in its brick-and-mortar shopping centers towards the RueduCommerce marketplace. To this end, RueduCommerce launched the "shops-in-shop" initiative in 2012 (brand-specific spaces included on RueduCommerce.com). These spaces operate in a way relatively similar to department store corners. This unique offer provides merchants with both brick-and-mortar and online retail space. It serves to set the Group apart and ensure future growth as the multi-channel business model continues its lively development.

DISTRIBUTION OF HIGH-TECH PRODUCTS

In a highly depressed French market (2.8% drop in sales of high-tech products)[39], RueduCommerce's high-tech sales exhibited strong growth, amounting to €315.7 million (+9%), for a substantial average basket (€241 incl. tax). This outperformance attests to RueduCommerce's expertise in this sector.

	2012	2011	*Change*
Distribution revenue (in € millions excl. tax)	315.7	289.0	*+9%*
No. of orders (in millions)	1.29	0.93	*+5%*
Average basket (incl. tax)	€241	€237	*+2%*

RUEDUCOMMERCE GROUP RESULTS

In € millions	**12/31/2012**		**12/31/2011**
Distribution revenues	315.7	*+9%*	289.0
Purchases consumed and other	(291.3)		(262.1)
Gross margin	**24.4**	***–9%***	**26.9**
% of revenues	*7.7%*		*9.3%*
Galerie Marchande commissions	9.4		7.5
Net overhead expenses	(39.9)		(28.0)
Operating cash flow	**(6.0)**		**6.4**
% of revenues	*–1.9%*		*10.5%*

A number of investments - technical (site, mobile application, etc.), marketing and human (recruitment of experts) - were carried out for RueduCommerce in FY 2012 to shore up its business and speed its development, particularly through growth of the *Galerie Marchande*.

These investments had a negative short-term impact on 2012 operating cash flow.

From an operational point of view, the Group aims for €1 billion in business volume in four to five years and a "Top 5" ranking among e-commerce sites in France. In financial terms, renewed profitability is one of the Group's medium-term objectives.

2012 was also marked by Altarea Cogedim group's acquisition of stakes held by minority shareholders (20%) in Altacom, holding company of RueduCommerce.

(38) And 50 additional shops currently under discussion.
(39) In the first 11 months of the year (source: GfK).

Furthermore, a compulsory delisting of RueduCommerce (with the right to squeeze-out minority shareholders) was initiated by Altacom on February 27, 2013. This event completed RueduCommerce's incorporation into Altarea Cogedim group.

2.1.2. RESIDENTIAL

2.1.2.1. 2012 Trends

2012 saw a sharp drop in sales activity for new housing, with approximately 73,700 lots sold[40]. This represents the lowest level of activity in 16 years, with sales down about 28% compared to the 103,300 lots sold in 2011.

Several factors came together: a difficult economic climate that shook buyer trust, tightening of credit conditions despite low interest rates, diminishing tax incentives as of the end of 2011 and uncertainty over the direction the tax and regulatory environment would take.

Slackening construction starts (-24%[41]) and administrative authorizations (-12%[42]) in 2012 will further compound the lack of new housing.

This shortage, estimated at nearly 1 million in France, has made housing a real public policy issue, whether concerning affordable housing for all or private investment. Two systems to support new housing have already entered into force since January 1, 2013: the reform of the zero-interest loan (PTZ+) and the "Duflot" buy-to-let investment tax-break scheme. The latter will feature stronger incentives than the Scellier scheme (18% reduction in taxes verses 13% for Scellier) and will have a greater social dimension (caps on rent and tenant resources).

Discussions are also currently underway to encourage institutional investors to return to the new housing market.

2.1.2.2. A beneficial shift in our offering

CAPITALIZING ON THE STRENGTHS OF THE "COGEDIM BRAND"

Cogedim's brand capital is founded upon a strategy of enlarging its customer base. Relying on its teams and their proven adaptability, Altarea Cogedim provides solutions tailored to the market. **It is resolutely oriented towards entry-level and midscale products, while always remaining true to its principle of quality.**

CHANGES IN THE RANGE OF PRODUCTS

For several years now, Cogedim has enlarged its housing offering to align with demand trends, all while taking advantage of its fundamental strengths. Today, Cogedim's offering includes five ranges that may be grouped as follows:

- Three high-end ranges defined by their upscale positioning in terms of architecture, quality and location. These ranges offer housing priced at over €5,000/m² in the Paris Region and over €3,600/m² outside of Paris, and also include exceptional programs.
- Two ranges offering midscale and entry-level housing that upholds Cogedim's quality standards. The programs of these "A and B" offerings are designed specifically:
  - to meet the need for affordable housing suited to the **creditworthiness of our customers**;
  - to fulfill individual investors' desires to take advantage of the **new Duflot scheme**;
  - to take advantage of the willingness of local authorities to develop **affordable housing operations**[43].

Altarea Cogedim is also developing a **broad range of serviced residences:**

- Cogedim Club® senior residences (Sèvres, Pégomas, Chambéry, etc.);
- Business residences (Apparthotel Paris Nanterre, Courbevoie);
- Student residences (Toulouse, Nanterre, St-Ouen, etc.).

LAUNCHES SUITED TO THE REALITY OF THE MARKET

In 2012, Cogedim gave priority to midscale programs for which market demand is high: 71% of commercial launches concerned these two product ranges.

(40) Source: FPI estimate, press release dated February 14, 2013.

(41) Source: Ministry of Ecology: Figures and Statistics - December 2013 - change in Q3 2012 compared to the same period in 2011.

(42) Same as previous note.

(43) Operations for which the selling price is capped, after land prices have been negotiated and reduced. In 2012, Altarea Cogedim developed affordable housing operations both in the Paris Region (Saint-Ouen, Nanterre, Bagneux, etc.) and outside of Paris (Nice Meridia).

RESERVATIONS[44] IN LINE WITH THE MARKET IN 2012

Reservations in value terms and in number of lots[45]

Group reservations in 2012 amounted to €861 million (incl. tax) and 3,197 lots.

	2012	2011	*Change*
Individual reservations	€646 m	€843 m	*–23%*
Block reservations	€215 m	€362 m	*–41%*
Total in value terms	**€861 m**	**€1.205 bil.**	***–29%***
Individual reservations	2,103 lots	2,523 lots	*–17%*
Block reservations	1,094 lots	1,674 lots	*–35%*
Total in no. of lots	**3,197 lots**	**4,197 lots**	***–24%***

The difference between the drop in value terms (-29%) and in number of lots (-24%) reflects increased reservations in the two mid-scale ranges, which feature a lower average sale price per unit.

Affordable housing sales accounted for 63% of reservations in 2012 (in value terms), attesting to the attractiveness of real estate as a safe haven.

Block reservations for institutional investors dropped 41% compared with 2011, which stood out for extremely high sales volumes to medical establishments in the Paris Region.

Reservations by product range

In € millions (incl. tax)	Mid-scale	High-end	Serviced residences	Total	% by region
Paris region	274	172	25	**471**	55%
PACA	85	38	3	**126**	15%
Rhône-Alpes	74	83	0	**157**	18%
Grand Ouest	45	29	34	**107**	12%
TOTAL	**477**	**322**	**62**	**861**	***100%***
% by range	*56%*	*37%*	*7%*		

As a consequence of the above-mentioned launch strategy, the percentage of reservations in "A and B" ranges was substantially greater than reservations in high-end ranges.

The monthly absorption rate of new operations launched in "A and B" ranges came to 31% on average over the year, and take-up increased by 4% in value terms in comparison with 2011[46], despite a very sharp drop in the national market for the same ranges.

Although this rise does not completely offset the overall drop in demand for high-end products, it is perfectly in line with the shift in demand, thus allowing Cogedim to maintain its market share.

NOTARIZED SALES

In € millions (incl. tax)	Mid-scale	High-end	Serviced residences	Total	% by region
Paris region	177	302	26	**505**	*59%*
PACA	78	26	–	**104**	*12%*
Rhône-Alpes	66	97	–	**164**	*19%*
Grand Ouest	46	20	20	**87**	*10%*
Total	**367**	**446**	**46**	**860**	***100%***
% by range	*43%*	*52%*	*5%*		
2011 excl. Laennec				**879**	
Change				*–2%*	
2011 Total				**1,070**	
Change				*–20%*	

Excluding the exceptional impact of the Laennec program in 2011, the level of notarized sales remained stable between 2011 and 2012.

2.1.2.3. Operating income

Sales and net property income have grown significantly (15% and 26%, respectively) thanks to Cogedim's market share gains over the past three years.

SALES[47]

In € millions (incl. tax)	Mid-scale	High-end	Serviced residences	Total	% by region
Paris region	177	413	8	**598**	*63%*
PACA	72	41	–	**113**	*12%*
Rhône-Alpes	50	86	4	**139**	*15%*
Grand Ouest	81	7	10	**98**	*10%*
TOTAL	**380**	**547**	**22**	**949**	***100%***
% by range	*40%*	*58%*	*2%*		
2011				**822**	
Change				*+15%*	

(44) *Reservations net of cancellations.*

(45) *Consolidated share.*

(46) *€477 million in 2012 vs. €460 million in 2011.*

(47) *Sales recognized according to the percentage-of-completion method in accordance with IFRS standards. The percentage of completion is calculated according to the stage of construction not including land.*

NET RENTAL INCOME[48] AND OPERATING CASH FLOW

In € millions	12/31/2012		12/31/11
Sales	948.6	*+15%*	821.5
Cost of sales	(820.7)		(719.9)
Net property income	**127.8**	***+26%***	**101.7**
% of revenues	*13.5%*		*12.4%*
Production held in inventory	57.4		63.0
Net overhead expenses	(84.3)		(83.1)
Other	(0.3)		4.5
Operating cash flow	**100.6**	***+17%***	**86.1**
% of revenues	*10.6%*		*10.5%*

The operating margin level was stable at 10.6%: business growth was accompanied by tight control of overhead expenses, in spite of future-looking investments.

BACKLOG

At the end of 2012, the residential backlog[49] amounted to €1.414 billion, equal to 18 months of sales. This level provides the Group with continued excellent visibility as to its future residential development income.

In € millions (excl. tax)	Notarized revenues not recognized	Sales reserved but not notarized	Total	% by region	Number of months
Paris Region	594	293	**887**	*63%*	
PACA	77	76	**153**	*11%*	
Rhône-Alpes	178	68	**245**	*17%*	
Grand Ouest	79	49	**128**	*9%*	
TOTAL	**928**	**486**	**1,414**	***100%***	**18**
Repartition	*66%*	*34%*			
2011	**1,137**	**483**	**1,620**		
Change			*-13%*		

2.1.2.4. Commitment management

Breakdown of properties for sale at December 31, 2012 (€611 million incl. tax) by stage of completion

	–	<--- Risk --->		+
Operating phases	**Prepa-ration (land not acquired)**	**Land acquired/ project not yet started**	**Land acquired/ project in progress**	**Stock of completed residential properties**
Expenses incurred (in € millions excl. tax)	15	12		
Cost price of properties for sale In € millions (excl. tax)		75	210	1
Property for sale (€611 million incl. tax)	**226**	**109**	**275**	**1**
%	*37%*	*18%*	*45%*	*ns*
	o/w delivered	*in 2013* *in 2014* *in 2015*	*€57 m* *€146 m* *€72 m*	

MANAGEMENT OF PROPERTIES FOR SALE

55% of properties for sale concern developments on which construction had not yet begun and on which the amounts committed correspond primarily to research and advertising costs and land order fees (or guarantees) paid upon the signature of preliminary land sales agreements with the possibility of retraction (mainly unilateral agreements).

45% of properties for sale are currently being built. Only €57 million (out of €275 million) concern lots to be completed by the end of 2013.

There is virtually no stock of finished products (€1 million).

This breakdown of developments by stage of completion reflects the cautious criteria implemented by the Group:

- The decision to give priority to signature of unilateral preliminary sales agreements rather than bilateral sale and purchase agreements;
- Requiring a high level of pre-marketing at the time the site is acquired, as well as at the start of construction work;

(48) *Net property income is calculated after interest, after marketing and advertising fees and expenses.*

(49) *The backlog comprises revenues excluding tax from notarized sales to be recognized on a percentage-of-completion basis and individual and block reservations to be notarized.*

- Requiring agreement from the Commitments Committee at all stages of the transaction: signature of the purchase agreement, marketing launch, land acquisition and launch of construction;
- Withdrawing from or renegotiating transactions having generated inadequate marketing rates.

In the current economic climate, particular attention is paid to the launch of new programs, which is carried out according to the level and rhythm at which properties for sale are absorbed. This policy guarantees prudent management of the Group's commitments.

MANAGING THE PROPERTY CYCLE

Thanks to implementation of cautious criteria, Cogedim controls the bulk of its property assets through unilateral land options, which are only exercised in accordance with the commercial success of its programs.

PROPERTIES FOR SALE[50] AND FUTURE OFFERING[51]

In € millions (incl. tax)	< 1 year	> 1 year	Total 2012	Number of months	2011
Properties for sale	611		**611**	*9*	633
Future offering	1,967	1,490	**3,457**	*48*	2,988
TOTAL Pipeline	**2,578**	**1,490**	**4,068***	***57***	**3,621**
2011	**2,906**	**715**	**3,621**		
Change	*-11%*	*+108%*	*+12%*		

** I.e., approximately 13,550 homes*

The residential pipeline (properties for sale + property portfolio) comprises the following:

- **At under one year**, operations directed primarily at entry-level and mid-range products meeting the expectations of the current market;
- **At over one year**, operations including all types of products, thus allowing the Group to seize opportunities in all ranges once the market recovers.

2.1.3. OFFICE PROPERTY

2.1.3.1. Economic conditions and Group positioning

INVESTMENT IN OFFICE PROPERTY[52]

The investment market saw €11 billion in property change hands on the French market, down 8% compared with last year. Economic conditions inspired considerable prudence among investors, leading them to focus on new or refurbished "core" assets with long-term leases.

OFFICE PROPERTY TAKE-UP[53]

2012 take-up in the Paris Region amounted to 25,850,000 ft^2 (2,400,000 m^2). After a calm first half, Q3 and Q4 business made it possible to limit the drop to 3% compared with 2011.

Companies' choice to move remains motivated essentially by floor-space optimization policies and, most importantly, a search for lower rent. In this inauspicious economic context, investors tend to be risk-averse, avoiding on-spec programs and attempting to mitigate risks with turnkey developments (however, such developments remain rare as companies put off making real estate decisions).

For the 3rd consecutive year, the immediate supply remained virtually stable with 38,750,000 ft^2 (3,600,000 m^2) available in the Paris Region at January 1, 2013. The percentage of new / refurbished property gradually diminished, amounting to 19%.

Outside the Paris Region, the market remains considerably heterogeneous with a pronounced wait-and-see attitude: certain evolving business districts offer significant opportunities to develop the commercial property offering (e.g. Lyon's Part-Dieu neighborhood), while other cities currently have a large supply of property.

2.1.3.2. 2012 Activity

For commercial property, the Group works with institutional investors, offering the following three services:

(50) Properties for sale include units available for sale and are expressed as revenue including tax.

(51) The future offering is made up of programs at the development stage (through sales commitments, almost exclusively unilateral in nature) that have yet to be launched. It is expressed as revenue including tax.

(52) Jones Lang Lasalle data from Q4 2012.

(53) CBRE data from Q4 2012.

1. As a property developer, signing off-plan sale agreements (*Vente en Etat Futur d'Achèvement* or VEFA) or property development contracts (*Contrat de Promotion Immobilière* or CPI) for which it guarantees the cost and time line of the construction.

Thanks to its particular expertise, the Group is able to provide users with efficient "turnkey" solutions, as can be seen through the following projects:

- *Delivery of the head office of Pomona in Antony (Croix-de-Berny),* a building with a net floor area of 144,500 ft² (13,425 m²) built jointly with Life Invest.
- *Launch of construction for the head office of Mercedes-Benz France in Montigny-le-Bretonneux:* a 209,000-ft² (19,400-m²) building complex (office space + training center) featuring a firm 12-year lease with Mercedes France (delivery slated for late 2013).

Despite a somber context for launching on-spec operations, the Group nonetheless succeeded in positioning itself as a property developer, assuming performance and delivery risks. Withdrawal from these developments is guaranteed by an investor willing to assume the rental risk.

- *Construction of "Sisley" in Saint-Denis (Landy 2 Business Park)*: 237,000-ft² (22,000-m²) office building leased to Siemens.
- *Paris – Laennec:* development of a commercial property complex for an institutional investor.
- *Paris – Rue des Archives:* renovation of two commercial buildings for an international investor.
- *Marseille – Euromed Center:* mixed-use district covering 678,000 ft² (63,000 m²) and including four office buildings, a 4-star hotel, shops and a public parking lot. The first phase of work began in June.
- *Lyon:* 2 office buildings sold to a French insurance company.

The Group affirmed its *savoir-faire* in terms of hotels:

- *Delivery of Radisson Blu in Nantes:* refurbishment of the former Nantes courthouse, transforming it into a 142-room 4-star hotel with net floor area of 116,750 ft² (10,850 m²).
- *Transformation of the Hôtel Dieu in Marseille into a 5-star hotel (InterContinental):* work in progress for a grand opening scheduled for 2013.
- *MASSY – Place du Grand Ouest:* construction of a hotel featuring approximately 150 rooms as part of a 1,076,000-ft² (100,000-m²) mixed-use project.

2. As a consultant and service provider (Delegated project manager, etc.), such as providing development services for the owner of a property in return for fees.

- *Delivery on Avenue Matignon, Paris:* delegated project management for construction of an 86,650-ft² (8,050-m²) building fully let prior to delivery.

3. As an investor, fund and asset manager through AltaFund (in which the Group holds a stake limited to approximately 17%).

On July 5, 2012, AltaFund acquired a prime office building featuring 106,500 ft² (9,900 m²) of useful space and 220 parking spaces located at 128/130 Boulevard Raspail in Paris (6th arrondissement). This building will undergo comprehensive redevelopment as of April 1, 2013, once it is vacated by the current occupants (Crédit Agricole). The risk and investment profile of this first acquisition is a perfect illustration of AltaFund's investment criteria.

2012 TRANSACTIONS

Since the beginning of the year, the Group has carried out three transactions on surfaces totaling 1,171,000 ft² (108,800 m²) for forecast sales of €248 million (incl. tax) on a Group share basis.

	Net floor area	Value
Paris, Rue des Archives	284,000 ft² (26,400 m²)	
Marseille, Euromed Center	678,000 ft² (63,000 m²)	
Montigny, Mercedes B. (off-plan)	208,800 ft² (19,400 m²)	
Total delivered	**1,171,000 ft² (108,800 m²)**	**€248 m**

DELIVERIES

In 2012, Altarea Cogedim group developed a total of 347,850 ft² (32,325 m²), delivering two office buildings and a 4-star hotel.

	Net floor area
Paris, Avenue Matignon (Offices)	8,050
Antony, Croix de Berny (Pomona head office)	13,425
Nantes, Courthouse (Radisson Blu Hotel)	10,850
Total delivered	**32,325**

PROJECTS AT THE DEVELOPMENT STAGE

At December 31, 2012, the Group had 22 commercial property projects under development, covering a total potential net floor area of 6,071,000 ft² (564,000 m²) and including four hotels.

In thousands of m² (net floor area), at 100%	Delegated project management	Property development	Total
Office property	76	425	**502**
Hotels		57	**57**
Other (logistics, etc.)		5	**5**
Total at the development stage	**76**	**488**	**564**

2.1.3.3. Sales and operational cash flow

In € millions	12/31/2012		12/31/2011
Sales	113.6	*+11%*	102.0
Net property income	**7.3**	***+134%***	**3.1**
% of revenues	*6.5%*		*3.1%*
Services to third parties	**5.3**	***– 13%***	**6.1**
Production held in inventory	5.1		3.9
Net overhead expenses	(12.2)		(11.7)
Other	(0.4)		(1.3)
Operating cash flow	**5.1**	***n/a***	**0.1**
% of revenues	*4.4%*		*0.1%*

In 2012, in a difficult economic context, Altarea Cogedim reported sales of €113.6 million (+11%) and renewed profitability.

Net property income came to €7.3 million with a return on sales up 3.4 points. This progression was due to a greater number of developments underway offering higher profitability.

Considering the backlog and 2012 sales achievements, the Group expects the Office Property division to make a significantly larger contribution in 2013 with a considerable impact from ongoing operations, particularly Raspail, Mercedes and Euromed.

2.1.3.4. Backlog[54] (off-plan, property development contracts and delegated project management)

The off-plan and property development contract backlog amounted to €176.9 million at December 31, 2012, compared with €157 million the previous year. The Group also has a stable delegated project management backlog of €5.3 million.

(54) Revenues excluding tax on notarized sales to be recognized according to the percentage-of-completion method, take-ups not yet subject to a notarized deed and fees owed by third parties on contracts signed.

2.2. CONSOLIDATED RESULTS

2.2.1. RESULTS

The Group registered strong consolidated sales growth in 2012, reaching €1.584 billion (+42%). This growth particularly reflected RueduCommerce's contribution to the income statement following first-time consolidation. Like-for-like[55], consolidated sales were up 13% to €1.259 billion with positive performances by all businesses (brick-and-mortar retail: +5%; residential: +15%; offices: +10%).

At December 31, 2012, funds from operations totaled €158.6 million (+13%). The Group share of funds from operations amounted to €149.7 million, or €14.2 per share (+8.3%).

	2012				2011		
In € millions	**Funds From Operations (FFO)**		**Changes in value, estimated expenses and transaction costs[56]**	**TOTAL**	**Funds From Operations (FFO)**	**Changes in value, estimated expenses and transaction costs[56]**	**TOTAL**
Brick-and-mortar retail	190.9	+5%		190.9	182.3		182.3
Online retail	325.1	+10% [57]		325.1	–		–
Residential	949.2	+15%		949.2	822.6		822.6
Offices	118.8	+10%		118.8	108.1		108.1
REVENUE	**1,584.0**	**+42%**		**1,584.0**	**1,113.1**		**1,113.1**
Brick-and-mortar retail	135.0	– 0%	27.3	162.2	135.4	64.9	200.4
Online retail	(6.0)	n/a	(7.9)	(13.9)	–	(1.7)	(1.7)
Residential	100.6	+17%	(4.8)	95.8	86.1	(9.0)	77.1
Offices	5.1	n/a	(1.0)	4.0	0.1	(7.6)	(7.4)
Other	(2.5)	n/a	(0.6)	(3.1)	(1.7)	(0.5)	(2.3)
OPERATING PROFIT	**232.2**	**+6%**	**12.9**	**245.0**	**219.9**	**46.1**	**266.1**
Net borrowing costs	(71.7)	– 9%	(3.7)	(75.5)	(78.7)	(3.1)	(81.9)
Changes in value and profit / (loss) from disposal of financial instruments	–		(78.4)	(78.4)	–	(80.4)	(80.4)
Proceeds from the disposal of investments	–		0.7	0.7		(0.1)	(0.1)
Income tax	(1.9)		(29.8)	(31.6)	(0.8)	(8.8)	(9.6)
NET PROFIT	**158.6**	**+13%**	**(98.4)**	**60.2**	**140.4**	**(46.3)**	**94.1**
Income attributable to equity holders of the parent	**149.7**	**+11%**	**(93.8)**	**55.9**	**134.3**	**(46.0)**	**88.3**
Average diluted number of shares (in millions)	*10.547*				*10.241*		
FFO ATTRIBUTABLE TO THE GROUP PER SHARE	**€14.19**	**+8.3%**			**€13.11**		

(55) Excluding RueduCommerce.
(56) Allowances for depreciation and non-current provisions, stock grants, pension provisions, staggering of debt issuance costs.
(57) Proforma.

2.2.1.1. Revenue: €1.584 billion (+42%)

BRICK-AND-MORTAR RETAIL: €190.9 MILLION (+5%)

Revenue from brick-and-mortar retail included rental income of €160.4 million[58] (-1.1%) and €18.0 million from services provided to third parties (+9.6%). This also includes €12.3 million relating to sales in connection with the property development program (Villeneuve-la-Garenne hypermarket building shell sold in large part on an off-plan basis to Carrefour).

Following transactions that resulted in the acquisition of a controlling interest in Cap 3000, this latter entity was fully consolidated. In light of the completion date of the transactions in late December 2012, the percentage of revenue recognized in the income statement for Cap 3000 in 2012 was maintained at 33.33%[59].

ONLINE RETAIL: €325.1 MILLION (+10%)

Reported revenue originated mainly from the distribution of own brands (€315.7 million or +9%). Commissions generated from the marketplace (€9.4 million or +25%) experienced strong growth both from greater volume for merchants (€107.5 million or +13%) and an increase in the average commission rate to 8.8% (+80 bp).

RESIDENTIAL PROPERTY: €949.2 MILLION (+15%)

Property development revenue is recognized according to the percentage-of-completion method[60] in proportion to the percentage of actual completion (costs incurred / total budgeted costs excluding land) and the pre-letting rate (actual sales relative to the total for budgeted sales) of programs.

This strong growth was driven by momentum in market share gains in recent years.

OFFICES: €118.8 MILLION (+10%)

Revenue rose 10%. Breaking down into some ten programs, significant growth is expected in 2013 as a consequence of the buildup in the backlog over the last two years.

2.2.1.2. FFO[61]: €158.6 million (+13%)

Funds from operations represent operating cash flow after net interest and corporate income tax expenses.

2012 was the ninth consecutive year in which the Group registered double-digit growth in FFO.

OPERATING CASH FLOW[62] (+6%)

In 2012, operating cash flow rose 6% to €232.2 million, driven mainly by residential property development (+17%) and the office property business, which began once again making a significant positive contribution. RueduCommerce's negative impact exclusively reflects the acceleration in capital investments decided by the Group in 2012. In terms of accounting, investments for this activity were fully expensed.

NET BORROWING COSTS (-9%)

The decline in net borrowing costs reflects the combined impact of a marginal decrease in the average cost of debt (3.52% or -7 bp) and the rise in capitalized finance costs as projects included under the line item of construction work in progress are ramped up[63].

TAX PAYMENT

This represents a tax paid by entities not having adopted the SIIC tax status, for the most part within the Altareit tax group and including property development operations and RueduCommerce. In 2012, the Group benefited from tax loss carryforwards that limited the amount of income tax payments to €1.9 million. In light of the profile of future results and stricter rules for the application of tax losses, the Group expects this item to increase in the coming years.

(58) Recognized in accordance with 17 IAS "Leases".

(59) 2012 Cap 3000 rental income: €30.5 million at a 100% basis.

(60) Recognized, in accordance with IAS 18 "Revenue" and interpretation IFRIC 15 "Agreements for the construction of real estate".

(61) Funds From Operations.

(62) Or consolidated EBITDA.

(63) Finance costs of €9.6 million were capitalized relating to property development in 2012 mainly for the Villeneuve-la-Garenne, Nîmes and Cap 3000 programs.

2.2.1.3. Changes in value and estimated expenses: -€98.4 million

	In € millions
Change in value – Investment properties (France)	49.7
Change in value – Investment properties (International)	(30.1)
Change in value of financial instruments	(78.4)
Asset disposals	(5.4)
Deferred tax	(29.6)
Estimated expenses[64]	(4.6)
TOTAL	**(98.4)**

The loss in 2012 represents mainly fair value changes in the interest rate swaps portfolio following the significant drop in rates during the year.

The non-cash expense of deferred tax relates almost entirely to property development and reflects timing differences between IFRS and the tax result.

AVERAGE NUMBER OF SHARES AFTER DILUTION

The average number of shares after dilution is the average number of shares in circulation plus shares under stock option and option bonus share plans granted at December 31, 2012, minus treasury shares and dividends paid in the form of shares[65].

2.2.2. NET ASSET VALUE (NAV)

At December 31, 2012, Altarea Cogedim's EPRA NAV amounted to €1.6207 billion, up 3.6% from a year earlier.

NAV per share amounted to €148.6, down 3.4% after the dilutive effect of the 2012 dividend paid in the form of shares[66].

GROUP NAV	12/31/2012 In € millions	12/31/2012 € per share		12/31/2011 In € millions	12/31/2011 € per share
CONSOLIDATED EQUITY, GROUP SHARE	**1,023.7**	**93.8**		**988.1**	**97.1**
(1) Impact of securities convertible into shares	–			–	
(2) Restatement of deferred tax on the balance sheet for non-SIIC assets (international assets)	38.0			42.9	
*(2) Effective tax for unrealized capital gains on non-SIIC assets**	(50.3)			(53.1)	
(3) Restatement of transfer duties deducted from the carrying amount of assets	134.5			131.6	
*(3) Estimated transfer duties and selling fees**	(86.2)			(77.8)	
(4) Other unrealized capital gains or losses	381.9			406.5	
*(5) Partners' share***	(15.7)			(16.8)	
DILUTED EPRA NNNAV (liquidation NAV)***	**1,425.9**	**130.7**	**– 6.4%**	**1,421.5**	**139.7**
Restatement of estimated transfer duties and selling fees*	86.2			77.8	
Partners' share**	(0.9)			(0.9)	
DILUTED GOING CONCERN NAV***	**1,511.1**	**138.5**	**– 5.9%**	**1,498.4**	**147.2**
Transfer duties deducted from the carrying amount of assets added back	(134.5)			(131.6)	
Restatement of the effective tax for unrealized capital gains on non-SIIC assets*	50.3			53.1	
Restatement of financial instruments	177.1			127.0	
Restatement of partners' share**	16.6			17.7	
DILUTED EPRA NAV***	**1,620.7**	**148.6**	**– 3.4%**	**1,564.6**	**153.7**
**** Number of diluted shares.*	*10,909,159*			*10,176,535*	

** Varies according to the type of disposal, i.e. sale of asset or sale of shares.*

*** Maximum dilution of 120,000 shares.*

(64) Allowances for amortization and depreciation and non-current provisions, stock grants, pension provisions, staggering of debt issuance costs.

(65) Creation of 732,624 shares on June 11, 2012.

(66) When the 2012 dividend of €9.0 per share was paid, shareholders were offered the option of subscribing new shares at a price of €94.31 per share. This operation resulted in the creation of 732,624 new shares (subscribed at 76.77%), thereby increasing Group shareholders' equity by €69 million.

2.2.2.1. Calculation basis

EPRA NNNAV

EPRA NNNAV (Triple-Net NAV) is a property company performance indicator that represents the liquidation value of the Group's total assets and liabilities. This indicator is calculated from IFRS consolidated equity (Group share) to which certain adjustments are made.

(1) Impact of securities convertible into shares

This relates to the impact of in-the-money stock options exercised and the purchase of shares to cover bonus share plans not covered by shares held in treasury (excluding the liquidity agreement).

At December 31, 2012, all plan grants were covered by shares held in treasury.

The diluted number of shares recognizes all shares subscribed for the payment of stock dividends, i.e. 732,624 shares[66].

(2) Deferred taxation

Under the SIIC regime, most of the Group's property portfolio is exempt from taxes on capital gains (with the exception of selected assets not eligible for this exemption because of their ownership method and assets owned outside France). For these assets, capital gains tax on disposals is deducted directly from the consolidated financial statements at the standard tax rate in the host country, based on the difference between the open market value and the tax value of the property assets.

For Altarea Cogedim, EPRA NNNAV (liquidation NAV) takes into account the ownership methods of non-SIIC assets, since the tax reflects the effective tax liability if the shares of the company were sold or if the assets were sold building by building.

(3) Transferred duties

Investment properties have been recognized in the IFRS consolidated financial statements at appraisal value, excluding transfer duties. For the calculation of EPRA NNNAV (liquidation NAV), the same amount of transfer duties payable having been deducted are added back and new transfer duties are estimated according to the method of disposal (shares or assets), thus minimizing the amount.

(4) Other unrealized capital gains or losses

These arise from updated estimates of the value of the following assets:

- Two hotel business franchises (Hotel Wagram and Résidence Hôtelière de l'Aubette)
- The Rental Management and Commercial Property Development Division (Altarea France)
- The property development division (Cogedim)
- The e-commerce division (RueduCommerce)
- The office property investment division (AltaFund)

These assets are appraised at the end of each financial year by external experts (CBRE for the hotel business franchises and Accuracy for Altarea France and Cogedim). Both CBRE and Accuracy use the discounted cash flow method (DCF) in conjunction with a terminal value based on normalized cash flow. CBRE provides a single appraisal value, while Accuracy provides a range of values calculated using different scenarios. In addition to its DCF valuation, Accuracy also provides a valuation based on listed peer group comparables.

The value of Cogedim shares has remained unchanged in relation to December 31, 2011 and corresponds to the mid-range of Accuracy's valuation. In consequence, the unrealized gain of Cogedim shares mechanically decreases by the amount of its contribution to the Group's consolidated income for the year.

The value of RueduCommerce shares has also remained unchanged in relation to the prior year.

(5) Partners' share

The partners' share represents the maximum dilution provided for under the Group's Articles of Association in the case of liquidation by a partner (where the general partner would be granted 120,000 shares).

GOING CONCERN NAV

Going concern NAV represents the amount of equity that would be required to reform the assets of the Group while maintaining the same financial structure. It is calculated after deferred taxes and based on EPRA NNNAV, adding back the value of transfer rights.

EPRA NAV

EPRA NAV represents the market value of equity from the perspective of long-term operations as a going concern. This implies a traditional management activity under which assets are destined to be held and operated on a long-term basis.

Restatements in relation to going concern NAV are as follows:

- Cancellation of transfer rights for property assets;
- Cancellation of the tax on unrealized capital gains (as the assets are not destined to be sold);
- Restatement of financial instruments valued at mark-to-market (as they are supposed to be held until maturity);
- Cancellation of the partners' share.

(66) When the 2012 dividend of €9.0 per share was paid, shareholders were offered the option of subscribing new shares at a price of €94.31 per share. This operation resulted in the creation of 732,624 new shares (subscribed at 76.77%), thereby increasing Group shareholders' equity by €69 million.

2.2.2.2. Change in EPRA NAV

	€/share
EPRA NAV at December 31, 2011	**153.7**
2012 dividend	(9.0)
Dilution on 2012 stock dividend	(3.9)
NAV after impact of the 2012 dividend	**140.8**
FFO	14.2
Change in value of assets – France	4.9
Change in value of assets – International	(2.8)
Change in capital gains on Cogedim	(4.4)
Deferred tax liabilities	(2.8)
Other	(1.2)
EPRA NAV at December 31, 2012	**148.6**

2.3. FINANCIAL RESOURCES

2.3.1. FINANCIAL POSITION

Altarea Cogedim group has a solid financial position:

- €720 million in cash and cash equivalents
- Robust consolidated bank covenants (LTV<60% and ICR>2) with significant leeway at December 31, 2012 (LTV of 49.3% and ICR of 3.2x).

This strong position results primarily from a diversified business model (brick-and-mortar and online retail, residential and office properties) that generates substantial cash flow at the top of the cycle and is highly resilient at the bottom.

2.3.1.1. Sources of funds

Financing activities in 2012 highlighted the ability of Altarea Cogedim group to raise funds at competitive terms while diversifying its sources of financing.

The sources of financing implemented by Altarea Cogedim group are as follows:

- **Corporate debt financing (€530 million)**
  - €100 million in the form of unsecured five-year bonds issued on December 21, 2012 with a fixed coupon rate of 3.65%;
  - €150 million through an unsecured seven-year private debt placement issued on December 28, 2012 with a fixed coupon rate of 3.97%[67],
  - €280 million in corporate debt financing from the Group's traditional banking partners with an average maturity of 4 years.
- **Mortgage financing (€42 million for various projects)**

Furthermore, the Group has secured financing through a medium-term note program that may be activated as opportunities arise as well as a commercial paper program for which the first issues began with success in early January 2013 under particularly competitive terms.

The different debt financing facilities highlight the confidence of the Group's banking partners as well as new investors in the solidity of its creditworthiness amidst a marked deterioration in the European economic environment in 2012.

For property development, net debt decreased significantly in 2012 (from €234 million to €135 million[68] or by €99 million), highlighting the strong cash flows generated by this business. Most financing requirements related to performance bonds (GFA) for residential property developments sold off-plan (forward sales).

2.3.1.2. Available cash and cash equivalents: €720 million

Available cash and cash equivalents increased significantly in the period to €720 million at December 31, 2012. This included:

- €643 million in corporate sources of funds (cash and confirmed authorizations), already covering future maturities;
- €77 million in unused loan authorizations secured for specific developments.

2.3.1.3. Debt by category

Altarea Cogedim's net debt stood at €2.186 billion at December 31, 2012 compared with €2.081 billion at December 31, 2011 (+ €105 million).

(In € millions)	Dec-2012	Dec-2011
Corporate debt	776	738
Mortgage debt	1,302	1,172
Debt relating to acquisitions[69]	288	271
Property development debt	142	163
Total gross debt	**2,508**	**2,344**
Cash and cash equivalents	(322)	(263)
Total net debt	**2,186**	**2,081**

- Corporate debt is subject to consolidated bank covenants (LTV<60% and ICR>2).
- Mortgage debt is subject to covenants specific to the property financed in terms of LTV, ICR and DSCR.
- Property-development debt secured against development projects is subject to covenants specific to each development project, including a pre-commercialization threshold.
- Debt relating to the acquisition of Cogedim is subject to corporate covenants (LTV < 65% and ICR > 2); and covenants specific to Cogedim (EBITDA leverage and ICR).

(67) This financing is subject to specific covenants on Foncière Altarea (LTV ≤ 50% and ICR ≥ 2.0x).
(68) Excluding acquisition debt.
(69) Cogedim and RueduCommerce.

2.3.1.4. Financial covenants

MAIN CORPORATE DEBT COVENANTS

	Covenant	12/31/2012	12/31/2011	Delta
LTV[70]	⩽ 60%	49.3%	51.2%	–190 bps
ICR[71]	⩾ 2.0 x	3.2 x	2.8 x	+0.4 x

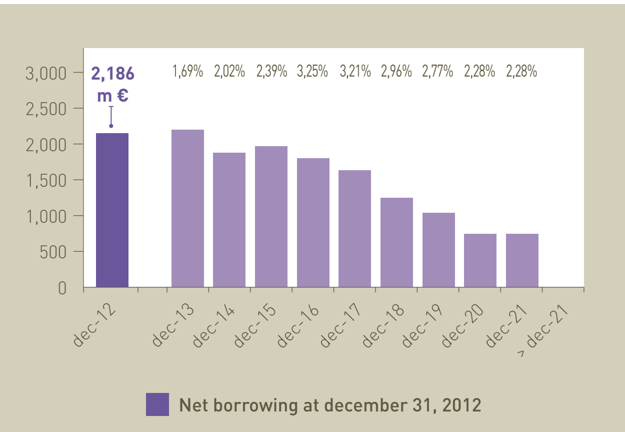
OTHER SPECIFIC COVENANTS

At December 31, 2012, the Group was in compliance with all covenants.

2.3.2. HEDGING AND MATURITY

Portfolio profile of hedging instruments:

NOMINAL AMOUNT (€ MILLIONS) AND AVERAGE HEDGE RATE[70]



In 2012, the Group restructured a portion of its portfolio of swaps to reduce the average hedge rate to market interest rates for the next two years.

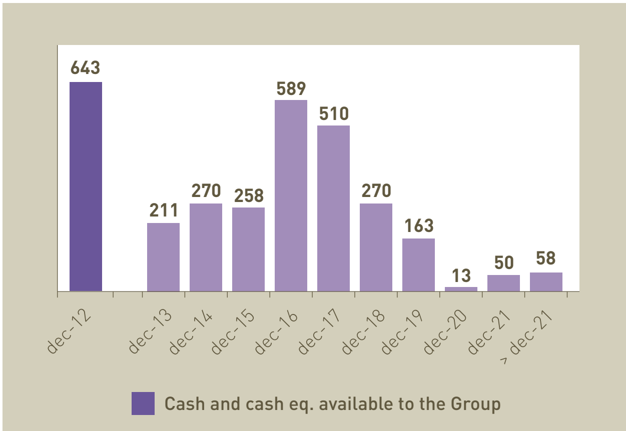
COST OF DEBT

The Altarea Cogedim group average financing cost including the credit spread was 3.52% at December 31, 2012 compared with 3.59% at the end of 2011.

DEBT MATURITY

The average debt maturity was 4.3 years at December 31, 2012 compared with 4.7 years at the end of 2011. 51.9% of outstanding debt comprises mortgage loans backed by long-term assets and/or assets under construction.

Maturity schedule for Group debt (excluding property development in € millions)



Corporate debt financing in 2012 generated resources to cover the next debt repayment installments while at the same time making it possible to move forward with Altarea Cogedim's refinancing strategy.

(70) LTV (Loan to Value) = Net debt / Restated value of assets including transfer duties.
(71) ICR = operating profit / net debt costs ("Funds from operations" column).
(72) Swaps and fixed rate debt after the restructuring of the portfolio of hedging instruments in January 2013.

Costing-based profitability analysis at December 31, 2012

In € millions	2012 Funds From Operations (FFO)	2012 Changes in value, estimated expenses and transaction costs	2012 Total	2011 Funds from operations (FFO)	2011 Changes in value, estimated expenses and transaction costs	2011 Total
Rental income	160.4	–	160.4	162.1	–	162.1
Other expenses	(14.6)	–	(14.6)	(13.4)	–	(13.4)
Net rental income	**145.8**	–	**145.8**	**148.8**	–	**148.8**
External services	18.0	–	18.0	16.5	–	16.5
Capitalized production and change in inventories	12.2	–	12.2	15.1	–	15.1
Operating expenses	(50.5)	(1.5)	(52.0)	(53.1)	(2.8)	(55.8)
Net overhead expenses	**(20.3)**	**(1.5)**	**(21.7)**	**(21.5)**	**(2.7)**	**(24.2)**
Share of affiliates	**9.4**	**(3.0)**	**6.4**	**8.2**	**(6.2)**	**2.0**
Net allowances for depreciation, amortization and reserves	–	**(1.7)**	**(1.7)**	–	**(1.8)**	**(1.9)**
Net proceeds from the disposal of assets	–	**4.8**	**4.8**	–	**6.3**	**6.3**
Gains (losses) in value and impairment of investment property	–	**19.6**	**19.6**	–	**70.0**	**70.0**
Transaction costs	–	**9.1**	**9.1**	–	**(0.6)**	**(0.6)**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**135.0**	**27.3**	**162.2**	**135.4**	**64.9**	**200.4**
Retail revenue	315.7	(0.0)	315.7	–	–	–
Purchases consumed	(289.0)	–	(289.0)	–	–	–
Net charge to provisions for risks and contingencies	(2.3)	–	(2.3)	–	–	–
Retail margin	**24.4**	**(0.0)**	**24.4**	–	–	–
***Galerie Marchande* Commissions**	**9.4**	–	**9.4**	–	–	–
Operating expenses	**(39.9)**	**(0.3)**	**(40.2)**	–	–	–
Net overhead expenses	**(39.9)**	**(0.3)**	**(40.2)**	–	–	–
Net allowances for depreciation, amortization and reserves	–	**(6.4)**	**(6.4)**	–	–	–
Transaction costs	–	**(1.2)**	**(1.2)**	–	**(1.7)**	**(1.7)**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**(6.0)**	**(7.9)**	**(13.9)**	–	**(1.7)**	**(1.7)**
Revenue	948.6	–	948.6	821.5	–	821.5
Cost of sales and other expenses	(820.7)	–	(820.7)	(719.9)	–	(719.9)
Net property income	**127.8**	–	**127.8**	**101.7**	–	**101.7**
External services	0.6	–	0.6	1.0	–	1.0
Change in finished goods and in-progress inventory	57.4	–	57.4	63.0	–	63.0
Operating expenses	(84.9)	(1.9)	(86.9)	(79.7)	(3.3)	(83.0)
Net overhead expenses	**(26.9)**	**(1.9)**	**(28.8)**	**(15.7)**	**(3.3)**	**(18.9)**
Share of affiliates	**(0.3)**	–	**(0.3)**	**0.1**	–	**0.1**
Net allowances for depreciation, amortization and reserves	–	**(2.9)**	**(2.9)**	–	**(1.1)**	**(1.1)**
Transaction costs	–	–	–	–	**(4.6)**	**(4.6)**
NET RESIDENTIAL PROPERTY INCOME	**100.6**	**(4.8)**	**95.8**	**86.1**	**(9.0)**	**77.1**
Revenue	113.6	–	113.6	102.0	–	102.0
Cost of sales and other expenses	(106.2)	–	(106.2)	(98.9)	–	(98.9)
Net property income	**7.3**	–	**7.3**	**3.1**	–	**3.1**
External services	5.3	–	5.3	6.1	–	6.1
Change in finished goods and in-progress inventory	5.1	–	5.1	3.9	–	3.9
Operating expenses	(12.2)	(0.7)	(13.0)	(11.7)	(0.9)	(12.6)
Net overhead expenses	**(1.9)**	**(0.7)**	**(2.6)**	**(1.7)**	**(0.9)**	**(2.6)**
Share of affiliates	**(0.4)**	–	**(0.4)**	**(1.3)**	–	**(1.3)**
Net allowances for depreciation, amortization and reserves	–	**(0.3)**	**(0.3)**	–	**(0.3)**	**(0.3)**
Transaction costs	–	–	–	–	**(6.4)**	**(6.4)**
NET OFFICE PROPERTY INCOME	**5.1**	**(1.0)**	**4.0**	**0.1**	**(7.6)**	**(7.4)**
Other (Corporate)	**(2.5)**	**(0.6)**	**(3.1)**	**(1.7)**	**(0.5)**	**(2.3)**
OPERATING PROFIT	**232.2**	**12.9**	**245.0**	**219.9**	**46.1**	**266.1**
Net borrowing costs	**(71.7)**	**(3.7)**	**(75.5)**	**(78.7)**	**(3.0)**	**(81.8)**
Debt and receivables discounting	–	**(0.0)**	**(0.0)**	–	**(0.1)**	**(0.1)**
Changes in value and income from disposal of financial instruments	–	**(78.4)**	**(78.4)**	–	**(80.4)**	**(80.4)**
Proceeds from the disposal of investments	–	**0.7**	**0.7**	–	**(0.1)**	**(0.1)**
PROFIT BEFORE TAX	**160.4**	**(68.6)**	**91.8**	**141.2**	**(37.5)**	**103.7**
Income tax	**(1.9)**	**(29.8)**	**(31.6)**	**(0.8)**	**(8.8)**	**(9.6)**
NET PROFIT	**158.6**	**(98.4)**	**60.2**	**140.4**	**(46.3)**	**94.1**
Non-controlling interests	**(8.9)**	**4.6**	**(4.3)**	**(6.1)**	**0.3**	**(5.8)**
NET PROFIT, Attributable to group shareholders	**149.7**	**(93.8)**	**55.9**	**134.3**	**(46.0)**	**88.3**
Average number of shares after dilution	*10,547,562*	*10,547,562*	*10,547,562*	*10,241,241*	*10,241,241*	*10,241,241*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**14.19**	**(8.90)**	**5.30**	**13.11**	**(4.49)**	**8.62**

Balance sheet at December 31, 2012

In € millions	Note	12/31/2012	12/31/2011
NON-CURRENT ASSETS		**3,617.5**	**3,241.2**
Intangible assets	8.1	276.7	264.9
o/w Goodwill		*166.6*	*193.1*
o/w Brands		*98.6*	*66.6*
o/w Other intangible assets		*11.5*	*5.2*
Tangible assets	8.2	11.4	12.9
Investment properties	8.3	3,200.3	2,820.5
o/w Investment properties in operation at fair value		*3,037.3*	*2,625.5*
o/w Investment properties under development and under construction at cost		*163*	*195*
Investments in associated companies and other long-term securities	8.4	84.7	76.5
Receivables and other non-current financial assets	8.6	18.3	16.9
Deferred tax assets	9.9	26	49.5
CURRENT ASSETS		**1,504.3**	**1,402.1**
Non-current assets held for sale	8.3	4.8	55.3
Net inventories and work in progress	8.8	702.6	684.2
Trade and other receivables	8.9	456.7	390.2
Tax receivables	9.9	1.8	1
Receivables and other current financial assets	8.6	16.3	7.4
Derivative financial instruments	11	0.3	0.8
Cash and cash equivalents	10	321.8	263.2
TOTAL ASSETS		**5,121.8**	**4,643.3**

EQUITY		**1,362.0**	**1,116.1**
Equity attributable to Altarea SCA shareholders	**8.11**	**1,023.7**	**988.1**
Share capital		131.7	120.5
Other paid-in capital		481.6	509.9
Reserves		354.6	269.4
Income associated with Altarea SCA shareholders		55.9	88.3
Equity attributable to non-controlling interests of subsidiaries		**338.2**	**128.0**
Reserves associated with non-controlling interests of subsidiaries		224.9	122.2
Other equity components, Subordinated perpetual notes		109	–
Income associated with non-controlling interests of subsidiaries		4.3	5.8
NON-CURRENT LIABILITIES		**2,371.8**	**2,259.9**
Non-current borrowings and financial liabilities	8.12	2,254.2	2,185.4
o/w Participating loans and shareholders' advances under option		*14.8*	*81.5*
o/w Non-current bond issues		*250*	*–*
o/w Borrowings from lending establishments		*1,972.7*	*2,088.0*
o/w Other borrowings and debt		*16.7*	*15.8*
Other non-current provisions	8.13	25.7	23.6
Deposits received	8.14	29.1	25.2
Deferred tax liability	9.9	62.9	25.6
CURRENT LIABILITIES		**1,388.0**	**1,267.3**
Current borrowings and financial debt (less than one year)	8.12	311.1	275.4
o/w Borrowings from credit institutions (excluding overdrafts)		*282.3*	*251.0*
o/w Bank overdrafts		*2.7*	*5.3*
o/w Other borrowings and debt		*26.1*	*19.2*
Derivative financial instruments	11	181.2	130.2
Accounts payable and other operating liabilities	8.10	892.9	860.5
Tax due – SIIC regime	9.9	2.8	1.2
TOTAL EQUITY AND LIABILITIES		**5,121.8**	**4,643.3**

3

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012

3.1. INFORMATION ABOUT THE COMPANY

Altarea is a partnership limited by shares (*Société en Commandite par Actions*, or SCA). Its shares were admitted to trading on Compartment A of the regulated market NYSE Euronext Paris. Its head office is at 8, Avenue Delcassé in Paris.

Altarea has had the status of a listed property investment company (*société d'investissement immobilier cotée*, or SIIC) since January 1, 2005.

Altarea and its subsidiaries ("Altarea" or "the Company") are in the multi-channel property business for "brick-and-mortar" and online shopping centers. This activity includes asset and property management functions, which are performed internally within the group.

Altarea is also active as an overall property developer of brick-and-mortar shopping centers, and it is a significant player in the Residential and Office property sectors. Altarea thus operates in all real estate asset classes (shopping centers, offices, hotels and housing).

Altarea enjoys a close relationship with local authorities.

Altarea controls the company Altareit, whose shares are admitted to trading on Compartment B of the regulated market NYSE Euronext Paris.

Altarea's financial statements and notes to the financial statements are expressed in millions of euros (€).

The Supervisory Board convened on February 27, 2013 reviewed the consolidated financial statements for the year ended December 31, 2012 as drawn up by the Executive Management.

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In € millions	Note	12/31/2012	12/31/2011
NON-CURRENT ASSETS		3,617.5	3,241.2
Intangible assets	8.1	276.7	264.9
o/w Goodwill		*166.6*	*193.1*
o/w Brands		*98.6*	*66.6*
o/w Other intangible assets		*11.5*	*5.2*
Tangible assets	8.2	11.4	12.9
Investment properties	8.3	3,200.3	2,820.5
o/w Investment properties in operation at fair value		*3,037.3*	*2,625.5*
o/w Investment properties under development and under construction at cost		*163*	*195*
Investments in associated companies and other long-term securities	8.4	84.7	76.5
Receivables and other non-current financial assets	8.6	18.3	16.9
Deferred tax assets	9.9	26	49.5
CURRENT ASSETS		1,504.3	1,402.1
Non-current assets held for sale	8.3	4.8	55.3
Net inventories and work in progress	8.8	702.6	684.2
Trade and other receivables	8.9	456.7	390.2
Tax receivables	9.9	1.8	1
Receivables and other current financial assets	8.6	16.3	7.4
Derivative financial instruments	11	0.3	0.8
Cash and cash equivalents	10	321.8	263.2
TOTAL ASSETS		**5,121.8**	**4,643.3**

EQUITY		1,362.0	1,116.1
Equity attributable to Altarea SCA shareholders	**8.11**	**1,023.7**	**988.1**
Share capital		131.7	120.5
Other paid-in capital		481.6	509.9
Reserves		354.6	269.4
Income associated with Altarea SCA shareholders		55.9	88.3
Equity attributable to non-controlling interests of subsidiaries		**338.2**	**128.0**
Reserves associated with non-controlling interests of subsidiaries		224.9	122.2
Other equity components, Subordinated perpetual notes		109	–
Income associated with non-controlling interests of subsidiaries		4.3	5.8
NON-CURRENT LIABILITIES		2,371.8	2,259.9
Non-current borrowings and financial liabilities	8.12	2,254.2	2,185.4
o/w Participating loans and shareholders' advances under option		*14.8*	*81.5*
o/w Non-current bond issues		*250*	–
o/w Borrowings from lending establishments		*1,972.7*	*2,088.0*
o/w Other borrowings and debt		*16.7*	*15.8*
Other non-current provisions	8.13	25.7	23.6
Deposits received	8.14	29.1	25.2
Deferred tax liability	9.9	62.9	25.6
CURRENT LIABILITIES		1,388.0	1,267.3
Current borrowings and financial debt (less than one year)	8.12	311.1	275.4
o/w Borrowings from credit institutions (excluding overdrafts)		*282.3*	*251.0*
o/w Bank overdrafts		*2.7*	*5.3*
o/w Other borrowings and debt		*26.1*	*19.2*
Derivative financial instruments	11	181.2	130.2
Accounts payable and other operating liabilities	8.10	892.9	860.5
Tax due – SIIC regime	9.9	2.8	1.2
TOTAL EQUITY AND LIABILITIES		**5,121.8**	**4,643.3**

3.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In € millions	Note	FY 2012	FY 2011
Rental income		160.4	162.1
Property expenses		(4.6)	(4.9)
Unrecoverable rental expenses		(4.3)	(4.4)
Management costs		(0.0)	(0.1)
Net charge to provisions for risks and contingencies		(5.6)	(4.0)
NET RENTAL INCOME	9.1	**145.8**	**148.8**
Revenue		1,074.5	927.3
Cost of sales		(887.4)	(775.2)
Selling expenses		(40.8)	(35.5)
Net charge to provisions for current assets		(5.6)	(10.9)
NET PROPERTY INCOME	9.2	**140.7**	**105.7**
Retail and other Revenue		315.7	–
Purchases consumed		(289.0)	–
Net charge to provisions for current assets		(2.3)	–
RETAIL MARGIN	9.3	**24.4**	**–**
GALERIE MARCHANDE COMMISSIONS	9.4	**9.4**	**–**
External services		24.0	23.7
Own work capitalized and production held in inventory		74.7	82
Personnel costs		(120.4)	(99.2)
Other overhead expenses		(67.4)	(44.8)
Depreciation expense on operating assets		(3.6)	(3.1)
NET OVERHEAD EXPENSES	9.5	**(92.6)**	**(41.4)**
Other income and expense		(7.3)	(8.6)
Depreciation expenses		(6.9)	(1.1)
Transaction costs		7.9	(13.3)
OTHER	9.6	**(6.3)**	**(23.0)**
Proceeds from disposal of investment properties		147.0	103.2
Book value of assets sold		(150.7)	(99.0)
Net charge to provisions for risks and contingencies		2.9	1.3
NET GAIN/(LOSS) ON DISPOSAL OF INVESTMENT ASSETS	9.6	**(0.8)**	**5.5**
Change in value of investment properties	9.6	20.0	76.1
Net impairment losses on investment properties measured at cost	9.6	(0.4)	(6.1)
Net impairment losses on other non-current assets		(0.2)	(0.1)
Net charge to provisions for risks and contingencies	9.6	(0.8)	(0.2)
OPERATING INCOME		**239.3**	**265.3**
Net borrowing costs	9.7	(75.5)	(82.0)
Financial expenses		(78.5)	(85.1)
Financial income		3.0	3.2
Change in value and income from disposal of financial instruments	9.8	(78.4)	(80.4)
Debt and receivables discounting		(0.0)	(0.1)
Proceeds from the disposal of investments	9.8	0.7	(0.1)
Share of earnings of equity-method affiliates	9.8	5.7	0.9
Dividend per share		0.0	0.2
PROFIT BEFORE TAX		**91.8**	**103.8**
Income tax	9.9	(31.6)	(9.6)
NET PROFIT		**60.2**	**94.1**
o/w Income associated with Altarea SCA shareholders		55.9	88.3
o/w Income associated with non-controlling interests of subsidiaries		4.3	5.8
Basic earnings associated with Altarea SCA shareholders per share (in €)	9.10	**5.37**	**8.81**
Diluted earnings associated with Altarea SCA shareholders per share (in €)	9.10	**5.30**	**8.62**

Other items contributing to comprehensive income:

	FY 2012	FY 2011
NET PROFIT	**60.2**	**94.1**
Translation differences		
o/w Taxes		
Sub-total of comprehensive income components reclassified to profit or loss		
Actuarial differences on defined-benefit retirement plans	(1.0)	(0.1)
o/w Taxes	*0.3*	*0.0*
Sub-total of comprehensive income components not reclassified to profit or loss	**(1.0)**	**(0.1)**
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	**(1.0)**	**(0.1)**
COMPREHENSIVE INCOME	**59.2**	**94.0**
o/w Total net income attributable to Altarea SCA shareholders	54.9	88.2
o/w Total net income attributable to non-controlling interests of subsidiaries	4.3	5.8

3.4. CONSOLIDATED STATEMENT OF CASH FLOWS

In € millions	Note	FY 2012	FY 2011
Cash flow from operating activities			
Consolidated profit after tax		**60.2**	**94.1**
Elimination of income tax expense (income)	9.9	31.6	9.6
Elimination of net interest expense (income)		75.4	82.0
Profit before tax and before net interest expense (income)		**167.2**	**185.8**
Elimination of share in earnings of equity-method affiliates	8.4	(5.7)	(0.9)
Elimination of depreciation, amortization and provisions		13.2	4.0
Elimination of value adjustments	10	57.0	10.4
Elimination of proceeds from disposals [1]		(0.0)	(4.2)
Elimination of dividend income		(0.0)	(0.2)
Estimated income and expenses association with share-based payments	8.11	4.5	6.7
Net Cash flow		**236.2**	**201.7**
Tax paid	8.7	(2.1)	(3.0)
Impact of change in operating working capital requirement (WCR)	8.7	(45.2)	17.4
CASH FLOW FROM OPERATING ACTIVITIES		**188.9**	**216.0**
Cash flow from investment activities			
Net acquisition of assets and capitalized expenditures	10	(129.2)	(131.5)
Acquisitions of consolidated companies, net of cash acquired	10	(72.8)	1.1
Increase in loans and advances	8.6	(144.6)	5.7
Sale of non-current assets and repayment of advances and down payments [1]	10	148.4	103.1
Disposal of consolidated companies, net of cash sold		(0.6)	(0.1)
Reduction in loans and other financial assets	8.6	1.9	2.2
Net change in investments and derivative financial instruments	10	(32.6)	(42.5)
Dividends received	10	2.7	2.9
Interest received		2.6	3.2
CASH FLOW FROM INVESTMENT ACTIVITIES		**(224.1)**	**(55.9)**
Cash flow from financing activities			
Capital increase		(0.0)	–
Subordinated perpetual notes		109.0 [2]	–
Minority interests' share in capital increases in subsidiaries		36.6 [3]	1.2
Dividends paid to Altarea SCA shareholders	12	(22.3)	(81.4)
Dividends paid to non-controlling interests of subsidiaries		0.0	0.0
Issuance of debt and other financial liabilities	8.12	525.0	282.9
Repayment of debt and other financial liabilities	8.12	(470.4)	(265.3)
Net sales (purchases) of treasury shares	8.11	(4.4)	(14.1)
Net change in security deposits and guarantees received	8.14	0.5	(0.3)
Interest paid		(77.7)	(82.3)
CASH FLOW FROM FINANCING ACTIVITIES		**96.4**	**(159.2)**
Change in cash balance		**61.2**	**0.9**
Cash balance at the beginning of the year	10	**257.9**	**257.0**
Cash and cash equivalents		263.2	262.4
Bank overdraft		(5.3)	(5.5)
Cash balance at the period's end	10	**319.1**	**257.9**
Cash and cash equivalents		321.8	263.2
Bank overdraft		(2.7)	(5.3)

(1) Proceeds on disposals included in the calculation of net cash flow and the statement of comprehensive income are presented net of transaction costs. Likewise, disposals of property assets are presented net of transaction costs in the cash flow from investment activities.

(2) Subordinated perpetual notes issued by Altarea SCA and taken up by APG.

(3) Share taken up by minority shareholders in the capital increase of the subsidiary Alta Blue, which owns the Cap 3000 shopping center through its subsidiary Aldeta.

3.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In € millions	Share capital	Additional paid-in capital	Elimination of treasury shares	Reserves and retained earnings	Total equity attributable to Altarea SCA shareholders	Equity attributable to non-controlling interests of subsidiaries	Total Shareholders' Equity
At January 1, 2011	**120.5**	**586.8**	**(17.7)**	**299.7**	**989.2**	**41.5**	**1,030.8**
Net income	–	–	–	*88.3*	*88.3*	*5.9*	*94.1*
Actuarial difference relating to pension obligations	–	–	–	*(0.1)*	*(0.1)*	–	*(0.1)*
Translation differences	–	–	–	–	–	–	–
Comprehensive income	–	–	–	88.2	88.2	5.9	94.0
Dividend distribution	–	*(76.9)*	–	*(4.5)*	*(81.4)*	*8.6*	*(72.8)*
Share capital increase	–	–	–	*(0.0)*	*(0.0)*	*5.7*	*5.7*
Measurement of share-based payments	–	–	–	*4.4*	*4.4*	*0.0*	*4.4*
Elimination of treasury shares	–	–	*(9.2)*	*(3.2)*	*(12.4)*	–	*(12.4)*
Transactions with shareholders	–	(76.9)	(9.2)	(3.3)	(89.4)	14.3	(75.0)
Changes in ownership interests without taking or losing control of subsidiaries	–	–	–	0.0	0.0	(0.1)	(0.0)
Changes in ownership interests associated with taking or losing control of subsidiaries	–	–	–	0.0	0.0	66.4[1]	66.4
Other	–	0.0	–	0.0	0.0	(0.0)	0.0
At December 31, 2011	**120.5**	**509.9**	**(26.9)**	**384.6**	**988.1**	**128.0**	**1,116.1**
Net profit	–	–	–	*55.9*	*55.9*	*4.3*	*60.2*
Actuarial difference relating to pension obligations	–	–	–	*(0.6)*	*(0.6)*	*(0.0)*	*(0.6)*
Translation differences	–	–	–	–	–	–	–
Comprehensive income	–	–	–	55.2	55.2	4.3	59.5
Dividend distribution	–	*(86.2)*	–	*(5.1)*	*(91.4)*	*2.8*	*(88.6)*
Share capital increase	*11.2*	*57.9*	–	*(0.0)*	*69.1*	*103.3*[2]	*172.4*
Subordinated perpetual notes	–	–	–	–	–	*109.0*[3]	*109.0*
Measurement of share-based payments	–	–	–	*3.0*	*3.0*	*0.0*	*3.0*
Elimination of treasury shares	–	–	*13.1*	*(11.5)*	*1.6*	–	*1.6*
Transactions with shareholders	11.2	(28.3)	13.1	(13.7)	(17.7)	215.1	197.4
Changes in ownership interests without taking or losing control of subsidiaries	–	–	–	(1.8)	(1.8)[4]	(65.3)[1] [4]	(67.1)
Changes in ownership interests associated with taking or losing control of subsidiaries	–	–	–	(0.0)	(0.0)	56.0[5]	56.0
Other	–	–	–	(0.0)	(0.0)	0.1	0.0
At December 31, 2012	**131.7**	**481.6**	**(13.8)**	**424.3**	**1,023.7**	**338.2**	**1,362.0**

(1) In 2011, the €66.4 million are mainly related to the acquisition of RueduCommerce.
In 2012, (€63.2 million) are related to the takeover of RueduCommerce.

(2) Minority interests in the capital increase of the subsidiary Alta Blue, which owns the Cap 3000 shopping center through its subsidiary Aldeta.

(3) Subordinated perpetual notes issued by Altarea SCA representing minority interests in Alta Blue and its subsidiary Aldeta, which owns the Cap 3000 shopping center.

(4) In 2012, out of the (€1.8 million) affecting equity attributable to minority shareholders of Altarea SCA, (€1.7 million) concerned the buyback of a 20% stake from the founders of RueduCommerce to be attributed to Altacom, holding company for RueduCommerce, which thus increased Altacom's stake to 100%. The remaining (€0.1 million) are related to the accretion of Altareit.
This buyback operation also has a (€1.9 million) affect on equity attributable to non-controlling interests of subsidiaries. The accretive impact of Altareit on equity attributable to non-controlling interests of subsidiaries came to (€0.2 million).

(5) The €56.0 million mainly concern changes in the consolidation method for the Alta Blue complex and its subsidiary Aldeta, which owns the Cap 3000 shopping center (from proportional consolidation to full consolidation).

A change in accounting method was applied retrospectively at January 1, 2011; it relates to application of amendments to IAS 19, "Employee Benefits," and specifically to recognition of valuation differences in defined-benefit pension plans (actuarial differences) as reserves rather than income. The impact on income attributable to Altarea SCA shareholders came to €0.1 million for FY 2011.

3.6. COSTING-BASED PROFITABILITY ANALYSIS

	2012			2011		
In € millions	Funds from operations (FFO)	Changes in value, estimated expenses and trans-action costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses and trans-action costs	Total
Rental income	160.4	–	160.4	162.1	–	162.1
Other expenses	(14.6)	–	(14.6)	(13.4)	–	(13.4)
Net rental income	**145.8**	–	**145.8**	**148.8**	**–**	**148.8**
External services	18.0	–	18.0	16.5	–	16.5
Capitalized production and inventories	12.2	–	12.2	15.1	–	15.1
Operating expenses	(50.5)	(1.5)	(52.0)	(53.1)	(2.8)	(55.8)
Net overhead expenses	**(20.3)**	**(1.5)**	**(21.7)**	**(21.5)**	**(2.7)**	**(24.2)**
Share of affiliates	**9.4**	**(3.0)**	**6.4**	**8.2**	**(6.2)**	**2.0**
Net allowances for depreciation and impairment	**–**	**(1.7)**	**(1.7)**	**–**	**(1.8)**	**(1.9)**
Net proceeds from the disposal of assets	**–**	**4.8**	**4.8**	**–**	**6.3**	**6.3**
Gains/(losses) in fair value and impairment of investment property	**–**	**19.6**	**19.6**	**–**	**70.0**	**70.0**
Transaction costs	**–**	**9.1**	**9.1**	**–**	**(0.6)**	**(0.6)**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	135.0	27.3	162.2	135.4	64.9	200.4
Retail and other revenue	315.7	(0.0)	315.7	–	–	–
Purchases consumed	(289.0)	–	(289.0)	–	–	–
Net charge to provisions for risks and contingencies	(2.3)	–	(2.3)	–	–	–
Retail margin	**24.4**	**(0.0)**	**24.4**	**–**	**–**	**–**
***Galerie Marchande* commissions**	**9.4**	**–**	**9.4**	**–**	**–**	**–**
Operating expenses	**(39.9)**	**(0.3)**	**(40.2)**	**–**	**–**	**–**
Net overhead expenses	**(39.9)**	**(0.3)**	**(40.2)**	**–**	**–**	**–**
Net allowances for depreciation and impairment	**–**	**(6.4)**	**(6.4)**	**–**	**–**	**–**
Transaction costs	**–**	**(1.2)**	**(1.2)**	**–**	**(1.7)**	**(1.7)**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	(6.0)	(7.9)	(13.9)	–	(1.7)	(1.7)
Revenue	948.6	–	948.6	821.5	–	821.5
Cost of sales and other expenses	(820.7)	–	(820.7)	(719.9)	–	(719.9)
Net property income	**127.8**	**–**	**127.8**	**101.7**	**–**	**101.7**
External services	0.6	–	0.6	1.0	–	1.0
Production held in inventory	57.4	–	57.4	63.0	–	63.0
Operating expenses	(84.9)	(1.9)	(86.9)	(79.7)	(3.3)	(83.0)
Net overhead expenses	**(26.9)**	**(1.9)**	**(28.8)**	**(15.7)**	**(3.3)**	**(18.9)**
Share of affiliates	**(0.3)**	**–**	**(0.3)**	**0.1**	**–**	**0.1**
Net allowances for depreciation, amortization and reserves	**–**	**(2.9)**	**(2.9)**	**–**	**(1.1)**	**(1.1)**
Transaction costs	**–**	**–**	**–**	**–**	**(4.6)**	**(4.6)**
NET RESIDENTIAL PROPERTY INCOME	100.6	(4.8)	95.8	86.1	(9.0)	77.1
Revenue	113.6	–	113.6	102.0	–	102.0
Cost of sales and other expenses	(106.2)	–	(106.2)	(98.9)	–	(98.9)
Net property income	**7.3**	**–**	**7.3**	**3.1**	**–**	**3.1**
External services	5.3	–	5.3	6.1	–	6.1
Production held in inventory	5.1	–	5.1	3.9	–	3.9
Operating expenses	(12.2)	(0.7)	(13.0)	(11.7)	(0.9)	(12.6)
Net overhead expenses	**(1.9)**	**(0.7)**	**(2.6)**	**(1.7)**	**(0.9)**	**(2.6)**
Share of affiliates	**(0.4)**	**–**	**(0.4)**	**(1.3)**	**–**	**(1.3)**
Net allowances for depreciation, amortization and reserves	**–**	**(0.3)**	**(0.3)**	**–**	**(0.3)**	**(0.3)**
Transaction costs	**–**	**–**	**–**	**–**	**(6.4)**	**(6.4)**
NET OFFICE PROPERTY INCOME	5.1	(1.0)	4.0	0.1	(7.6)	(7.4)
Other (Corporate)	**(2.5)**	**(0.6)**	**(3.1)**	**(1.7)**	**(0.5)**	**(2.3)**
OPERATING PROFIT	**232.2**	**12.9**	**245.0**	**219.9**	**46.1**	**266.1**
Net borrowing costs	**(71.7)**	**(3.7)**	**(75.5)**	**(78.7)**	**(3.0)**	**(81.8)**
Debt and receivables discounting	**–**	**(0.0)**	**(0.0)**	**–**	**(0.1)**	**(0.1)**
Change in value and income from disposal of financial instruments	**–**	**(78.4)**	**(78.4)**	**–**	**(80.4)**	**(80.4)**
Proceeds from the disposal of investments	**–**	**0.7**	**0.7**	**–**	**(0.1)**	**(0.1)**
PROFIT BEFORE TAX	**160.4**	**(68.6)**	**91.8**	**141.2**	**(37.5)**	**103.7**
Income tax	**(1.9)**	**(29.8)**	**(31.6)**	**(0.8)**	**(8.8)**	**(9.6)**
NET PROFIT	**158.6**	**(98.4)**	**60.2**	**140.4**	**(46.3)**	**94.1**
Non-controlling interests	**(8.9)**	**4.6**	**(4.3)**	**(6.1)**	**0.3**	**(5.8)**
NET PROFIT, ATTRIBUTABLE TO GROUP SHAREHOLDERS	**149.7**	**(93.8)**	**55.9**	**134.3**	**(46.0)**	**88.3**
Average number of shares after dilution	*10,547,562*	*10,547,562*	*10,547,562*	*10,241,241*	*10,241,241*	*10,241,241*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**14.19**	**(8.90)**	**5.30**	**13.11**	**(4.49)**	**8.62**

3.7. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES AND CONSOLIDATION METHODS

1.1. Declaration of compliance and accounting standards applied by the Group

The accounting principles adopted for preparation of the consolidated financial statements are in line with the IFRS standards and interpretations, as adopted by the European Union at December 31, 2012 and available at: *http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission*.

No standard or interpretation newly applicable as of January 1, 2012 and applied by the Group produced a material impact on the company's consolidated financial statements.

Accounting standards and interpretations in force at January 1, 2012 without a material impact on accounting and valuation methods for the group's consolidated financial statements

- **Amendments to IFRS 7:** Disclosures regarding transfers of financial assets

Accounting standards and interpretations applied early and application of which is mandatory after December 31, 2012

- **Amendments to IAS 19:** Employee benefits, particularly with regard to defined-benefit pension plans
- **Amendments to IAS 1:** Presentation of financial statements – Presentation of items of other comprehensive income

The early adoption of these two standards does not have a significant impact on the Group's consolidated financial statements.

Accounting standards and interpretations not applied early and application of which is mandatory after December 31, 2012

- **IFRS 10:** Consolidated Financial Statements
- **IFRS 11:** Partnerships
- **IFRS 12:** Disclosure of Interests in Other Entities
- **IAS 27R:** Separate Financial Statements
- **IAS 28R:** Investments in associates and joint ventures

The Company and its executives are currently working with the Company's Financial and Legal Department to study the impact of these standards on consolidation. Assessment of control of each subsidiary currently consolidated using the proportionate consolidation or equity methods is being analyzed in light of these new standards. Application of these new standards will probably impact the Group's consolidated financial statements.

- **IFRS 13:** Fair value measurement
- **Amendments to IFRS 7 and IAS 32:** Offsetting financial assets and financial liabilities
- **IAS 12:** Deferred tax – Recovery of Underlying Assets
- **Amendments to IFRS 1:** Severe hyperinflation and removal of fixed dates for first-time adopters & First-time adoption of IFRS standards
- **IFRIC 20:** Stripping costs in the production phase of a surface mine

Other essential standards and interpretations released by the IASB but not yet approved by the European Union

- **IFRS 9:** Financial instruments (phase 1: Classification and measurement of financial assets and financial liabilities) and subsequent amendments
- **Amendments to IFRS 10, 11, 12:** Transitional provisions
- **Improvements to IFRS (2009-2011) (released by the IASB in May 2012):**
  - **IAS 1:** Presentation of financial statements
  - **IAS 16:** Property, plant and equipment
  - **IAS 32:** Financial instruments: Presentation
  - **IAS 34:** Interim financial reporting
  - **IFRS 1:** First-time application of IFRS standards
- **Investment entities:** Investment companies
- **Amendment to IFRS 1:** Government loans

1.2. Estimates and assumptions affecting assets and liabilities

Management reviews its estimates and assumptions on a regular basis using its past experience and various other factors deemed reasonable in the circumstances. These estimates represent the basis for its assessment of the carrying amount of income and expense items and of assets and liabilities. They have an impact on the amount of income and expense items and on the carrying amount of assets and liabilities. It is conceivable that the actual amounts may subsequently differ from the estimates adopted.

The main items that require estimates at the balance sheet date based on assumptions about the future, and for which there is significant risk of a material change in value from that recorded on the balance sheet, concern the following:

MEASUREMENT OF INTANGIBLE ITEMS:

- measurement of goodwill (see notes 1.6 "Business combinations and goodwill" and 7 "Impairment of assets under IAS 36"), valuation of Cogedim and RueduCommerce brands (see notes 1.7 "Intangible Assets" and 7 "Impairment of assets under IAS 36").

Although performance indicators for the Residential and Office property divisions have declined (see note 7 "Impairment of assets under IAS 36"), owing to difficult economic conditions (increased unemployment, tightening of credit conditions leading to a drop in housing reservations, as well as investments by major office users), no additional loss of value with regard to carrying amount was identified in FY 2012 for CGU combinations in these sectors, which enjoy the goodwill and brand names secured in the 2007 acquisition of the subsidiary Cogedim. Furthermore, management considers that the business outlook in these sectors is positive in the medium term, particularly for the Residential sector which benefits from a favorable environment driven by a persistently high demand for housing (the housing shortage in France is estimated at 1 million), as well as Cogedim's capacity to take advantage of incentives implemented for these products by the authorities. This advantage is reinforced by a strategic orientation towards entry-level and mid-range products.

No signs of impairment have been detected for the online retail sector CGU, which enjoys the goodwill, brand names and software secured in the 2011 takeover of RueduCommerce (see note 7. "Impairment of assets under IAS 36").

MEASUREMENTS OF OTHER ASSETS AND LIABILITIES

- measurement of investment property (see notes 1.9 "Investment property" and 8.3 "Investment properties and non-current assets held for sale"),
- measurement of inventories (see note 1.12 "Inventories"),
- measurement of deferred tax assets (see notes 1.19 "Taxes" and 9.9 "Income tax"),
- measurement of share-based payments (see note 8.11 "Share capital, share-based payments and treasury shares"),
- measurement of financial instruments (see note 11 "Financial instruments and market risks").

OPERATING PROFIT ESTIMATES

- measurement of net property income and services using the percentage-of-completion method (see note 1.20 "Revenue and revenue-related expenses").

Tangible assets or other intangible assets are tested for impairment at least once a year or more if there are external or internal indicators of impairment. These tests are based on a business plan prepared by management.

1.3. Investments in jointly controlled entities

In accordance with IAS 31, a jointly controlled entity is operated under a contractual agreement (articles of association, shareholder pact, etc.) by which two or more parties agree to conduct an economic activity under joint control.

Joint control is presumed to exist whenever unanimous agreement of the joint owners is required for operational, strategic and financial decisions. Joint control is demonstrated by a contractual agreement.

The Group has elected for proportional consolidation of its jointly controlled entities (preferred method under IAS 31). This method consists of combining, on a line-by-line basis, the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity.

1.4. Investments in affiliates

In accordance with IAS 28, an associate is an entity over which the Group exercises significant influence on its financial and operating policies, without having control. Significant influence is presumed to exist when the Group's interest is greater than or equal to 20% of voting rights.

Investments in affiliates are accounted for using the equity method. Under this method, the Group's interest in the associate is initially recognized at the acquisition cost of the Group's proportionate share of the entity's net assets, which is then increased or decreased to reflect changes subsequent to the acquisition. Goodwill arising on an associate, if unimpaired, is included in the carrying amount of the investment. The Group's proportionate share of the entity's profit or loss for the period is shown under the "Share in earnings of equity-method affiliates" line item in the income statement.

The financial statements of affiliates are prepared for the same accounting period as those for the parent company. If necessary, corrections are made to achieve consistency with the Group's Accounting principles and consolidation methods.

1.5. Classification of assets and liabilities between current and non-current items

In accordance with IAS 1, the Group presents its assets and liabilities by distinguishing between current and non-current items.

- Assets and liabilities that are components of the working capital requirement for the normal operating cycle of the activity concerned are classified as current.
- Capitalized assets are classified as non-current, with the exception of (i) financial assets that are split into current and non-current portions and (ii) trading instruments, which are current by nature.
- Derivative assets and liabilities are classified as current assets or liabilities.
- Provisions arising from the normal operating cycle of the activity concerned are classified as current, as is the portion of other provisions due in less than one year. Provisions that meet neither of these criteria are classified as non-current liabilities.
- Financial liabilities that must be settled within 12 months of the balance sheet date are classified as current. Conversely, the portion of financial liabilities due in more than 12 months is classified as non-current.
- Deposits and security interests received under leases are classified as non-current.
- Deferred taxes are all shown as non-current assets or liabilities.

1.6. Business combinations and goodwill

In accordance with the provisions of IFRS 1, Altarea has chosen not to restate business combinations that occurred prior to January 1, 2004.

Business combinations are accounted for using the purchase method described in IFRS 3. Under this method, when the Group acquires control of an entity and consolidates it for the first time, the identifiable assets and liabilities, including contingent liabilities, are recognized at fair value on the acquisition date. Intangible assets are specifically identified whenever they are separable from the acquired entity or result from legal or contractual rights. Under IFRS 3, when control of an entity is acquired, the difference between the acquisition cost and the acquirer's proportionate interest in the fair value of the entity's identifiable assets, liabilities and contingent liabilities at the acquisition date is classified as goodwill. In accordance with revised IFRS 3, the acquisition cost of the shares is expensed.

Goodwill:
- if positive, goodwill is recognized on the balance sheet and must be tested for impairment at least once a year;
- if negative, goodwill is taken directly to income.

In accordance with revised IFRS 3, the interests of non-controlling shareholders may be measured either at fair value or at the proportionate share of the acquiree's assets; the choice is made on an acquisition-by-acquisition basis.

The standard allows a period of 12 months from the acquisition date for final measurement of the acquisition; any adjustments made must reflect facts and circumstances that existed as of the acquisition date. As such, any contingent consideration is recognized in net income for the year after this 12-month period unless it is in the form of an equity instrument.

According to revised IFRS 3, the acquisition or sale of shares in an entity controlled by the same party or parties both before and after the transactions are deemed to be transactions between shareholders and are recognized in equity: they have no impact on goodwill or the income statement. In the event of loss of control, the residual interest is measured at fair value and the gain or loss on disposal is recognized in the income statement.

The Group conducts impairment testing of goodwill at the end of each financial year and each interim period (i.e. at least once a year) and more frequently where evidence of impairment exists. The principal signs of impairment for Residential and Office property development sectors are a slower absorption rate for programs or a contraction in margin levels. The principle signs of impairment for the Online Retail sector are declining business volume (revenues plus sales carried out by *Galerie Marchande* merchants and on which the Company receives a commission) and a drop in the number of unique visitors, as well as in the transformation ratio (number of orders / number of unique visitors).

On an exceptional basis, acquisitions of isolated assets carried out through the purchase of shares in a company, the sole purpose of which is to hold investment assets and, in the absence of any productive activities implying the existence of contracts related to the asset or employees, are recognized in accordance with IAS 40 – Investment Property or IAS 2 – Inventories.

1.7. Intangible assets

The Group's intangible assets consist essentially of software, brands and customer relationships. In accordance with IAS 38,
- acquired or created software is recognized at cost and amortized over its useful life, which is generally between 1 year and 5 years. Software identified during the acquisition of RueduCommerce is amortized over five years;
- the brand asset, which results from the identification of an intangible asset acquired in the Cogedim transaction (see notes 7.3 "Brand" and 8.1 "Intangible assets") has an indeterminate life and is therefore not subject to amortization. The brand asset, which results from the identification of an intangible asset acquired in the RueduCommerce transaction (see notes 7.3 "Brand" and 8.1 "Intangible assets") has a fixed life and is amortized over 10 years;
- customer relationship assets, which result from the identification of intangible assets acquired in the Cogedim transaction, are subject to amortization at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options, at the rate at which development programs are launched. These assets had been fully amortized or impaired.

The brand and customer relationship assets arising from the business combination with Cogedim have been assigned to the cash-generating units combined in the Residential and Office property operating sectors and are tested for impairment at least once annually. See note 7 "Impairment of assets under IAS 36." At December 31, 2012, only the brand asset remained on the balance sheet, as customer relationship assets had been fully amortized or impaired. The brand asset is assigned to the Residential operating sector.

The brand asset and software arising from the business combination with RueduCommerce have been assigned to the Online retail CGU and are tested for impairment at least once a year. See note 7 "Impairment of assets under IAS 36."

1.8. Tangible assets

Tangible assets other than investment property corresponds primarily to general plant, transport equipment, office equipment and IT equipment. In accordance with IAS 16, these items are recognized at cost and depreciated over their useful life, estimated to be between 5 and 10 years. No other significant component of these assets has been identified.

1.9. Investment properties

According to IAS 40, investment property is held to earn rentals or for capital appreciation or both.

The investment properties held by the Group are primarily shopping centers and, to a lesser extent, offices and hotels.

The Group's investment property portfolio consists of properties in operation and properties under development or construction on a proprietary basis.

In accordance with IAS 40, Altarea has opted for the fair value model (and not for the alternative option of the cost model) and therefore measures its investment property at fair value whenever it can be determined reliably. Otherwise, investment property is recorded at cost and tested for impairment at least once per year and where evidence of impairment exists.

The fair value of investment property in operation is determined on the basis of primarily external appraisals that give values inclusive of duties less the amount of duties corresponding to transfer taxes and expenses. In France, such duties amount to 6.2% (same in 2010); in Italy, 4% (same in 2010); and in Spain 1.5% (same in 2010).

Since June 30, 2012, external measurement of Altarea group assets has been entrusted to DTZ Eurexi and RCG (RCG subsidiary RVI in Italy) on an equal basis.

The appraisers use two methods:

- a method based on discounting projected cash flows over 10 years, taking into account the resale value at the end of the period determined by capitalizing net rental income. Amid the prevailing inefficient market conditions, appraisers have often opted to use the results obtained using this method;
- a method based on capitalization of net rental income: the appraiser applies yield based on the site's characteristics (surface area, competition, rental potential etc.) to rental income including guaranteed minimum rent, variable rent and the market rent of vacant premises, adjusted for all charges incumbent upon the owner. The second method is used to validate the results obtained with the first method.

Rental income takes into account:

- rent increases to be applied on lease renewals,
- the normative vacancy rate,
- the impact of future rental gains resulting from the letting of vacant premises,
- increase in rental income from incremental rents,
- renewal of leases coming up for expiry,
- a delinquency rate.

Altarea's valuation of investment properties complies with the recommendations of the "Report of the working group on appraisal of property assets of publicly traded companies" chaired by Mr. Georges Barthès de Ruyter and issued in 2000 by the Commission des Opérations de Bourse. In addition, experts refer to the *RICS Appraisal and Evaluation Standards* published by the Royal Institution of Chartered Surveyors (Red Book).

1.9.1. Investment property in operation

Investment property in operation is systematically measured at fair value.

At December 31, 2012, the entire portfolio of properties in operation underwent an external appraisal.

1.9.2. Investment property under development and construction

For properties developed on a proprietary basis, the costs incurred (including the costs of buying land for the development and construction of buildings) are capitalized once the development project begins (prospecting; preparation: replying to tenders and preletting, prior to the signature of preliminary sales agreements for land; administrative phase: obtaining authorizations, if necessary with the signature of preliminary purchase agreements for land), once there is reasonable assurance that administrative authorizations will be obtained. The primary expenses incurred for these properties are:

- design and management fees, both internal and external to the Group,
- legal fees,
- demolition costs (if applicable),
- land order fees or guarantees,
- early termination fees,
- construction costs,
- interest expense in accordance with revised IAS 23.

Internal fees are primarily program management fees (management of projects until permits are obtained) and project management fees, which from an economic standpoint are components of the cost of the asset and are thus included in the carrying amount in non-current assets or inventory, as the case may be. The amount of fees included is calculated after elimination of inter-company profit margins.

Since January 1, 2009, Investment Property Under Construction (IPUC) has been within the scope of IAS 40 and is measured at fair value subject to the criteria predefined by the company being met.

The Group believes that a property under construction can be reliably measured at fair value if most of the uncertainties affecting the determination of fair value have been lifted or if the project completion date is in the near future.

All three of the following conditions must be met to ensure a reliable estimate of the fair value of a property under construction:

- all administrative authorizations needed to carry out the development project have been obtained;
- construction contracts have been signed and work has begun;
- the letting rate is high and allows for a reasonable assessment of the value creation attached to the property under construction.

Consequently, investment property under development and construction is measured either at cost or at fair value:
- property under development before land is purchased is measured at cost;
- land not yet built is measured at cost;
- property under construction is measured at cost or at fair value in accordance with the above criteria; if the completion date is close to the account closing date, the property is systematically measured at fair value.

Investment property under development and construction measured at cost

Investment property under development and construction measured at cost is property that does not meet the criteria set by the Group allowing for an assessment of whether the fair value of the property can be reliably determined.

For these properties and assuming that there is a delay in the start of construction or when the construction period is unusually long, management assesses on a case-by-case basis the validity of temporarily stopping the capitalization of financial expenses or internal fees incurred.

These properties, which are recognized in the financial statements at cost, are tested for impairment at least once a year, and whenever there is evidence of impairment (increase in cost price, reduction in expected rental values, delay in marketing, increase in expected yields, etc.).

The recoverable amount of these assets, which are still recognized at cost, is assessed by comparison with the cost to completion and with the estimated value of expected future cash flows. If the recoverable amount is lower than the cost price on completion, an impairment loss in the form of a provision for impairment is recognized in the income statement under "Impairment losses on investment property measured at cost."

Investment property under construction measured at fair value

Investment property under construction measured at fair value is property that meets the criteria set by the Group to determine whether its fair value can be determined reliably and property for which the completion date is close.

The fair value of property under construction measured at fair value is determined on the basis of independent appraisals. The appraiser values the asset as if it were fully complete, taking account of market conditions at the date of valuation and the specific characteristics of the property. Expenses not yet incurred at the accounting date are deducted from this value.

The difference between the fair value of investment property under construction measured at fair value from one period to the next is recognized in the income statement under the heading "Change in value of investment properties."

1.10. Non-current assets held for sale and discontinued operations

In accordance with IFRS 5, a non-current asset is classified as "held for sale" if its carrying amount is to be recovered primarily through a sale rather than through ongoing use.

This is the case if the asset is available for immediate sale in its current state, subject only to the usual and customary conditions for the sale of such an asset, and if its sale is highly probable.

Indications of high probability of sale include the existence of a plan by Group management to sell the asset and an active program to find a buyer and close a sale within the following 12 months. Management assesses the situations. Where there is a preliminary sales agreement or a firm commitment, the property is systematically included in assets held for sale.

The asset is measured at fair value, which is generally the amount agreed to between the parties minus selling costs.

There are no discontinued activities to be noted in the financial year for the Group.

1.11. Re-measurement of non-current assets (other than financial assets and investment property) and impairment losses

In accordance with IAS 36, tangible assets and intangible assets subject to amortization are tested for impairment whenever any internal or external evidence of impairment is observed.

Goodwill and other intangible assets with an indeterminate life, such as brands, are systematically tested for impairment annually or more frequently if internal or external events or circumstances indicate that their value may have declined.

The value of assets (and certain associated liabilities) on the balance sheet, when they are directly related or attributable to cash generating units (CGUs) or groups of CGUs including intangible assets and goodwill, if applicable, is compared to the recoverable amount of the CGU or group of CGUs, defined as the higher of the sale price net of any costs that may be incurred for the sale and value in use. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company's CGUs and groups of CGUs are presented in note 7 "Impairment of assets under IAS 36."

The value in use of the CGU or the combination of several CGUs is determined using the discounted cash flow (DCF) method in accordance with the following principles:
- the cash flows (before tax) are taken from five-year business plans drawn up by Group management,
- the discount rate is determined on the basis of a weighted average cost of capital,
- terminal value is calculated as the sum to infinity of the discounted cash flows, which are determined on the basis of a normative cash flow and a growth rate for the activity concerned. The assumed growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

An impairment loss is recognized, if applicable, if the value of the assets (and certain associated liabilities) on the balance sheet is higher than the recoverable amount of the CGU or group of CGUs, and is written off in priority against goodwill, then against other tangible assets and intangible assets on a pro rata basis for their book value. The impairment thus recognized is reversible, except for any portion charged to goodwill.

1.12. Inventories

Inventories relate to:
- programs for property development operations for third parties and the portion of shopping center development not intended to be held in Altarea's portfolio (hypermarket building shells, parking facilities, etc.);
- transactions where the nature or specific administrative situation of the project prompts a decision to classify them as inventory (dealer's stock) or where a final decision to hold them in the portfolio has not been made.

Finance costs attributable to programs are included in inventories in accordance with IAS 23.

"New Operations" correspond to programs not yet developed. These programs are stated at cost and include the cost of pre-launch design studies (design and management fees). These outlays are capitalized if the probability that the transaction will be completed is high. If not, these costs are expensed as incurred. At the balance sheet date, a review is conducted of these "new operations" and if completion of the operation is uncertain, the costs incurred are expensed.

"Transactions at land stage" are measured at the cost of buying land plus all costs incurred in buying the land, particularly engineering and management fees.

"Construction work in progress" transactions are carried at production cost less the portion of cost retired on a percentage-of-completion basis for off-plan sale (VEFA) or property development contract transactions. Production cost includes the acquisition cost of land, the construction costs (inclusive of road and utilities works), technical and program management fees, program marketing fees and sales commissions and other related expenses. Any profit on management fees for services performed within the Group is eliminated.

"Completed transactions" consist of lots remaining to be sold once the declaration of completion has been filed. An impairment loss is recognized whenever realizable value net of marketing costs is less than the carrying amount.

Whenever the net realizable value of inventories and work in progress is less than the production cost, impairment losses are recognized.

1.13. Trade receivables and other accounts receivable

Trade receivables and other receivables are measured at face value less any allowances for impairment to reflect actual possibilities of recovery.

For long-term contracts accounted for using the percentage-of-completion method, this line item includes:
- calls for funds issued but not yet settled by buyers, for a completed percentage of work,
- the "amounts to be invoiced," which correspond to calls for funds not yet issued under off-plan sale or property development contracts,
- any advances between calls for funds and the actual percentage of completion at the end of the period. These receivables are not due.

1.14. Financial assets and liabilities (excluding trade and other receivables)

Altarea group has elected not to apply the hedge accounting proposed in IAS 39.

Application principles for IAS 32 and 39 and IFRS 7 are as follows:

1) Measurement and recognition of financial assets

- Assets available for sale consist of equity securities of non-consolidated companies and are carried at fair value. Changes in fair value are recognized in a separate line item under equity, "Items of other comprehensive income." Impairment losses are recognized in the income statement when there is an indicator of impairment and, where applicable, any reversals are recognized

directly in equity without going through profit or loss. If these securities are not listed or fair value cannot be reliably determined, they will be recognized at cost.
- Derivative financial instruments are considered to be held for trading purposes. They are measured at fair value. The change in fair value of derivatives is recognized in the income statement.
- The Company has no held-to-maturity assets.
- Cash as defined in IAS 7 includes liquid assets in bank current accounts and holdings in money-market funds that are redeemable or tradable in the very short term (i.e. initial maturity of less than three months) and carry no significant risk of loss through fluctuations in interest rates. The company owns only money market funds and other short-term money market investments. These assets are carried on the balance sheet at fair value. Changes in the fair value of these instruments are recognized in income, with a corresponding adjustment to cash. Cash must be available immediately for the needs of the Group or its subsidiaries.

2) Measurement and recognition of financial liabilities

- All borrowings and interest-bearing liabilities are initially recognized at the fair value of the amount received less directly attributable transaction costs. Thereafter, they are carried at amortized cost using the effective interest rate method. The initial effective interest rates were determined by an actuary. The effective interest rates were not reviewed given the backdrop of a decline in interest rates because the impact on the effective interest rates was not material.
- Derivative financial instruments are considered to be held for trading purposes. They are measured at fair value. Changes in the fair value of these instruments are recognized in the income statement if the requirements for hedge accounting are not met.
- The portion of borrowings and financial liabilities due in less than one year is shown under current liabilities.
- Security deposits paid by shopping center tenants are not discounted.

3) Determination of the fair value of financial instruments (other than interest-bearing debt)

Financial assets and liabilities are initially recognized at the fair value of the price paid, including acquisition-related costs. After initial recognition, such assets and liabilities are recognized at fair value.

For financial assets and liabilities such as listed shares that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the balance sheet date.

For other financial assets and liabilities such as OTC derivatives, swaps, caps, etc. that are traded on active markets (market composed of numerous transactions, continuously displayed and traded prices), fair value is estimated by an actuary using commonly accepted models. A mathematical model is used to bring together calculation methods based on recognized financial theories.

As a last resort, the Company measures financial assets and liabilities at cost less potential impairment. This applies exclusively to non-consolidated interests.

The net realizable value of financial instruments may differ from the fair value calculated at the balance sheet date of each financial year.

1.15. Equity

Equity represents the residual value of assets, after liabilities have been deducted.

Issuance costs for equity securities including merger-related costs are deducted from the proceeds of the issue.

An instrument is an equity instrument if the instrument includes no contractual obligation to deliver cash or another financial asset, or to exchange assets or liabilities with another entity at conditions unfavorable to the issuer; as such, the Subordinated perpetual notes issued by Altarea SCA are equity instruments that indirectly entitle the subscriber to residual stakes in the Cap 3000 shopping center located in Saint-Laurent-du-Var, held by Alta Blue and its subsidiary Aldeta.

Own equity instruments that have been bought back (treasury shares) are deducted from equity. No gain or loss is recognized in income when own equity instruments of the Company are purchased, sold, issued or canceled.

1.16. Share-based payments

Share-based payments are transactions based on the value of shares of the issuing company: stock options, stock grant awards and company savings plans.

These rights may be settled in equity instruments or cash: at Altarea group, all plans concerning Altarea shares must be settled in equity instruments.

In accordance with the provisions of IFRS 2, share-based payments to officers and employees of Altarea or Group companies are accounted for in the financial statements as follows: the fair value of the equity instrument awarded is recognized in the income statement as a staff cost, with a corresponding increase in equity on the balance sheet if the plan has to be settled in equity instruments, or decrease in equity if the plan must be settled in cash.

The staff cost representing the benefit conferred (corresponding to the fair value of the services rendered by the employees) is valued at the option grant date by an actuary firm using the binomial Cox-Ross-Rubinstein mathematical model on the basis of turnover determined over the last three years. This model is adapted to suit plans that provide for a vesting period and a lock-up period. The expense is spread over the vesting period. Stock grant plans and employee investment plans are measured on the basis of market value.

1.17. Employee benefits

In accordance with IAS 19 and amendments adopted by the European Union in June 2012, employee benefits are recognized under "Staff costs" in the income statement, with the exception of liability (or asset) revaluations recognized directly in equity and recorded in items of "Other comprehensive income".

a) Benefits payable at retirement

Benefits payable at retirement are paid to employees at the time of retirement based on length of service and final salary. These benefits belong to defined benefit plans. Accordingly, the method used to measure the amount of the Group's obligation for such benefits is the retrospective projected unit credit method prescribed by IAS 19.

This method represents the probable present value of the vested rights taking into account salary increases until retirement, the probability of retirement and the probability of survival.

The formula for the past service obligation can be broken down into four main terms, as follows:

Past service cost = (benefit rights earned by the employee) X (probability that the entity will pay the benefits) X (discounting to present value) X (payroll tax coefficient) X (length of service to date/length of service at retirement)

The main assumptions used for estimating the pension obligation are as follows:
- Discount rate: Rate of return on AA-rated corporate bonds (eurozone) with maturity of more than 10 years
- Mortality table: TF and TH 2000-2002
- Reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits
- Turnover: actual average annual employee turnover rate over three years
- 3% rate of salary increase

Actuarial and valuation differences are directly accounted for in equity and recognized as items of other comprehensive income.

The amount of the obligation determined using this method is then reduced by the value of any assets held to cover it. In the Group's case, there is such an asset in the form of an eligible insurance policy written specifically to cover obligations in respect of Cogedim employees.

The provisions of the 2008 French Social Security Financing Act (voluntary retirement beyond 65) did not have a material impact on the amount of the obligation.

b) Other post-employment benefits

These benefits are offered under defined contribution plans. As such, the Group has no obligation except to pay its share of contributions. The expense corresponding to contributions paid is recognized in the income statement as incurred.

c) Other long-term benefits

There are no other long-term benefits granted by the Altarea group.

d) Severance pay

Where applicable, payments for termination of an employment contract are provisioned on the basis of the collective agreement.

e) Short-term benefits

Short-term benefits include an incentive agreement for employees to share in the profit recorded by their economic and social unit, signed by the service companies of the Group that are members of the economic and social unit, and the works council. Benefits also include an employee profit-sharing plan applicable to the profit of the economic and social unit as required under ordinary law.

Short-term employee benefits including those arising from these profit-sharing plans are expensed as incurred.

1.18. Provisions and contingent Liabilities

In accordance with IAS 37, a provision is recognized when an obligation to a third party will certainly or most likely result in an outflow of resources without any equivalent benefits being received in consideration, and when the amount required to settle the obligation can be reliably estimated. The provision is maintained as long as the timing and amount of the outflow of resources are not precisely known.

In general, provisions are not linked to the Group's normal operating cycle. Provisions are discounted when appropriate using a pre-tax yield that reflects the risks specific to the liability.

Non-current provisions consist mainly of provisions arising from litigation between the Altarea group and third parties or from rent guarantees granted to shopping center buyers.

Contingent liabilities correspond to a potential obligation for which the probability of occurrence or a reliable estimate of the amount cannot be determined. They are not recognized on the balance sheet. A disclosure is made in the notes unless the amounts at stake can reasonably be expected to be small.

1.19. Tax

Following its decision to adopt the SIIC tax status, the Altarea group is subject to a specific tax regime:

- a SIIC sector comprising the Group companies that have elected to adopt SIIC tax status and are therefore exempt from income tax on their ordinary profits and gains on disposal,
- a taxable sector comprising those companies that cannot elect to adopt SIIC status.

Income taxes are recognized in accordance with IAS 12.

From the time that SIIC tax status was adopted, deferred taxes are calculated for companies without such status and on the taxable profits of companies in the SIIC sector. Deferred taxes are recognized on all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and their values for tax purposes, and on tax loss carryforwards, using the liability method.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced if it is no longer probable that sufficient future taxable profits will be available to permit utilization of all or part of the deferred tax assets. Deferred tax assets are reassessed at each balance sheet date and are recognized where it is likely that future taxable profits will allow their recovery based on a business plan for tax purposes prepared by management and derived from the Group's five-year business plan.

Deferred tax assets and liabilities are measured using the liability method at the tax rates expected to apply when the asset will be realized or the liability settled, on the basis of known tax rates at the balance sheet date.

Taxes on items recognized directly in equity are also recognized in equity, not in the income statement.

Deferred tax assets and liabilities are offset when they relate to the same tax entity and the same tax rate.

1.20. Revenue and revenue-related expenses

Income from ordinary activities is recognized when it is probable that the Group will receive future economic benefits and the amounts of income can be reliably measured.

a) Net rental income

Net rental income includes rental revenues and other net rental income less land expenses, nonrecovered service charges, management fees, and net allowances for impairment of doubtful receivables.

Rental revenues comprise gross rent payments (including the effects of spreading stepped rents over the noncancellable lease term, rent-free periods, and other benefits granted by contract to the lessee by the lessor).

Other net rental income includes revenues and expenses recognized on initial lease payments received, termination fees received, and early-termination fees paid to tenants. Termination fees are charged to tenants when they terminate the lease before the end of the contract term and are recognized in income when charged. Early termination fees paid to tenants are expensed where it is not possible to demonstrate that enhancement of the rental profitability of the property is attributable to the tenants' removal.

Land expenses correspond to amounts paid for fees and on long-term and construction leases, both of which are treated as operating leases.

Nonrecoverable rental expenses correspond to charges that are normally passed on to tenants (building-maintenance expenses, local taxes, etc.) but are borne by the owner because of tax caps on re-billing or because some rental premises are vacant.

Management fees include all other expenses associated with the rental business: rental management fees, letting fees (with the exception of initial letting fees, which are included in the cost of production of the assets), and net impairment of doubtful receivables.

b) Net property income

Net property income is the difference between revenues and cost of sales, selling expenses, and net allowances for impairment on doubtful receivables and inventories.

It corresponds primarily to the profit margin on Residential and Office property sectors, and the profit margin on sales of assets related to the shopping-center development business (hypermarket building shells, parking facilities, etc.) in the brick-and-mortar Retail property sector.

- For **property development**, net property income is recognized in Altarea's financial statements using the percentage-of-completion method.

This method is used for all forward sales and property-development contract transactions.

Losses on new development projects are recognized in net property income.

For these programs, revenues from notarized sales are recognized in accordance with IAS 18 "Revenue" and IFRIC 15 "Agreements for the Construction of Real Estate" in proportion to the percentage of completion of the program, as measured pro rata by cumulative costs incurred as a percentage of the total forecast budget (updated at each balance-sheet date) for costs directly related to construction (excluding the cost of land) and to the percentage of sales realized, relative to budgeted total sales. Revenue is recognized at the commencement of construction work combined with the signature of valid deeds of sale.

Net property income on property-development transactions is measured according to the percentage-of-completion method based on the following criteria:

- project accepted by the counterparty to the contract;
- existence of documented projections reliable enough to provide a sound estimate of the overall economics of the transaction (selling price, stage of completion of construction work, no risk of noncompletion).

- For **property trading activities**, net property income is recognized upon delivery (i.e., when sales have closed).

c) Retail margin

The retail margin is calculated as revenue minus COGS and allowances for impairment on inventories and doubtful receivables.

It corresponds mainly to margins on proprietary sales of goods after discounts to customers. These sales are recognized upon delivery of goods. To a lesser degree, the retail margin corresponds to services rendered when they are related to sales of goods recognized upon delivery. Otherwise revenues are recognized on a percentage-of-completion basis during the period in which the service was rendered, particularly when the service is advertising, which is recognized when the advertising campaign is delivered.

In compliance with IAS 18, every year the Company expenses its year-end, quarterly, and half-year discounts. In addition, the impact from the right-of-withdrawal period (15 days granted to customers), the guarantee in the event of a defective product still under guarantee, and the "difference reimbursed" is estimated on a statistical basis and deducted from revenue.

d) Galerie Marchande commissions

The commission corresponds to a percentage of online sales by third-party merchants carried out on the RueduCommerce *Galerie Marchande* platform. The commission is recognized upon delivery of the goods by the third-party online merchants.

e) Net overhead expenses

"Net overhead expenses" includes income and expenses that are intrinsic to the business activities of the Group's service companies.

INCOME

For each operating segment, income includes payments for services provided to third parties, such as delegated project-management fees related to development activities, rental-management fees (syndicate agent, co-ownership management), and fees for marketing and other services (additional work for acquirers).

EXPENSES

Expenses includes staff costs, overhead costs (miscellaneous fees, rent, etc.), and depreciation of operating assets.

f) Other income and expense

Other income and expense relates to Group companies that are not service providers. It corresponds to overhead costs and miscellaneous management-fee income. Amortization of intangible assets and depreciation of tangible assets other than operating assets are also included in this line item.

1.21. Leases

According to IAS 17, a lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. IAS 17 distinguishes between finance leases, which substantially transfer the risks and rewards incidental to ownership of the leased asset, and operating leases, which do not.

Leases in the financial statements with the Company as lessor

The Group's rental revenues derive primarily from operating leases and are accounted for on a straight-line basis over the entire term of the lease. The Group therefore substantially retains all risks and rewards incidental to ownership of its investment properties.

TREATMENT OF STEPPED RENT, RENT-FREE PERIODS, AND OTHER BENEFITS GRANTED TO LESSEES

IAS 17 states that contingent rent amounts (stepped rents, rent-free periods, and other benefits granted to lessees) must be recognized on a straight-line basis over the firm lease term, understood as the period during which the lessee has no right to cancel. These amounts therefore increase or reduce rental income for the period.

TREATMENT OF INITIAL LEASE FEES

Initial lease fees received by the lessor are considered as additional rent. As such, IAS 17 requires initial lease fees to be spread linearly over the firm lease term.

TERMINATION FEES

Termination fees are charged to tenants when they terminate the lease before the end of the contract term.

These fees are accounted for as part of the lease agreement that was terminated and are taken to income in the year they are recognized.

EARLY TERMINATION FEES

When the lessor terminates a lease before its term, the lessor pays a termination fee to the tenant in place.

a) Replacement of a tenant

If payment of an early termination fee enables enhanced performance of the asset (as by increasing the rent and thereby the value of the asset), this expenditure may be capitalized. If not, this expenditure is expensed as incurred.

b) Renovation of a building requiring removal of the tenants in place

If an early-termination fee is paid as part of major renovation or reconstruction work on a building that requires tenants to leave, this expenditure is capitalized and included in the cost of the asset under development or redevelopment.

Leases in the financial statements with the Company as lessee

Leases of land or buildings and construction leases are classified either as finance leases or as operating leases on the same basis as leases of other assets.

These leases are classified as finance leases when they substantially transfer risks and rewards incidental to ownership. Otherwise they are classified as operating leases.

An upfront payment on such a lease represents prepaid rent that is recognized in prepaid expenses and then spread over the lease term. Each lease agreement requires a specific analysis of its terms.

1.22. Gain or loss on the disposal of investment assets

The gain or loss on investment properties is the difference between:
- the net selling price received (less related expenses) and estimated provisions for rent guarantees granted, and
- the fair value of property sold, as of the closing date of the previous reporting period.

1.23. Fair-value adjustments and impairment losses of investment properties

Fair-value adjustments for each property are recognized in the income statement under "Fair-value adjustments of investment property" and determined as follows:

[current market value (exclusive of transfer duties) at the close of the period (taking into account the impact of stepped rents and rent-free periods, as measured by the property appraiser)] minus [market value at the close of the previous period if the property was measured at fair value, or cost if the property was stated for the first time at fait value + the amount of construction work and expenses eligible for capitalization during the year + effect of deferral period for stepped rents and rent-free periods net of staggered initial lease payments]

Impairment losses on each property measured at cost are recognized in the income statement under "Net impairment losses of investment property measured at cost."

1.24. Borrowing costs or costs of interest-bearing liabilities

In accordance with revised IAS 23, borrowing costs directly attributable to the construction of qualifying assets are included in the cost of those assets.

Financial costs attributable to programs are capitalized as part of the cost of inventories or property assets under construction or development, during the construction phase of the asset, except in certain cases.

The net cost of debt includes interest incurred on borrowings and other financial liabilities, income from loans and receivables related to equity interests, gains on sales of marketable securities, and the impact of interest-rate swaps used as interest-rate hedges.

Where there is a significant delay in the construction project, management may decide, if the delay is unusually long, to no longer capitalize financial costs attributable to the program. Management estimates the date at which the capitalization of financial costs may resume.

1.25. Discounting of payables and receivables

This line item shows the combined effect of discounting payables and receivables due in more than one year.

1.26. Cash-flow statement

The cash-flow statement is presented using the indirect method, as permitted under IAS 7. Tax expense is aggregated under cash flows from operating activities. Interest paid is shown in cash flows from financing activities, and interest received is shown in cash flows from investing activities. Dividends paid are classified as cash flows from financing activities.

1.27. Operating segments (IFRS 8)

IFRS 8 "Operating segments" requires the presentation of operating segments to reflect the Group's organization and internal reporting system, which is presented in compliance with IFRS recognition and measurement principles. An operating segment represents a corporate activity that incurs income and expense, and whose operating results are regularly reviewed by the company's management and executive bodies. Each segment includes separate financial information.

The Company's internal reporting is based on an analysis of the period's results in accordance with
- funds from operations (FFO);
- changes in value, estimated expenses, and transaction costs.

According to these analytical criteria, operating income, including earnings from equity affiliates, is monitored on an operating-segment basis.

In addition to operating income, asset book values (and certain related liabilities) are monitored by operating segment when they are directly related or can be allocated to a sector. They are considered operating assets of the sector in question.

The Company has the following operating segments:
- brick-and-mortar retail (shopping centers completed or under development);
- online retail;
- residential (residential property development);
- offices (office property development and investor services).

Items under "Other" allow reconciliation of various reporting indicators with accounting indicators.

Borrowing costs, changes in the value of financial instruments and gains and losses from their disposal, taxes, and earnings from noncontrolling interests are not allocated by sector. Balance-sheet items such as financial assets and liabilities cannot be allocated, nor can deferred-tax assets corresponding to the recognition of tax losses.

1) Funds from operations (FFO)

This item measures the creation of wealth available for distribution from net income (Group share of FFO). Funds from operations is defined as net income, Group share (i.e., attributable to equity holders of the parent), exclusive of changes in value, estimated expenses, transaction costs, and changes in deferred tax, as defined below.

OPERATING-PROFIT LINE

Operating cash flow is defined as operating profit exclusive of changes in value, estimated expenses, and transaction costs, as defined below.

Each segment's **operating cash flow** is presented within the following framework:
- Net income of the segment, including the depreciation of current assets:
  - brick-and-mortar retail: net rental income;
  - online retail: gross distribution margin and commissions from *Galerie Marchande*;
  - residential and offices: net property income.
- Net overhead expenses including the provision of services that offset a portion of overhead and operating expenses.
- Operating expenses are defined as:
  - staff costs exclusive of related estimated expenses and defined below;
  - other operating expenses exclusive of net allowances for depreciation, amortization, and non-current provisions;
  - other segment income and expenses excluding transaction expenses defined below;
  - expenses covered by reversals of provisions used.
- Share of affiliates: the share of equity affiliates, excluding the share in income recognized from changes in value.

NET-BORROWING-COSTS LINE

Net borrowing costs excluding estimated expenses defined below.

TAX LINE

Current taxes excluding deferred taxes, and current taxes related to changes in value (exit tax, etc.).

NONCONTROLLING-INTERESTS LINE

The share of funds from operations attributable to noncontrolling owners of subsidiaries. After deduction of the share of funds from operations attributable to noncontrolling interests, the **Group share of funds from operations** (i.e., the share attributable to shareholders of Altarea SCA) is presented, followed by the **Group share of funds from operations (per share).**

2) Changes in value, estimated expenses, and transaction costs

These changes in value measure the value created or realized by the Company during the period.

The relevant indicator for monitoring value is the change in going-concern net asset value, to which funds from operations contribute. This indicator is presented in detail in the Business Review.

The change in NAV is reconciled with the income statement as follows:

Prior year NAV

+ funds from operations (FFO)
+ changes in value, estimated expenses, and transaction costs
- dividend distribution
+ proceeds from the issue of share capital
+/- other reconciliation items
= **current-year NAV**

OPERATING-PROFIT LINE

Changes in value concern gains and losses from the brick-and-mortar retail segment:

- from asset disposals, including net property income from forward sales and, where applicable, extraordinary payments received and equivalent in economic terms to the value of the asset sold;
- from the value of investment properties, including value adjustments for properties measured at fair value or held for sale as well as impairment losses of properties measured at cost.

Estimated expenses include:

- expenses or net allowances for the period related to share-based payments or other benefits granted to employees;
- allowances for depreciation and amortization net of reversals for non-current assets other than investment properties, including allowances relating to intangible assets or goodwill identified during business combinations;
- allowances for non-current provisions net of used or unused reversals.

Transaction costs include fees and other nonrecurring expenses incurred from corporate development projects that are ineligible for capitalization (e.g., expenses incurred from business combinations or equity investments, whether completed or not) or that are ineligible for inclusion under issuance costs (e.g., commissions incurred from capital management). Income and expenses outside the Company's going concerns are also included.

BORROWING-COSTS LINE

Estimated expenses that correspond to the amortization of bond-issuance costs.

LINE CONCERNING CHANGES IN VALUE AND GAINS AND LOSSES ON THE SALE OF FINANCIAL INSTRUMENTS

Changes in value represent fair-value adjustments of financial instruments and the discounting of receivables and payables. Results from the disposal of financial instruments represent the balance for amounts incurred in the period from restructuring or canceling financial instruments.

TAX LINE

Deferred tax recognized for the period and current taxes related to changes in value (exit tax, etc.).

NONCONTROLLING-INTERESTS LINE

The share attributable to noncontrolling interests of subsidiaries for changes in value, estimated expenses, transaction costs, and deferred tax.

2. ACCOUNTING CHANGES

2.1. Change of accounting method in 2012

2.1.1. Employee benefits (IAS 19)

Following the amendments made to IAS 19 by the IASB in June 2011 and adopted by the European Union in June 2012 regarding defined-benefit pension plans, the Company decided to implement early and retrospective application of these amendments. The amendments in question require companies to recognize liability (or asset) revaluations, particularly actuarial differences, under items of other comprehensive income.

2.1.2. Impact of this change on the statement of financial position at December 31, 2011

In € millions	December 31, 2011, as previously reported	Change of accounting method IAS 19	December 31, 2011 taking into account changes in Accounting principles and consolidation methods
NON-CURRENT ASSETS	**3,241.2**	**–**	**3,241.2**
Intangible assets	264.9		264.9
Tangible assets	12.9		12.9
Investment properties	2,820.5		2,820.5
Investments in associated companies and non-consolidated investments	76.5		76.5
Receivables and other short-term investments	16.9		16.9
Deferred tax assets	49.5		49.5
CURRENT ASSETS	**1,402.1**	**–**	**1,402.1**
Non-current assets held for sale	55.3		55.3
Inventories and work in progress	684.2		684.2
Trade and other receivables	390.2		390.2
Tax receivables	1.0		1.0
Receivables and other short-term investments	7.4		7.4
Derivative financial instruments	0.8		0.8
Cash and cash Equivalents	263.2		263.2
TOTAL ASSETS	**4,643.3**	**–**	**4,643.3**
EQUITY	**1,116.1**	**–**	**1,116.1**
Equity attributable to Altarea SCA shareholders	**988.1**	**–**	**988.1**
Capital, additional paid-in capital and reserves	899.9	(0.1)	899.8
Income associated with Altarea SCA shareholders	88.2	0.1	88.3
Equity attributable to non-controlling interests of subsidiaries	**128.0**	**–**	**128.0**
Reserves associated with non-controlling interests of subsidiaries	122.2	(0.0)	122.2
Income associated with non-controlling interests of subsidiaries	5.8	0.0	5.8
NON-CURRENT LIABILITIES	**2,259.8**	**–**	**2,259.8**
Borrowings and debt	2,185.4		2,185.4
Other non-current provisions	23.6		23.6
Deposit received	25.2		25.2
Deferred tax liability	25.6		25.6
CURRENT LIABILITIES	**1,267.3**	**–**	**1,267.3**
Borrowings and debt	275.4		275.4
Derivative financial instruments	130.2		130.2
Accounts payable and other operating liabilities (including amounts due to shareholders)	860.5		860.5
Tax due – SIIC regime	1.2		1.2
TOTAL EQUITY AND LIABILITIES	**4,643.3**	**–**	**4,643.3**

2.2. Presentation of the financial statements (IAS 1)

Following the amendments made to IAS 1 by the IASB in June 2011 and adopted by the European Union in June 2012, the Company decided to implement early and retrospective application of these amendments, intended to clarify presentation of items of other comprehensive income. See the consolidated statement of comprehensive income.

3. OPERATING SEGMENTS

3.1. Income statement items by operating segment

	2012			2011		
In € millions	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Rental income	160.4	–	160.4	162.1	–	162.1
Other expenses	(14.6)	–	(14.6)	(13.4)	–	(13.4)
Net rental income	**145.8**	**–**	**145.8**	**148.8**	**–**	**148.8**
External services	18.0	–	18.0	16.5	–	16.5
Own work capitalized and production held in inventory	12.2	–	12.2	15.1	–	15.1
Operating expenses	(50.5)	(1.5)	(52.0)	(53.1)	(2.8)	(55.8)
Net overhead expenses	**(20.3)**	**(1.5)**	**(21.7)**	**(21.5)**	**(2.7)**	**(24.2)**
Share of affiliates	**9.4**	**(3.0)**	**6.4**	**8.2**	**(6.2)**	**2.0**
Net allowances for depreciation and impairment	**–**	**(1.7)**	**(1.7)**	**–**	**(1.8)**	**(1.9)**
Income / loss on sale of assets	**–**	**4.8**	**4.8**	**–**	**6.3**	**6.3**
Gains / losses in the value of investment property	**–**	**19.6**	**19.6**	**–**	**70.0**	**70.0**
Transaction costs	**–**	**9.1**	**9.1**	**–**	**(0.6)**	**(0.6)**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	135.0	27.3	162.2	135.4	64.9	200.4
Retail and other Revenue	315.7	(0.0)	315.7	–	–	–
Purchases consumed	(289.0)	–	(289.0)	–	–	–
Net charge to provisions for risks and contingencies	(2.3)	–	(2.3)	–	–	–
Retail margin	**24.4**	**(0.0)**	**24.4**	**–**	**–**	**–**
***Galerie Marchande* commissions**	**9.4**	**–**	**9.4**	**–**	**–**	**–**
Operating expenses	**(39.9)**	**(0.3)**	**(40.2)**	**–**	**–**	**–**
Net overhead expenses	**(39.9)**	**(0.3)**	**(40.2)**	**–**	**–**	**–**
Net allowances for depreciation and impairment	**–**	**(6.4)**	**(6.4)**	**–**	**–**	**–**
Transaction costs	**–**	**(1.2)**	**(1.2)**	**–**	**(1.7)**	**(1.7)**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	(6.0)	(7.9)	(13.9)	–	(1.7)	(1.7)
Revenue	948.6	–	948.6	821.5	–	821.5
Cost of sales and other expenses	(820.7)	–	(820.7)	(719.9)	–	(719.9)
Net property income	**127.8**	**–**	**127.8**	**101.7**	**–**	**101.7**
External services	0.6	–	0.6	1.0	–	1.0
Production held in inventory	57.4	–	57.4	63.0	–	63.0
Operating expenses	(84.9)	(1.9)	(86.9)	(79.7)	(3.3)	(83.0)
Net overhead expenses	**(26.9)**	**(1.9)**	**(28.8)**	**(15.7)**	**(3.3)**	**(18.9)**
Share of affiliates	**(0.3)**	**–**	**(0.3)**	**0.1**	**–**	**0.1**
Net allowances for depreciation and impairment	**–**	**(2.9)**	**(2.9)**	**–**	**(1.1)**	**(1.1)**
Transaction costs	**–**	**–**	**–**	**–**	**(4.6)**	**(4.6)**
NET RESIDENTIAL PROPERTY INCOME	100.6	(4.8)	95.8	86.1	(9.0)	77.1
Revenue	113.6	–	113.6	102.0	–	102.0
Cost of sales and other expenses	(106.2)	–	(106.2)	(98.9)	–	(98.9)
Net property income	**7.3**	**–**	**7.3**	**3.1**	**–**	**3.1**
External services	5.3	–	5.3	6.1	–	6.1
Production held in inventory	5.1	–	5.1	3.9	–	3.9
Operating expenses	(12.2)	(0.7)	(13.0)	(11.7)	(0.9)	(12.6)
Net overhead expenses	**(1.9)**	**(0.7)**	**(2.6)**	**(1.7)**	**(0.9)**	**(2.6)**
Share of affiliates	**(0.4)**	**–**	**(0.4)**	**(1.3)**	**–**	**(1.3)**
Net allowances for depreciation and impairment	**–**	**(0.3)**	**(0.3)**	**–**	**(0.3)**	**(0.3)**
Transaction costs	**–**	**–**	**–**	**–**	**(6.4)**	**(6.4)**
NET OFFICE PROPERTY INCOME	5.1	(1.0)	4.0	0.1	(7.6)	(7.4)
Other (Corporate)	**(2.5)**	**(0.6)**	**(3.1)**	**(1.7)**	**(0.5)**	**(2.3)**
OPERATING PROFIT	**232.2**	**12.9**	**245.0**	**219.9**	**46.1**	**266.1**
Net borrowing costs	**(71.7)**	**(3.7)**	**(75.5)**	**(78.7)**	**(3.0)**	**(81.8)**
Debt and receivables discounted	**–**	**(0.0)**	**(0.0)**	**–**	**(0.1)**	**(0.1)**
Change in value and income from disposal of financial instruments	**–**	**(78.4)**	**(78.4)**	**–**	**(80.4)**	**(80.4)**
Proceeds from the disposal of investments	**–**	**0.7**	**0.7**	**–**	**(0.1)**	**(0.1)**
PROFIT BEFORE TAX	**160.4**	**(68.6)**	**91.8**	**141.2**	**(37.5)**	**103.7**
Corporate income tax	**(1.9)**	**(29.8)**	**(31.6)**	**(0.8)**	**(8.8)**	**(9.6)**
Tax due	(1.9)	(0.2)	(2.0)	(0.8)		(0.8)
Deferred tax		(29.6)	(29.6)		(8.8)	(8.8)
NET PROFIT	**158.6**	**(98.4)**	**60.2**	**140.4**	**(46.3)**	**94.1**
Non-controlling interests	**(8.9)**	**4.6**	**(4.3)**	**(6.1)**	**0.3**	**(5.8)**
NET PROFIT, ATTRIBUTABLE TO GROUP SHAREHOLDERS	**149.7**	**(93.8)**	**55.9**	**134.3**	**(46.0)**	**88.3**
Average number of shares after dilution	*10,547,562*	*10,547,562*	*10,547,562*	*10,241,241*	*10,241,241*	*10,241,241*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€)	**14.19**	**(8.90)**	**5.30**	**13.11**	**(4.49)**	**8.62**

3.2. Balance sheet items by operating segment

At December 31, 2012

In € millions	Brick-and-mortar retail	Online retail	Residential property	Office property	Other	Total
Operating assets and liabilities						
Intangible assets	16.3	76.9	174.1	9.0	0.4	276.7
o/w Goodwill	*15.7*	*37.9*	*104.0*	*9.0*	*–*	*166.6*
o/w Brands	*–*	*32.0*	*66.6*	*–*	*–*	*98.6*
o/w Other intangible assets	*0.6*	*7.0*	*3.5*	*0.0*	*0.4*	*11.5*
Tangible assets	4.2	1.0	6.0	0.0	0.1	11.4
Investment properties	3,200.3	–	–	–	–	3,200.3
o/w Investment properties in operation at fair value	*3,037.3*	*–*	*–*	*–*	*–*	*3,037.3*
o/w Investment properties under development and under construction at cost	*163.0*	*–*	*–*	*–*	*–*	*163.0*
Investments in associated companies and other non-consolidated investments	78.5	0.3	0.1	5.7	0.0	84.7
Net deferred tax	(49.7)	(12.6)	(65.0)	0.7	89.8	(36.9)
o/w Deferred taxes on tax losses	*9.4*	*–*	*–*	*–*	*89.8*	*99.1*
o/w Deferred taxes on identified intangible assets	*(6.1)*	*(13.0)*	*(22.9)*	*–*	*–*	*(42.1)*
o/w Deferred taxes on other timing differences	*(53.0)*	*0.4*	*(42.0)*	*0.7*	*–*	*(94.0)*
Non-current assets held for sale	4.8	–	–	–	–	4.8
Operational working capital requirement	39.4	8.2	224.1	42.0	5.7	319.5
o/w Net inventories and work in progress	*5.7*	*38.2*	*584.7*	*74.0*	*–*	*702.6*
o/w Trade receivables and other accounts receivable	*105.8*	*47.1*	*239.9*	*51.9*	*1.9*	*446.5*
o/w Accounts payable and other operating liabilities	*72.1*	*77.1*	*600.4*	*83.9*	*(3.9)*	*829.6*
Total operating assets and liabilities	**3,293.8**	**73.8**	**339.4**	**57.5**	**96.0**	**3,860.6**
Gross increase in investment properties	121.2	–	–	–	–	121.2
o/w Investment properties in operation at fair value	*95.2*	*–*	*–*	*–*	*–*	*95.2*
o/w Investment properties under development and under construction at cost	*26.0*	*–*	*–*	*–*	*–*	*26.0*

At December 31, 2011

In € millions	Brick-and-mortar retail	Online retail	Residential property	Office property	Other	Total
Operating assets and liabilities						
Intangible assets	16.2	64.8	174.6	9.1	0.3	264.9
o/w Goodwill	*15.7*	*64.4*	*104.0*	*9.0*	*–*	*193.1*
o/w Brands	*–*	*–*	*66.6*	*–*	*–*	*66.6*
o/w Other intangible assets	*0.5*	*0.4*	*4.0*	*0.0*	*0.3*	*5.2*
Tangible assets	5.0	1.1	6.8	0.0	0.0	12.9
Investment properties	2,820.6	–	–	–	–	2,820.5
o/w Investment properties in operation at fair value	*2,625.5*	*–*	*–*	*–*	*–*	*2,625.5*
o/w Investment properties under development and under construction at cost	*195.0*	*–*	*–*	*–*	*–*	*195.0*
Investments in associated companies and other non-consolidated investments	75.8	–	0.2	0.4	0.0	76.4
Net deferred tax	(24.5)	(0.4)	(49.0)	1.0	96.8	23.9
o/w Deferred taxes on tax losses	*12.3*	*–*	*–*	*–*	*89.8*	*102.1*
o/w Deferred taxes on identified intangible assets	*(6.9)*	*–*	*(22.9)*	*–*	*–*	*(29.8)*
o/w Deferred taxes on other timing differences	*(29.9)*	*(0.4)*	*(26.1)*	*1.0*	*7.0*	*(48.4)*
Non-current assets held for sale	55.3	–	–	–	–	55.3
Operational working capital requirement	15.0	5.3	253.9	(15.4)	4.1	262.9
o/w Net inventories and work in progress	*6.4*	*31.7*	*582.9*	*63.3*	*–*	*684.2*
o/w Trade receivables and other accounts receivable	*102.9*	*35.7*	*220.7*	*21.0*	*3.8*	*384.1*
o/w Accounts payable and other operating liabilities	*94.4*	*62.0*	*549.7*	*99.7*	*(0.3)*	*805.5*
Total operating assets and liabilities	**2,963.4**	**70.7**	**386.5**	**(4.9)**	**101.3**	**3,516.8**
Gross increase in investment properties	113.3	–	–	–	–	113.3
o/w Investment properties in operation at fair value	*40.3*	*–*	*–*	*–*	*–*	*40.3*
o/w Investment properties under development and under construction at cost	*73.0*	*–*	*–*	*–*	*–*	*73.0*

3.3. Revenue by region

As in 2011, no single customer contributed to 10% or more of the Group's 2012 revenue.

	12/31/2012					12/31/2011				
In € millions	France	Italy	Spain	Other	Total	France	Italy	Spain	Other	Total
Rental income	126.4	26.1	7.8	–	160.4	128.6	25.8	7.7	–	162.1
External services	17.4	0.4	0.3	–	18.0	16.1	0.1	0.3	–	16.5
Net property income	12.3	–	–	–	12.3	3.7	–	–	–	3.7
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**156.2**	**26.5**	**8.1**	**–**	**190.8**	**148.4**	**25.9**	**8.0**	**–**	**182.3**
Overall business volume	*423.2*				*423.2*					
Retail sales	315.7	–	–	–	315.7	–	–	–	–	–
Galerie Marchande commissions	9.4	–	–	–	9.4	–	–	–	–	–
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**325.1**	**–**	**–**	**–**	**325.1**	**–**	**–**	**–**	**–**	**–**
Revenue	948.6	–	–	–	948.6	821.5	–	–	–	821.5
External services	0.6	–	–	–	0.6	1.0	–	–	–	1.0
NET RESIDENTIAL PROPERTY INCOME	**949.2**	**–**	**–**	**–**	**949.2**	**822.6**	**–**	**–**	**–**	**822.6**
Revenue	113.6	–	–	–	113.6	102.0	–	–	–	102.0
External services	3.5	–	–	1.8	5.3	4.6	–	–	1.5[1]	6.1
NET OFFICE PROPERTY INCOME	**117.0**	**–**	**–**	**1.8**	**118.8**	**106.6**	**–**	**–**	**1.5**	**108.1**
Other (Corporate)	0.1	–	–	–	0.1	0.1	–	–	–	0.1
Other	**0.1**	**–**	**–**	**–**	**0.1**	**0.1**	**–**	**–**	**–**	**0.1**
Total revenues	**1,547.6**	**26.5**	**8.1**	**1.8**	**1,584.0**	**1,077.7**	**25.9**	**8.0**	**1.5**	**1,113.1**
Total Overall Business Volume	**1,645.7**	**26.5**	**8.1**	**1.8**	**1,682.1**	**1,077.7**	**25.9**	**8.0**	**1.5**	**1,113.1**

(1) The €1.5 million account for external services provided by an entity located in Europe (excluding France, Italy and Spain) that was previously included in sales of the «France» zone.

4. ANNUAL HIGHLIGHTS

4.1. FY 2012

Corporate

The Shareholders' Meeting of May 25, 2012 offered shareholders the choice of payment of an ordinary dividend in cash or in Altarea SCA shares to be issued. These new shares were priced at €94.31, equal to 90% of the average opening share price over the 20 trading days prior to the Shareholders' Meeting, minus a dividend of €9 per share, as voted by the AGM.

The option of share-based dividend payment for the financial year ended December 31, 2012, was widely accepted, with the subscription level reaching 76.76%. Payment took the form of a rights issue on June 11, 2012 (the option-exercise date).

On July 3, 2012, 732,624 new shares were issued, delivered, and listed for trading. The cash dividend amounted to €22.3 million and was paid to shareholders on the same date.

Brick and mortar retail

The capitalization rate[1] for brick-and-mortar retail was stable (+6 bp), in an environment of declining consumer spending (-2.9% in 2012, compared with +0.2% in 2011).

Against a challenging economic backdrop, revenue from tenants of Group shopping centers in France showed resilience (+2% like for like), compared with a flat national index (+0.2%). For the first time since 2006, rental income from Retail Parks and Family Village® underperformed (-0.8%). Austerity measures in Italy and Spain hurt shopping-center tenants and lowered valuation appraisals in both countries.

In 2012, Altarea Cogedim continued to focus its portfolio on large assets located in lively geographic areas.

For example, in 2012 Altarea disposed of nearly €147 million in assets, completed the eastern expansion of the Gramont regional shopping center in Toulouse, and took a controlling interest in Cap 3000, a regional shopping center near Nice.

The following assets were sold:

- Drouet d'Erlon shopping center in Reims, on January 6, 2012;
- Grand'Tour 1 shopping center and the adjacent Grand'Tour 2 retail park north of Bordeaux, in Sainte Eulalie, on April 13, 2012;
- four small assets in Mantes, Plaisir, Echirolles, and Rambouillet.

After the decision to begin assessment studies for an expansion of the shopping center, and the subsequent decision to finance Alta Blue with adequate capital for the project, all of the agreements signed in July 2010 with APG and Predica for the governance of Alta Blue and Aldeta, the owner of the shopping center, were revised. Consequently, Altarea took a controlling interest in Alta Blue and its subsidiary Aldeta. After these transactions, the Group, in addition to its role as developer, increased its stake by 28.43%, and now holds 61.77% of Alta Blue, alongside Predica (33.33%) and APG (4.90%). (See note 5.2 "Changes in Group structure.")

In addition, Altarea Cogedim pursued its property-development projects by continuing to invest primarily in the construction of two shopping centers in Villeuneuve-la-Garenne and Nîmes, by redeveloping some of its assets (Toulouse, Cap 3000, Bercy, and Massy), and through ongoing efforts to procure administrative permits for new projects, in accordance with the established schedule. The year 2012 was noteworthy for the completion of the eastern extension of the Gramont regional shopping center in Toulouse. In addition to the Auchan "Drive," this extension includes the creation of 17 new shops and an addition to the Auchan superstore over a total gross leasable area of approximately 75,000 ft² (7,000 m²).

Online retail

Positioned for the past several months as the leading multi-channel property company, Altarea Cogedim and its e-commerce brand RueduCommerce laid the foundation for a development strategy based on growth in market share through the reputation of its retail business, technological innovation, and cross-channel actions between brick-and-mortar retail and online (internet, mobile and tablet) retail.

In a rapidly expanding market, RueduCommerce enjoyed revenue growth in 2012, in terms of both market positioning and retail. In order to prepare for the strong growth expected over the next four to five years, RueduCommerce plans to strengthen its structure.

See note 6 "Business combinations" and note 7.2 "Goodwill arising from acquisition of RueduCommerce."

Residential property

Growth in 2012 continued from the momentum of 2011. The year also reflected the business turnaround begun in 2009, whose impact on sales was delayed because of the time-lag for the completion of these types of projects (with on average 18 to 24 months between the reservation and the recognition of revenue on a percentage-of-completion basis). Revenue recognized on a percentage-of-completion basis rose 15%, to €948.6 million, compared with €821.5 million at December 31, 2011. Net property income represented 13.5% of revenue, a rise of 1.1 points from the previous year.

(1) The capitalization rate is the ratio of net rental yield to appraisal value (excluding transfer duties). At December 31, 2012, the weighted average capitalization rate was 6.20%.
(2) Source: French Ministry of Housing, based on the number of reservations.

New housing sales in France slowed significantly in 2012 from the previous year, with around 73,300 sales [2], compared with 103,300 in 2011.This 30% decline is attributable to the difficult economic and financial environment, and to the cautiousness of individuals and investors awaiting government announcements.

Altarea Cogedim's Residential Property division maintained its market share, with €861 million (including tax) of reservations[3] for new housing units recorded in 2012, a decline of 29%. At December 31, 2012, the residential-properties backlog[4] amounted to €1.414 billion (excl. tax), or 18 months of revenues, a figure that provides the Group with excellent visibility for future results of residential property development.

Office property

Despite a persistently weak market (-8% in 2012, with €11 billion transacted), the Group concluded transactions for 108,800 m² of net floor area (Rue des Archives in Paris, Euromed Center in Marseilles, and the Mercedes Benz France head offices). Completions totaled 347,943 ft² (32,325 m²): Pomona head offices in Antony, Hôtel Radisson Blu in the former courthouse of Nantes, and a building on Avenue Matignon. In addition, the Group oversaw 6,070,800 ft² (564,000 m²) of net floor area, thereby reaffirming its status as a major player in the market. At December 31, 2012, the backlog grew to €176.9 million.

As investor, fund, and asset manager via AltaFund (in which the Group holds a share restricted to 16.67%), the Group acquired an office building at 128/120 Boulevard Raspail on July 5, 2012.

Altarea Cogedim has thus reaffirmed its capacity to intervene in this strategic market, with the Group's scope of actions ranging from development and delegated project management to investment, fund management, and asset management.

4.2. FY 2011

Brick and mortar retail

The capitalization rate[5] for brick-and-mortar retail contracted marginally (-14 bp) in an environment of steady consumer spending (+0.2% in 2011, compared with +1.3% in 2010), with growth forecast for approximately +0.5%.

Against a backdrop of anemic growth, brick-and-mortar retail registered a steady performance, with revenue from Group shopping-center tenants up 0.5% like for like (cf. 0.8% decline of national index). Retail Parks and Family Village® continued to outperform other formats, with 2.2% like-for-like growth in line with structural trends seen since 2006.

In 2011, Altarea Cogedim continued to re-center its portfolio on regional centers and large-format Retail Parks under the Family Village® concept.

In 2011, Altarea Cogedim sold assets worth €104 million, and recognized €55 million in preliminary sales agreements as assets held for sale.

Disposals in the period included:
- the Retail Parks of Tours, Herblay, and Brives la Gaillarde, on January 26, 2011;
- the Family Village® of Crêches-sur-Saône, on June 1, 2011;
- the shopping center in Vichy, on December 8, 2011;
- the shopping center in Thionville, on December 14, 2011, after its completion on August 24, 2011.

In addition, Altarea Cogedim's development was highlighted by:
- project management for the 296,000 ft (27,500 m²) GLA Retail Park south of Nîmes, after the purchase of land with the necessary administrative and commercial permits;
- commercial permits obtained for:
  - a 307,800 ft² (28,600 m²) extension of the Les Hunaudières Family Village® in Ruaudin, southeast of Le Mans;
  - the 654,800 ft² (60,000 m²) GLA Promenade de Flandre Family Village® project servicing the towns of Tourcoing, Roncq and Neuville-en-Ferrain, developed in partnership with Immochan;
  - refurbishment/extension projects in Toulouse and Massy for 132,400 ft² (12,300 m²) GLA;
- the launch of a 50% partnership with Orion on the 63,400 m² GLA Villeneuve-la-Garenne regional center, northwest of Paris, the Toulouse extension, and the redevelopment of Bercy Village;
- completion of shopping centers in Tourcoing, on April 6, 2011, and Thionville, on August 24, 2011 (subsequently sold).

Online retail

To profit from the growing use of internet and other new mobile communication tools in the shopping experience, Altarea Cogedim acquired RueduCommerce, a French public limited company (*société anonyme*) listed on Euronext Paris compartment C on December 12, 2011. RueduCommerce is a leading online retailer in France.

This acquisition was an over-the-counter transaction with the signing of a shareholders' agreement between Altarea Cogedim and the company's founding managers, Gauthier Picquart and Patrick Jacquemin. See note 6 "Business combinations." Altarea Cogedim simultaneously launched a friendly takeover bid and filed a prelimi-

(3) Reservations represent preliminary sales agreements for a given period signed by customers for property units.

(4) The backlog (or order book) comprises revenues (excl. tax) from notarized sales to be recognized on a percentage-of-completion basis, and individual and block sales to be notarized.

(5) The capitalization rate is the ratio of net rental yield to appraisal value (excluding transfer duties). At December 31, 2011, the weighted average capitalization rate was 6.21%.

nary offer on October 27. On February 21, 2012, the French Financial Markets Authority (AMF) published the results of the exchange offer, revealing that Altacom held 10,858,293 shares in RueduCommerce, representing an equivalent number of voting rights, or 96.54% of the share capital and 96.49% of the voting rights.

As a result of this acquisition, Altarea Cogedim became the leading multi-channel property company.

Residential property:

Returned growth in 2011 reflects the recovery that began in 2009, though with a deferred impact on sales because of the time-lag in completing these types of projects (with on average 18 to 24 months between the reservation and the recognition of revenue on a percentage-of-completion basis). Revenue recognized on a percentage-of-completion basis rose 42%, to €821.5 million, up from €577.4 million at December 31, 2010. Net property income represented 12.4% of revenue, a rise of 2.1 points from the previous year.

New housing sales in France slowed in 2011 compared with the prior period, with fewer than 103,300 sales[6], compared with 115,400 sales the previous year. This change is attributable to a slump in sales to individual investors, who contributed strongly to sales in 2010.

In a more sluggish market, Altarea Cogedim's Residential property division continued to gain market share, with reservations[7] for new housing units of €1.205 billion (incl. tax) in 2011, up 14% excluding the exceptional impact of the Laennec program for reservations of €52 million 2011, compared with €280 million in 2010. At December 31, 2011, the residential backlog[8] amounted to €1.620 billion (excl. tax), or 24 months of sales, which provides the Group with excellent visibility for future results of residential property development.

Office property

With transactions concluded for 1,001,000 ft² (93,000 m²) and significant volume in completions (1,830,000 ft² or 170,000 m², including 940,000 ft² or 87,000 m² for the First Tower in La Défense), Altarea Cogedim's teams successfully leveraged their expertise over the year in a still-recovering market. At December 31, 2011, the backlog amounted to €157 million, or 18 months of sales.

At December 31, 2011, Altarea Cogedim, in partnership with other investors, finalized fund raising for its office-property investment fund, AltaFund, endowed with €600 million. This fund will eventually have investment capacity of €1.2 billion (with leverage) for the creation or redevelopment of office property. Altarea Cogedim Entreprise owns 16.67% of the fund and is the general partner.

Altarea Cogedim has thus strengthened and expanded its capacity to intervene in this strategic market. The Group's scope of action now ranges from development and delegated project management to investment, fund management, and asset management.

(6) Source: French Ministry of Housing, based on the number of reservations.

(7) Reservations represent preliminary sales agreements for a given period signed by customers for property units.

(8) The backlog (or order book) comprises revenues (excl. tax) from notarized sales to be recognized on a percentage-of-completion basis, and individual and block sales to be notarized.

5. SCOPE OF CONSOLIDATION

5.1. List of companies included in the consolidated financial statements

		12/31/2012			12/31/2011		
COMPANY	SIREN	Method	Interest	Consolidation	Method	Interest	Consolidation
Brick-and-Mortar Retail - France							
3 COMMUNES SNC	352721435	FC	100.0%	100.0%	FC	100.0%	100.0%
AIX 2 SNC	512951617	PC	50.0%	50.0%	PC	50.0%	50.0%
ALDETA SA [1]	311765762	FC	33.3%	100.0%	PC	33.3%	33.3%
ALTA AUBETTE SNC	452451362	FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA BERRI SAS	444561385	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CARRE DE SOIE SCI	449231463	PC	50.0%	50.0%	PC	50.0%	50.0%
ALTA CITE SAS	483543930	FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA CRP AUBERGENVILLE SNC	451226328	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP GENNEVILLIERS SNC	488541228	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP GUPCAVAS SNC	451282628	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP LA VALLETTE SNC	494539687	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP MONTMARTRE SAS	450042247	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP PUGET SNC	492962949	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP RAMBOUILLET SNC	487897985	NI	0.0%	0.0%	FC	100.0%	100.0%
ALTA CRP RIS ORANGIS SNC	452053382	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP RUAUDIN SNC	451248892	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP VALBONNE SNC	484854443	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP VIVIENNE SAS	449877950	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA DEVELOPPEMENT ITALIE SAS [2]	444561476	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTA DROUOT SAS	450042296	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA LES HUNAUDIERES SNC	528938483	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA MULHOUSE SNC	444985568	FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA NOUVEAU PORT LA SEYNE SCI	501219109	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA OLLIOULES 1 SASU	513813915	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA OLLIOULES 2 SASU	513813956	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA PIERRELAYE SNC	478517204	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA RAMBOUILLET (movie theater - former Alta Ronchin)	484693841	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SAINT HONORE SAS	430343855	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SPAIN ARCHIBALD BV	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SPAIN CASTELLANA BV	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA THIONVILLE SNC	485047328	FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA TOURCOING SNC	485037535	FC	65.0%	100.0%	FC	65.0%	100.0%
ALTA TROYES SNC	488795790	FC	65.0%	100.0%	FC	65.0%	100.0%
ALTABLUE SAS [1]	522193796	FC	33.3%	100.0%	PC	33.3%	33.3%
ALTALUX ESPAGNE SARL	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTALUX ITALIE SARL	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAREA FRANCE [2]	324814219	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA LES TANNEURS SNC	421752007	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA MANAGEMENT	509105375	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA PROMOTION COMMERCE SNC	420490948	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA SCA	335480877	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA SNC	431843424	FC	100.0%	100.0%	FC	100.0%	100.0%

(1) Altarea SCA holds 61.77% of the share capital of Alta Blue and of its subsidiary Aldeta and controls these companies; the interest reflects the economic interests of the group in this grouping.

(2) The interest in Alta Développement Italie SAS and its subsidiaries corresponds to the theoretical dividend allocation rate on class A and B shares after payment of preferential dividends on B shares held at 100% by the group.

AUBERGENVILLE 2 SNC	493254015	FC	100.0%	100.0%	FC	100.0%	100.0%
AVENUE FONTAINEBLEAU SAS	423055169	FC	65.0%	100.0%	FC	65.0%	100.0%
AVENUE PAUL LANGEVIN SNC	428272751	FC	100.0%	100.0%	FC	100.0%	100.0%
BERCY VILLAGE 2 SCI	419669064	FC	85.0%	100.0%	FC	85.0%	100.0%
BERCY VILLAGE SCI	384987517	FC	85.0%	100.0%	FC	85.0%	100.0%
BORDEAUX ST EULALIE SNC	432969608	NI	0.0%	0.0%	FC	100.0%	100.0%
CENTRE D'AFFAIRE DU KB SCI	502543259	FC	65.0%	100.0%	FC	65.0%	100.0%
CIB SCI	414394486	EM	49.0%	49.0%	EM	49.0%	49.0%
COEUR CHEVILLY SNC	491379624	PC	50.0%	50.0%	PC	50.0%	50.0%
CRECHES INVEST SNC	488347352	NI	0.0%	0.0%	FC	100.0%	100.0%
Centre Commercial de THIAIS SNC	479873234	FC	100.0%	100.0%	FC	100.0%	100.0%
Centre Commercial de VALDOLY SNC	440226298	FC	100.0%	100.0%	FC	100.0%	100.0%
Centre Commercial du KB SNC	485045876	FC	65.0%	100.0%	FC	65.0%	100.0%
DROUET D'ERLON SNC	412375602	NI	0.0%	0.0%	FC	100.0%	100.0%
ESPACE GRAND RUE SCI	429348733	PC	32.5%	32.5%	PC	32.5%	32.5%
FONCIERE ALTAREA SAS	353900699	FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIERE CEZANNE MATFCNON SNC	348024050	FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIERE CEZANNE MERMOZ SNC	445291404	FC	100.0%	100.0%	FC	100.0%	100.0%
GALLIENI BONGARDE SAS [3]	304423791	NI	0.0%	0.0%	NI	0.0%	0.0%
GENNEVILLIERS 2 SNC	452052988	FC	100.0%	100.0%	FC	100.0%	100.0%
GM MARKETING SAS	437664568	FC	100.0%	100.0%	FC	100.0%	100.0%
GRAND TOUR SNC	412781809	NI	0.0%	0.0%	FC	100.0%	100.0%
HPCPODROME CARRE DE SOIE SARL	493455810	PC	50.0%	50.0%	PC	50.0%	50.0%
JAS DE BOUFFAN SNC	508887619	FC	100.0%	100.0%	FC	100.0%	100.0%
KLEBER SAS	790201453	FC	100.0%	100.0%	NI	0.0%	0.0%
LE HAVRE Centre commercial René Coty SNC	407943620	PC	50.0%	50.0%	PC	50.0%	50.0%
LE PRE LONG SNC	508630464	FC	100.0%	100.0%	FC	100.0%	100.0%
LES CLAUSONNES INVESTISSEMENT SARL	411985468	FC	100.0%	100.0%	FC	100.0%	100.0%
LES CLAUSONNES SCI	331366682	FC	100.0%	100.0%	FC	100.0%	100.0%
LILLE GRAND PLACE SCI	350869244	FC	99.0%	100.0%	FC	99.0%	100.0%
LIMOGES INVEST SCI	488237546	FC	75.0%	100.0%	FC	75.0%	100.0%
MANTES GAMBETTA - EX ALTA COPARTS SNC	499108207	FC	100.0%	100.0%	FC	100.0%	100.0%
MASSY SEP	424120178	NI	0.0%	0.0%	FC	100.0%	100.0%
MATFCNON COMMERCE SNC	433506490	FC	100.0%	100.0%	FC	100.0%	100.0%
MONNET LIBERTE SNC	410936397	PC	50.0%	50.0%	PC	50.0%	50.0%
NANTERRE QUARTIER DE L'UNIVERSITE SAS	485049290	PC	50.0%	50.0%	PC	50.0%	50.0%
OPEC SARL	379873128	FC	99.9%	100.0%	FC	99.7%	100.0%
OPEC SNC	538329970	FC	100.0%	100.0%	FC	100.0%	100.0%
ORI ALTA SNC	433806726	PC	50.0%	50.0%	PC	50.0%	50.0%
PETIT MENIN SCI	481017952	PC	50.0%	50.0%	PC	50.0%	50.0%
PLAISIR 1 SNC	420718348	NI	0.0%	0.0%	FC	100.0%	100.0%
PLAISIR 2 SNC	420727711	NI	0.0%	0.0%	FC	100.0%	100.0%
REIMS BUIRETTE SCI	352795702	NI	0.0%	0.0%	FC	100.0%	100.0%
ROOSEVELT SAS	524183852	FC	100.0%	100.0%	FC	100.0%	100.0%
RUE DE L'HOTEL DE VILLE SCI	440848984	PC	40.0%	40.0%	PC	40.0%	40.0%
SCI COEUR D'ORLY BUREAUX	504255118	PC	25.0%	25.0%	PC	25.0%	25.0%
SCI HOLDING BUREAUX COEUR D'ORLY	504017807	PC	50.0%	50.0%	PC	50.0%	50.0%
SCI KLEBER MASSY in CCMASSY in Q4 2012	433972924	NI	0.0%	0.0%	FC	100.0%	100.0%
SCI LIEVIN INVEST	444402887	EM	49.0%	49.0%	EM	49.0%	49.0%
SIC RETAIL PARK LES VFCNOLES	512086117	FC	100.0%	100.0%	FC	100.0%	100.0%
SILLON 2 SNC	420718082	FC	100.0%	100.0%	FC	100.0%	100.0%
SILLON 3 SAS	422088815	FC	100.0%	100.0%	FC	100.0%	100.0%
SILLON SAS	410629562	FC	100.0%	100.0%	FC	100.0%	100.0%
SNC ALTA LES ESSARTS EX SNC Du SUD du Centre Commercial de THIAIS SNC	480044981	FC	100.0%	100.0%	FC	100.0%	100.0%

(3) Gallieni Bongarde was acquired and absorbed in 2012 through a simplified merger with Orialta.

SNC CŒUR D'ORLY COMMERCE	504831207	PC	25.0%	25.0%	PC	25.0%	25.0%
SNC HOLDING COMMERCE COEUR D'ORLY	504142274	PC	50.0%	50.0%	PC	50.0%	50.0%
SNC TOULOUSE GRAMONT (ex PPI)	352076145	FC	100.0%	100.0%	FC	100.0%	100.0%
SOCOBAC SARL	352781389	FC	100.0%	100.0%	FC	100.0%	100.0%
STE AMENAGEMENT MEZZANINE PARIS NORD SA	422281766	EM	40.0%	40.0%	EM	40.0%	40.0%
Société d'Aménagement de la GARE de L'EST SNC	481104420	FC	100.0%	100.0%	FC	100.0%	100.0%
Société du Centre Commercial MASSY SNC	950063040	FC	100.0%	100.0%	FC	100.0%	100.0%
TECI ET CIE SNC	333784767	FC	100.0%	100.0%	FC	100.0%	100.0%
VENDOME MASSY 2	338751654	NI	0.0%	0.0%	FC	100.0%	100.0%
Brick-and-Mortar Retail - Italy							
ALTABASILIO SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTACASALE SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTACERRO SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAGE SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAIMMO SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAPINEROLO SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAPIO SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAPONTEPARODI SPA [2]	NA	FC	91.4%	100.0%	FC	91.4%	100.0%
ALTARAG SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAREA ITALIA PROGETTI SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAREA ITALIA SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTARIMI SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
ALTAROMA SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
AURELIA TRADING SRL [2]	NA	FC	96.2%	100.0%	FC	96.2%	100.0%
Brick-and-Mortar Retail - Spain							
ALTAOPERAE II S.L	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAOPERAE III S.L	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAOPERAE SALAMANCA S.L	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAPATRIMAE II S.L	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA ESPANA S.L	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA OPERAE S.L	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA PATRIMAE S.L	NA	FC	100.0%	100.0%	FC	100.0%	100.0%
ORTIALTAE S.L	NA	PC	50.0%	50.0%	PC	50.0%	50.0%
Online Retail							
ALTA PENTHIEVRE SAS	518991476	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTACOM SAS	537392276	FC	99.9%	100.0%	FC	79.8%	100.0%
MAXIDOME	509105375	FC	96.8%	100.0%	FC	26.8%	100.0%
RUEDUCOMMERCE	509105375	FC	96.8%	100.0%	FC	26.8%	100.0%
Diversification							
8'33 - Future Energie SA	492498944	NI	0.0%	0.0%	EM	45.6%	45.7%
ALTA CINE INVESTISSEMENT SAS	482277100	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTA DELCASSE SAS	501705362	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTA FAVART SAS	450042338	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTA RUNGIS SAS	500539150	FC	99.9%	100.0%	FC	99.7%	100.0%
AUBETTE TOURISME RESIDENCE SNC	501162580	FC	65.0%	100.0%	FC	65.0%	100.0%
HOLDING LUMIERE SAS	419446216	NI	0.0%	0.0%	EM	33.9%	34.0%
L'EMPIRE SAS	428133276	FC	99.9%	100.0%	FC	99.7%	100.0%
SALLE WAGRAM (former Théâtre de l'Empire)	424007425	FC	99.9%	100.0%	FC	99.7%	100.0%
SEMMARIS	662012491	EM	33.3%	33.3%	EM	33.3%	33.3%
Housing (except Cogedim)							
ALTA BOULOGNE SNC	334899457	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTA CRP MOUGINS SNC	453830663	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTA FAUBOURG SAS	444560874	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTA MONTAFCNE SAS	790197263	FC	99.9%	100.0%	NI	0.0%	0.0%

(2) The interest in Alta Développement Italie SAS and its subsidiaries corresponds to the theoretical dividend allocation rate on class A and B shares after payment of preferential dividends on B shares held at 100% by the group.

ALTA PERCIER SAS	538447475	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTAREIT SCA	552091050	FC	99.9%	100.0%	FC	99.7%	100.0%
S.O.R.A.C. SNC	330996133	FC	100.0%	100.0%	FC	100.0%	100.0%
Office (except Cogedim)							
ACEP INVEST 1 (*société civile*)	530702455	EM	16.6%	16.7%	EM	16.6%	16.7%
ACEP INVEST 3 (*société civile*)	751731530	EM	16.6%	0.0%	NI	0.0%	0.0%
ALTAFUND General Partner sarl	NA	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTAFUND Holding sarl	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAFUND Invest 1 sarl	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAFUND Invest 2 sarl	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAFUND Invest 3 sarl	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAFUND Invest 4 sarl	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAFUND Invest 5 sarl	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAFUND Invest 6 sarl	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAFUND OPCI (SPPICAV)	539124529	EM	16.6%	100.0%	NI	0.0%	0.0%
ALTAFUND Value Add I sca	NA	EM	16.6%	16.7%	EM	16.6%	16.7%
ALTAREA COGEDIM ENTREPRISE ASSET MANAGEMENT SNC	534207386	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTAREA COGEDIM ENTREPRISE GESTION SNC	535056378	FC	99.9%	100.0%	FC	99.7%	100.0%
ALTAREA COGEDIM ENTREPRISE HOLDING SNC	534129283	FC	99.9%	100.0%	FC	99.7%	100.0%
GERLAND 1 SNC	503964629	PC	49.9%	50.0%	PC	49.9%	50.0%
GERLAND 2 SNC	503964702	PC	49.9%	50.0%	PC	49.9%	50.0%
MONTFCNY NEWTON SNC	750297137	FC	99.9%	100.0%	NI	0.0%	0.0%
Housing (Cogedim)							
SCCV SURESNES 111 VERDUN	507385003	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC 12 RUE OUDINOT PARIS 7E	378484653	FC	50.9%	100.0%	FC	50.9%	100.0%
SNC 36 RUE RIVAY LEVALLOIS	343760385	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC 46 JEMMAPES	572222347	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV TOULOUSE LES ARGOULETS	513822601	FC	99.9%	100.0%	FC	99.7%	100.0%
SAS AIRE	444515670	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC AIX LA VISITATION	452701824	FC	79.9%	100.0%	FC	79.8%	100.0%
SCCV ANGLET BELAY	512392325	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC ANTIBES 38 ALBERT 1er	440521995	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI MIMOSAS	451063499	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV ANTIBES 4 CHEMINS	537695801	EM	48.9%	49.0%	EM	48.9%	49.0%
SAS FONCIERE SEAVIEW	493297642	NI	0.0%	0.0%	EM	19.9%	20.0%
SAS ARBITRAGES ET INVESTISSEMENTS	444533152	FC	99.9%	100.0%	FC	99.7%	100.0%
SAS ARBITRAGES ET INVESTISSEMENT 2	479815847	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV ARCACHON LAMARQUE	527725246	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI ARGENTEUIL FOCH-DIANE	484064134	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV ARGENTEUIL JEAN JAURES	533885604	FC	94.9%	100.0%	FC	94.8%	100.0%
SCCV VITRY ARMANGOT	789655396	FC	89.9%	100.0%	NI	0.0%	0.0%
SCI ASNIERES AULAGNIER ILOTS E, F ET H1	483537866	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI CHAUSSON A/B	517868192	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV ASNIERES LAURE FIOT	532710308	FC	74.9%	100.0%	FC	74.8%	100.0%
SCCV BAGNEUX - TERTRES	789328804	EM	39.9%	40.0%	NI	0.0%	0.0%
SCCV BAGNEUX PAUL ELUARD	789253549	FC	50.9%	100.0%	NI	0.0%	0.0%
SCCV BAGNEUX BLAISE PASCAL	533942884	FC	99.9%	100.0%	PC	49.9%	50.0%
SCCV BAGNOLET MALMAISON	517439402	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV REZE-JEAN-JAURES	788521375	FC	50.9%	100.0%	NI	0.0%	0.0%
SNC BENOIT CREPU LYON	378935050	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC LE HAMEAU DES TREILLES	487955965	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV BIOT ROUTE DE VALBONNE	538113473	FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV 236 AVENUE THIERS	493589550	FC	54.9%	100.0%	FC	54.9%	100.0%
SCI BRUGES AUSONE	484149802	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV CAUDERAN LECLERC	490049970	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI LE BOIS SACRE	492998117	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI LES FONTAINES DE BENESSE	479489817	NI	0.0%	0.0%	FC	99.7%	100.0%

SCCV BOULOGNE VAUTHIER	533782546	FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV TOULOUSE BOURRASSOL WAGNER	503431116	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV BRUGES GRAND DARNAL	511302002	FC	99.9%	100.0%	FC	99.7%	100.0%
SAS BRUN HOLDING	394648984	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV CACHAN DOLET HENOUILLE	EN COURS	FC	89.9%	100.0%	NI	0.0%	0.0%
SCCV CACHAN DOLET 62/66	788827111	FC	89.9%	100.0%	NI	0.0%	0.0%
SCI CALUIRE - 49 MARGNOLLES	483674891	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI CANNES 2 AV ST NICOLAS	482524758	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI CANNES 152/156 BOULEVARD GAZAGNAIRE	419700786	PC	48.9%	49.0%	PC	48.9%	49.0%
SCCV TOULOUSE CARRE SAINT MICHEL	501982763	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI CHATENAY HANOVRE 1	424831717	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC CLAUDEL	504308099	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV MARSEILLE LA POMMERAIE	502223522	FC	79.9%	100.0%	FC	79.8%	100.0%
SNC COGEDIM PROVENCE	442739413	FC	99.9%	100.0%	FC	99.7%	100.0%
COGEDIM RESIDENCES SERVICES SAS	394648455	FC	99.9%	100.0%	FC	99.7%	100.0%
COGEDIM SAS	54500814	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM VALORISATION	444660393	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI COLOMBES CHARLES DE GAULLE	489927996	PC	44.9%	45.0%	PC	44.9%	45.0%
SCI COLOMBES ETIENNE D'ORVES	479534885	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV COLOMBES AUTREMENT	528287642	FC	51.9%	100.0%	FC	51.9%	100.0%
SCCV 121-125 RUE HENRI BARBUSSE	494577455	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC CORIFIAL	306094079	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI COURBEVOIE - HUDRI	483107819	FC	79.9%	100.0%	FC	79.8%	100.0%
SCI COURBEVOIE ST DENIS FERRY	479626475	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC NOTRE DAME	432870061	FC	99.9%	100.0%	FC	99.7%	100.0%
CSE SAS	790172860	FC	99.9%	100.0%	NI	0.0%	0.0%
SNC GARCHES LE COTTAGE	562105569	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV DOMAINE DE LA GARDI	535109011	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV DOMAINE DES HAUTS DE FUVEAU	535072425	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV ESERY ROUTE D'ARCINE	751533522	FC	69.9%	100.0%	NI	0.0%	0.0%
SARL FINANCIERE BONNEL	400570743	FC	99.9%	100.0%	FC	99.7%	100.0%
SAS FONCIERE GLATZ	498493576	NI	0.0%	0.0%	EM	19.9%	20.0%
SAS FONCIERE SAONE GILLET	499854510	NI	0.0%	0.0%	EM	19.9%	20.0%
SCI FRANCHEVILLE-BOCHU	488154329	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC CHARENTON GABRIEL PERI	518408188	FC	59.9%	100.0%	FC	59.8%	100.0%
SNC GARCHES 82 GRANDE RUE	481785814	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV GARCHES LABORATOIRE EST	531559557	FC	50.9%	100.0%	FC	50.9%	100.0%
SNC DU GOLF	448867473	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC D'ALSACE	493674196	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV GUJAN REPUBLIQUE	489346106	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV HAILLAN MEYCAT	501411995	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC HEBERT	504145004	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV HOUILLES ZAC DE L'EGLISE	531260776	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI VILLA HAUSSMANN RIVE SUD	437674955	FC	59.9%	100.0%	FC	59.8%	100.0%
SNC ISSY CORENTIN CELTON	452369705	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI ILOT 6BD GALLIENI FORUM SEINE	433735479	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC DULAC - ROUMANILLE	513406942	FC	98.9%	100.0%	FC	98.7%	100.0%
SCCV L'ILE VERTE	509642005	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV COGESIR	753460062	FC	69.9%	100.0%	NI	0.0%	0.0%
SCCV LEVALLOIS MARCEAU	501580583	FC	79.9%	100.0%	FC	79.8%	100.0%
SNC FONCIERE ILES D'OR	499385094	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LA MOLE VILLAGE 1	488424250	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LA MOLE VILLAGE 2	488423724	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LA MOLE VILLAGE 3	488424185	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LA MOLE VILLAGE 4	488423807	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LA MOLE VILLAGE 5	488423310	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LA MOLE VILLAGE 6	488423260	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI RIMBAUD	493564660	NI	0.0%	0.0%	PC	49.9%	50.0%

SCCV LA TESTE VERDUN	521333666	FC	69.9%	100.0%	FC	69.8%	100.0%
SNC LAENNEC RIVE GAUCHE	449 666 114	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI LE CHESNAY 3/9 RUE CARUEL	483129821	NI	0.0%	0.0%	PC	29.9%	30.0%
SCI LE CHESNAY LA FERME	485387286	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV MASSY COGFIN	515231215	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI LE DOMAINE DE PEYHAUTE	491112801	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV LE PARADISIO	537797649	FC	89.9%	100.0%	FC	89.8%	100.0%
SCI PLESSIS ROBINSON	490892627	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI LEHENA	487506529	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV LES COLORIADES	538153248	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV TOULOUSE GUILHEMERY	512568007	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV DOUVAINE - LES FASCINES	514276369	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LES FELIBRES	531317220	FC	99.9%	100.0%	FC	59.8%	100.0%
SCI PIERRE DUPONT N°16 LYON	428092118	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI LES HAUTS DE FORTUNE	483855524	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI LES HAUTS DE RAMONVILLE	445378078	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV JEAN MOULIN 23 LES LILAS	490158839	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI PHOCEENS	483115404	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC LES ROSES DE CARROS	524599388	PC	49.9%	50.0%	PC	49.9%	50.0%
SAS LEVALLOIS 41-43 CAMILLE PELLETAN	489473249	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI LEVALLOIS ILOT 4.1	409853165	FC	49.9%	100.0%	FC	49.9%	100.0%
SCI 65 LACASSAGNE - LYON 3	451783732	FC	71.4%	100.0%	FC	71.3%	100.0%
SCI 85BIS A 89BIS RUE DU DAUPHINE	429641434	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC NOVEL GENEVE - LYON 6	481997609	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC LYON 6 -145 RUE DE CREQUI	442179826	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV RUE JEAN NOVEL - LYON 6	490160785	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV LYON 7 - 209 BERTHELOT	750698300	FC	59.9%	100.0%	NI	0.0%	0.0%
SCCV TUILERIES - LYON 9	452819725	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC DU MAINE	502513013	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI MAISONS ALFORT VILLA MANSART	443937040	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV MALAKOFF DUMONT	752776591	FC	59.9%	100.0%	NI	0.0%	0.0%
SCCV MALAKOFF LAROUSSE	514145119	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC ALTA CRP MANTES LE JOLIE	490886322	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI MARSEILLE 514 MADRAGUE VILLE	482119567	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC MARSEILLE 275/283 PRADO	479898496	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI COTE PARC	447789595	FC	57.9%	100.0%	FC	57.9%	100.0%
SCCV MARSEILLE SERRE	528065618	FC	69.9%	100.0%	FC	69.8%	100.0%
SCI MARSEILLE 2 ME EVECHE SCHUMANN	482568235	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV PROVENCE BORELLY	503396582	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV MASSY PQR	521333930	FC	74.9%	100.0%	FC	74.8%	100.0%
SCCV MASSY MN	521333476	PC	49.9%	50.0%	PC	49.9%	50.0%
SAS MB TRANSACTIONS	425039138	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC PRESTFCE	439921198	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV MERFCNAC CHURCHILL	498686856	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV MEUDON HETZEL CERF	518934690	FC	50.9%	100.0%	FC	50.9%	100.0%
SCI VAUGIRARD MEUDON	441990926	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV - ESPACE ST MARTIN	493348007	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI NANTERRE-ST MAURICE	481091288	FC	71.4%	100.0%	FC	71.3%	100.0%
SNC NANTES CADENIERS	500650981	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV NANTES RENNES & CENS	752249482	PC	49.9%	50.0%	NI	0.0%	0.0%
SCCV NANTES RUSSEIL	514480557	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI BAGATELLE 5 NEUILLY	479223356	NI	0.0%	0.0%	PC	49.9%	50.0%
SCCV BOURDON CHAUVEAU NEUILLY	489104125	FC	69.9%	100.0%	FC	69.8%	100.0%
SCCV BOURDON 74 NEUILLY	492900741	FC	69.9%	100.0%	FC	69.8%	100.0%
SCCV 66 CHAUVEAU NEUILLY	507552040	PC	49.9%	50.0%	PC	49.9%	50.0%
SAS NEUILLY EDOUARD NORTIER	450755277	NI	0.0%	0.0%	PC	49.9%	50.0%
SNC PLUTON / NICE PASTORELLI	494925662	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI VICTORIA CIMIEZ	420745820	FC	49.9%	100.0%	FC	49.9%	100.0%

SCI FRATERNITE MICHELET A NOISY LE SEC	504969692	FC	49.9%	100.0%	FC	49.9%	100.0%
SNC CHERCHE MIDI 118 PARIS 6e	423192962	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COUR SAINT LOUIS	531197176	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC PARIS 11e PASSAGE SAINT AMBROISE	479985632	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI BOUSSINGAULT 28/30	452167554	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI BRILLAT SAVARIN 86 PARIS XIII	487504300	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI PARIS XIII CHAMP DE L'ALOUETTE	484883160	NI	0.0%	0.0%	PC	49.9%	50.0%
SCCV PARIS CAMPAGNE PREMIERE	530706936	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC MURAT VARIZE	492650288	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV PARIS 19 MEAUX 81 -83	537989667	FC	59.9%	100.0%	FC	59.8%	100.0%
SAS PARIS 8E 35 RUE DE PONTHIEU	477630057	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI PENITENTES	379799745	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV PESSAC MADRAN	443702790	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV CACHAN GABRIEL PERI 1	537407140	FC	89.9%	100.0%	FC	89.8%	100.0%
SCI ROTONDE DE PUTEAUX	429674021	PC	33.3%	33.3%	PC	33.2%	33.3%
SAS QUARTIER ANATOLE FRANCE	428711709	PC	33.3%	33.3%	PC	33.2%	33.3%
SCI LE CLOS DES LAVANDIERES	483286191	FC	79.7%	100.0%	FC	79.6%	100.0%
SNC REPUBLIQUE	443802392	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI DU RIO D'AURON	443924774	FC	59.9%	100.0%	FC	59.8%	100.0%
SCCV RIVES D'ALLAUCH	494440464	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC RIVIERE SEINE	502436140	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV COEUR DE LA BOUVERIE	490874021	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC RUEIL CHARLES FLOQUET	481339224	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI ST-CLOUD 9/11 RUE DE GARCHES	444734669	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI VILLA DAUPHINE	483192126	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI LES CELESTINES	481888196	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV PHOENIX	487776551	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV SAINT MANDE MOUCHOTTE	529452773	PC	49.9%	50.0%	PC	49.9%	50.0%
SARL LES JARDINS DE DAUDET	444326797	PC	37.4%	37.5%	PC	37.4%	37.5%
SCI DOMAINE DE MEDICIS	450964465	FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV SAINTE MARGUERITE	501662233	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI SALON DE PROVENCE - PILON BLANC	488793381	FC	99.9%	100.0%	FC	99.7%	100.0%
SAS GERMAIN ROULE	482598836	NI	0.0%	0.0%	PC	49.9%	50.0%
SAS ROURET INVESTISSEMENT	441581030	FC	99.9%	100.0%	FC	99.7%	100.0%
SAS SEINE AULAGNIER	504687013	PC	33.3%	33.3%	PC	33.2%	33.3%
SCCV ANTONY GRAND PARC 2	752973818	FC	50.9%	100.0%	NI	0.0%	0.0%
SCCV ANTONY GRAND PARC HABITAT 1	524010485	FC	50.9%	100.0%	FC	50.9%	100.0%
SNC BAUD MONT - BAUD RIVAGE	501222038	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV CARTOUCHERIE ILOT 1.5 A	790832190	PC	49.9%	50.0%	NI	0.0%	0.0%
SCCV FONTAINE DE LATTES	EN COURS	FC	50.9%	100.0%	NI	0.0%	0.0%
SCCV HOUILLES SEVERINE	522144609	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV L'ESTEREL	489868125	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LYON 7 - GIRONDINS	509685996	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV MASSY COLCOGE	504685884	FC	79.9%	100.0%	FC	79.8%	100.0%
SCCV NANTES NOIRE	501030209	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV NICE GOUNOD	499315448	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV SAINT ORENS LE CLOS	515347953	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV TASSIN CONSTELLATION	499796159	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV VILLENAVE COIN	501017008	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI ALBI GARE	445377740	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI COGIMMO	480601509	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI LE CLOS PASCAL A VILLEURBANNE 69	500649207	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI LES CELESTINS A OULLINS 69	500797121	EM	39.9%	40.0%	EM	39.9%	40.0%
SCI LES OPALINES	413093170	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI LES ROMANESQUES	498640689	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI MURET CENTRE	445378730	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI PAMIERS LESTRADE	445378532	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI SAINT JEAN PYRENEES	445378094	NI	0.0%	0.0%	FC	99.7%	100.0%

SCCV HANOI GUERIN	499516151	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI SERRIS QUARTIER DU PARC	444639926	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC CARLES VERNET SEVRES	485288450	NI	0.0%	0.0%	PC	49.9%	50.0%
SCCV SEVRES FONTAINES	7897457538	FC	79.9%	100.0%	NI	0.0%	0.0%
SCCV SEVRES GRANDE RUE	531294346	FC	50.9%	100.0%	FC	50.9%	100.0%
SNC A.G. INVESTISSEMENT	342912094	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC ALTAREA HABITATION	479108805	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC ALTAREA INVESTISSEMENT	352320808	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC LA BUFFA	394940183	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC COGEDIM EFPCROM	388620015	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM ATLANTIQUE	501734669	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM CITALIS	450722483	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM DEVELOPPEMENT	318301439	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM GRAND LYON	300795358	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM GRENOBLE	418868584	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM LANGUEDOC ROUSSILLON	532818085	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM MEDITERRANEE	312347784	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM MIDI-PYRENEES	447553207	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM PATRIMOINE	420810475	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM RESIDENCE	319293916	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM SAVOIES-LEMAN	348145541	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM TRADITION	315105452	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM VENTE	309021277	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC CORESI	380373035	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC CSI	751560483	FC	99.9%	100.0%	NI	0.0%	0.0%
SNC DU RHIN	501225387	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC COGEDIM GESTION	380375097	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC PROVENCE L'ETOILE	501552947	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC RIVIERA - VILLA SOLANA	483334405	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC VILLEURBANNE CAMBON COLIN	508138740	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC SOISY AVENUE KELLERMANN	497809541	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV SAINT HERBLAIN PLAISANCE	498619444	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI RESIDENCE LE RECITAL	498594571	NI	0.0%	0.0%	PC	49.9%	50.0%
SCCV ST OUEN LES COULEURS DU PARC	789712528	FC	92.3%	100.0%	NI	0.0%	0.0%
SCCV SAINT-OUEN ARAGO	493291843	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV TERRA MEDITERRANEE	503423782	FC	99.9%	100.0%	FC	99.7%	100.0%
SYNDECO SAS	790128433	FC	99.9%	100.0%	NI	0.0%	0.0%
SNC DANUBE	483158382	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI 123 AV CH. DE GAULLE	420990889	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV THONON - CLOS ALBERT BORDEAUX	512308404	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV FRIOUL / ST MUSSE	493464440	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV RIOU	490579224	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV BRUNHES MAGNOLIA	490050176	NI	0.0%	0.0%	FC	99.7%	100.0%
SNC FONTAINES D'ARENES	484663349	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV LABEGE MALEPERE	490050523	NI	0.0%	0.0%	FC	99.7%	100.0%
SNC MARENGO LIBRE ECHANGE	484664818	NI	0.0%	0.0%	FC	99.7%	100.0%
SCI LE PARC DE BORDEROUGE	442379244	PC	39.9%	40.0%	PC	39.9%	40.0%
SNC 136 ROUTE D'ALBI	484643150	NI	0.0%	0.0%	FC	99.7%	100.0%
SNC ROSERAIE LUCHET	484639919	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV SAINTE ANNE	499514420	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV TOULOUSE HARAUCOURT	501635437	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV TOULOUSE HEREDIA	507489375	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC TOULOUSE BERTILLON	494423312	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV TOULOUSE BUSCA	511512071	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC TOURNEFEUILLE HAUTES RIVES	484639471	NI	0.0%	0.0%	FC	99.7%	100.0%
SCCV VALLEIRY LE VERNAY	750744575	FC	69.9%	100.0%	NI	0.0%	0.0%
SCI VANVES MARCHERON	484740295	PC	37.4%	37.5%	PC	37.4%	37.5%
SCCV VANVES BLEUZEN	513178830	PC	49.9%	50.0%	PC	49.9%	50.0%

SNC VAUBAN	501548952	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC PROVENCE LUBERON	520030206	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV LC2 -VENISSIEUX	532790052	EM	15.0%	15.0%	EM	15.0%	15.0%
SNC VERCO	504664798	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC LES AQUARELLES	492952635	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC VAUGRENIER1214 V.LOUBET	434342648	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC VILLEURBANNE LA CLEF DES PINS	961505641	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC CARNOT	433906120	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC D'ALBFCNY	528661721	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI CIRY-VIRY	490793221	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC VOREPPE - AV. STALINGRAD	490461423	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC WAGRAM	500795034	FC	99.9%	100.0%	FC	99.7%	100.0%
Office (Cogedim)							
SCCV ASNIERES ALPHA	529222028	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV BALMA ENTREPRISE	524105848	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC ISSY 25 CAMILLE DESMOULINS	390030542	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI CLICHY EUROPE	434060133	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI CLICHY EUROPE 3	435402755	NI	0.0%	0.0%	PC	49.9%	50.0%
SARL CLICHY EUROPE 4	442736963	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC COEUR D'ORLY PROMOTION	504160078	PC	49.9%	50.0%	PC	49.9%	50.0%
SAS COGEDIM OFFICE PARTNERS	491380101	EM	16.4%	16.5%	EM	16.4%	16.5%
SNC EUROMED CENTER	504704248	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC ISSY FORUM 10	434108767	PC	33.3%	33.3%	PC	33.2%	33.3%
SNC FORUM 11	434070066	PC	33.3%	33.3%	PC	33.2%	33.3%
SNC ISSY 11.3 GALLIENI	492450168	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI ISSY FORUM 13	481212357	NI	0.0%	0.0%	PC	49.9%	50.0%
SCI LEVALLOIS ANATOLE FRANCE FRONT DE SEINE	343926242	FC	84.9%	100.0%	FC	84.8%	100.0%
SCI AXE EUROPE LILLE	451016745	PC	44.9%	45.0%	PC	44.9%	45.0%
SCCV LYON 3 - LABUIRE	491187019	FC	99.9%	100.0%	FC	99.7%	100.0%
SCI LILAS G	485122402	NI	0.0%	0.0%	PC	39.9%	40.0%
SNC ROBINI	501765382	PC	49.9%	50.0%	PC	49.9%	50.0%
SCCV SAINT ETIENNE - ILOT GRUNER	493509723	FC	99.9%	100.0%	FC	99.7%	100.0%
SARL ASNIERES AULAGNIER	487631996	PC	49.9%	50.0%	PC	49.9%	50.0%
SAS ALTA RICHELIEU	419671011	FC	99.9%	100.0%	FC	99.7%	100.0%
SAS CLAIRE AULAGNIER	493108492	FC	94.9%	100.0%	FC	94.8%	100.0%
SAS COP BAGNEUX	491969952	EM	16.4%	16.5%	EM	16.4%	16.5%
SAS COP MERIDIA	493279285	EM	16.4%	16.5%	EM	16.4%	16.5%
SAS LIFE INTERNATIONAL COGEDIM	518333448	FC	50.0%	100.0%	FC	50.0%	100.0%
SCI COP BAGNEUX	492452982	EM	16.4%	16.5%	EM	16.4%	16.5%
SCI COP MERIDIA	493367429	EM	16.4%	16.5%	EM	16.4%	16.5%
SNC COGEDIM ENTREPRISE	424932903	FC	99.9%	100.0%	FC	99.7%	100.0%
SNC SAINT-DENIS LANDY 3	494342827	PC	49.9%	50.0%	PC	49.9%	50.0%
SNC DU PARC INDUSTRIEL DE SAINT-PRIEST	443204714	FC	79.9%	100.0%	FC	79.8%	100.0%
SCCV BLAGNAC GALILEE	501180160	FC	99.9%	100.0%	FC	99.7%	100.0%
SCCV TOULOUSE GRAND SUD	499468510	PC	49.9%	50.0%	PC	49.9%	50.0%
SCI ZOLA 276 - VILLEURBANNE	453440695	FC	74.9%	100.0%	FC	74.8%	100.0%

5.2. Changes in Group structure

FY 2012

The Group structure of consolidated operations included 416 companies at December 31, 2012, compared with 451 companies at December 31, 2011.

The scope of consolidated operations expanded with the addition of 26 companies: one by acquisition, Gallieni Bongarde (land in Villeneuve-la-Garenne), and 25 newly created, including Montigny Newton (Mercedes project), Acepinvest3 and AltaFund collective investment scheme (OPCI), subsidiaries of AltaFund Value Add I.

In addition, the method of consolidation was changed (from proportionate to full consolidation) for three companies because the Group took a controlling interest during the financial year: SCCV Bagneux Blaise Pascal, in residential property development (held at 100% at the close of the year), and Alta Blue and its subsidiary Aldeta, in brick-and-mortar retail, whose control and governance were restructured at the end of the financial year.

Acquisition of Alta Blue and its subsidiary Aldeta, owner of the Cap 3000 regional shopping center near Nice, in Saint-Laurent-du-Var

After the decision to begin assessment studies for an expansion of the shopping center, and the subsequent decision to fund Alta Blue with adequate capital for the project, all of the agreements signed in July 2010 with APG and Predica for the governance of Alta Blue and Aldeta, the owner of the shopping center, were revised. Consequently, Altarea took a controlling interest in Alta Blue and its subsidiary Aldeta. After these transactions, the Group, in addition to its role as developer, increased its stake by 28.43%, and now holds 61.77% of Alta Blue, alongside Predica (33.33%) and APG (4.90%). Altarea Cogedim financed these transactions partially through Altarea SCA's issuance of perpetual subordinated debt subscribed by APG and whose yield is indirectly indexed to the performance of the Cap 3000 shopping center. The impact on the Group's consolidated financial position is significant, especially as concerns investment properties and equity attributable to non-controlling interests of subsidiaries (see the consolidated statement of changes in equity). Because the controlling interest was taken mid-December 2012, near the end of the financial year, and because the impact was insignificant, profit and loss were recognized throughout 2012 in accordance with proportionate consolidation on the basis of one-third. If the transaction had occurred on January 1, 2012, the Group's rental income would have amounted to €180.7 million, with the Group's net profit unchanged.

Increased equity interest in RueduCommerce

The Group also increased its stake in RueduCommerce by completing the takeover launched in October 2011. The acquisition became definitive—through the issuance of shares after stock options were exercised in H1 2012, minus treasury stock—resulting in ownership of 96.99% of the capital via its subsidiary Altacom, which was 80% owned by the Group on the acquisition date. At the end of the year, the Group purchased the remaining 20% share of Altacom held by the founding partners (see note 6 "Business combinations," the consolidated statement of changes in equity, and note 10 "Notes to the statement of cash flows – Acquisitions of consolidated companies").

Lastly, 61 companies were removed from the Group structure. Twenty-eight were wound up, thirty merged (transfer of all assets and liabilities), and three were sold (8'33 and Holding Lumières, which had previously been accounted for by the equity method, and Alta Crp Rambouillet, which owns a small building) on February 27, June 13, and June 18, 2012, respectively.

FY 2011

The Group structure of consolidated operations included 451 companies at December 31, 2011, compared with 437 companies at December 31, 2010.

Forty-three companies were consolidated for the first time, including nine acquisitions and thirty-four newly created companies. The most significant were:
- RueduCommerce (see note 6 "Business combinations");
- AltaFund Value Add I and its subsidiaries, through a 16.67% equity interest in an office-property investment fund created in partnership with other investors; and the wholly owned AltaFund GP, which is the aforementioned fund's management company and general partner;
- other companies consolidated for the first time were program-development companies and related service providers.

Twenty-nine companies were removed from the Group structure of consolidated operations in the period: twelve merged, fifteen wound up, one deconsolidated, and one sold.

The method of consolidation was changed for five companies. Four companies moved from proportionate consolidation to full consolidation (SCCV Antony Grand Parc, SAS Life International, SCCV MeudonHetzel, SCCV Salon-de-Provence–Pilon Blanc) because of changes in governance conferring control to the Company. One moved from the equity method to proportionate consolidation (SCCV Asnières Alpha) because of a change in governance that resulted in joint control.

6. BUSINESS COMBINATIONS

In December 2011, Altarea took a controlling interest in RueduCommerce after several blocks of shares were exchanged on December 12, 2011, pursuant to agreements signed on October 27, 2011.

At the same time, Altarea Cogedim launched a friendly takeover bid and filed a preliminary offer on October 27. On February 21, 2012, the French securities regulator, AMF (*Autorité des Marchés Financiers*), published the results of the exchange offer, revealing that Altacom held 96.54% of the share capital in RueduCommerce.

In the first half of 2012, employees exercised stock options and simultaneously sold (over the counter) the newly issued 40,475 shares to Altarea Cogedim, at €9 per share, or the price of the takeover offer (see note 10 "Cash and cash equivalents").

Subsequent to the transactions relating to the acquisition of RueduCommerce, Altacom held 96.99% of the Company's share capital, after deduction of treasury stock.

The acquisition cost, in € millions, amounted to:

Calculation of acquisition cost	RueduCommerce
Cost of acquiring securities (excl. acquisition costs)	98.1
Acquisition cost	**98.1**

The Company chose to recognize full goodwill. The acquiree's total net asset value, including noncontrolling interests, had been measured at fair value.

On the acquisition date, the fair value of identifiable assets and liabilities and their corresponding book value were determined as follows:

Balance sheet of RueduCommerce on the acquisition date	Fair value (definitive amounts)	Book value
Brand	35.5	
Software	7.4	
Other non-current assets	1.8	1.8
Current assets	67.8	67.0
Cash and cash equivalents	28.8	28.8
Total Assets	**141.3**	**97.6**
Provision for contingencies	3.5	
Deferred taxes for intangibles and identified provisions	13.6	
Other non-current liabilities	0.5	0.5
Current liabilities	60.5	60.5
Overdrafts	–	–
Total liabilities	**78.1**	**61.0**
Net asset value	**63.2**	**36.6**
Goodwill (100%)	37.9	
Equity value at acquisition date	**101.1**	
Share of RueduCommerce's direct noncontrolling interests (100-96.99=3.01%)	3.0	
Acquired net assets	**98.1**	

The principal performance indicators of the acquiree break down as follows for the 12-month periods of 2011 and 2012:

RueduCommerce income statement	2012	2011
In € millions		
Revenues	**423.2**	**383.7**
Retail and other revenue	315.7	289.0
COGS	(289.0)	(261.3)
Net charge to provisions for risks and contingencies	(2.3)	(0.8)
Retail margin	**24.4**	**26.9**
Margin	**7.7%**	**9.3%**
Revenues from *Galerie Marchande*	107.5	94.7
Galerie Marchande commissions	**9.4**	**7.5**
Commission rate	**8.7%**	**7.9%**
Net overhead expenses	(40.2)	(28.8)
EBITDA	**(6.4)**	**5.6**

Following the example of major retail groups, Altarea Cogedim has become the leading multi-channel property company through its efforts to integrate the internet in the consumer cycle. This positioning requires the development of synergies between brick-and-mortar and online retail formats. In 2012, significant expenditure for technical requirements (overhaul of website and creation of a mobile application), marketing, and human resources (hiring of more than 80 persons, some experts) was undertaken to shore up business and expedite development of the *Galerie Marchande*. In the short term, these investments, which under IFRS are expensed in the same period, had a negative impact on EBITDA.

If RueduCommerce had been acquired on January 1, 2011, Altarea Cogedim group's reported revenues would have been €1.4096 billion, including €296.5 million generated by RueduCommerce.

7. IMPAIRMENT OF ASSETS UNDER IAS 36

7.1. Goodwill arising from the acquisition of Cogedim

FY 2012

In a significantly weakened new-housing market (sales down nearly 25% in Q3 2012 year on year, according to the FPI report of December 2012) attributable to the difficult economic and financial environment and to the extreme cautiousness of consumers (unemployment above 10%, additional and broader governmental austerity measures), Cogedim saw reservations decline from €1.205 billion (incl. tax) to €861 million, a decrease of 29%, in line with the market. Cogedim's market share was maintained. At December 31, 2012, the residential backlog[10] amounted to €1.414 billion (excl. tax), or 18 months of revenue, providing Altarea Cogedim with excellent visibility for future results in this segment. To meet the challenges of a macroeconomic environment whose medium-term outlook is extremely positive because of steady demand (the shortage of new housing units in France is estimated at 1 million), the Residential property division was restructured for even greater flexibility. Completed property stock is almost zero and investment criteria are strictly applied[11]. The portfolio of land under preliminary sales agreements amounts to €3.5 billion, or 48 months of business. The product range has been expanded and modernized in order to promote entry- and mid-level products, thereby satisfying requirements of the existing market and preparing for government incentives to come.

In a market still weaker than last year's (€11 billion transacted in France, a decline of 8% year on year), the office property division has not yet returned to pre-2008 performance levels. At December 31, 2012, the backlog of forward sales / property-development contracts amounted to €176,9 million, higher than the backlog a year earlier.

The main assumptions used in the valuation of these assets were:

- a discount rate of 11.2%;
- free cash flow over the business plan is based on assumptions regarding business volumes and the level of operating margin, which take account of economic and market forecasts in place at the time of preparation;
- the terminal values of the residential and office property divisions (excl. the AltaFund investment fund) were calculated using a growth rate from 2017 of 1.5% and a return on capital employed (ROCE) of between 14.2% and 18.2%.

At December 31, 2012, on the basis of the aforementioned assumptions, the fair values of the operating assets of the Residential and Office property divisions were greater than their book values on the same date, irrespective of the ROCE rates used. No impairment charge was recognized.

Changes to the assumptions used that management deems reasonable—namely, a growth rate of 1% instead of 1.5% and a discount rate of 12.2% instead of 11.2%—would result in valuations for operating assets (adjusted where necessary in the Office segment for the value of speculative buildings when there is a strong probability that they will be sold in the near or medium term) including intangible assets and goodwill of the Residential and Office segments exceeding their carrying values at December 31, 2012, on the basis of an ROCE of between 14.2% and 18.2%.

Goodwill of €15 million was allocated to the brick-and-mortar shopping-center segment to reflect synergies from the Cogedim acquisition. For the segment's going-concern net asset value, this goodwill was tested separately for impairment.

Goodwill recognized at December 31, 2012, for the Cogedim acquisition is unchanged from the prior year, at €128 million.

FY 2011

As a result of the separation of the operating segment for third-party development into two segments, Residential and Office, Cogedim's goodwill of €113 million was allocated in accordance with relative and perspective values. This goodwill has been reallocated, with €104 going to Residential and €9 million going to Offices (excl. AltaFund).

In this new segment-reporting environment, the Company has carried out two impairment tests. These tests compare the book value of operating assets, including intangible assets and goodwill from the Residential and Offices (excl. AltaFund) segments, to the enterprise value of the same segments, as appraised by the independent firm Accuracy. The brand (net of tax) is allocated directly to the Residential segment.

In a more sluggish market, Altarea Cogedim's Residential property division continued to gain market share, with reservations[12] for new housing units of €1.205 billion (incl. tax) in 2011, up 14% excluding the exceptional impact of the Laennec program for reservations of €52 million 2011, compared with €280 million in 2010. At December 31, 2011, the residential backlog[13] amounted to €1.62 billion (excl. tax), or 24 months of sales, providing Altarea Cogedim with excellent visibility for future results in this segment. To meet the challenges of a highly volatile macroeconomic environment, the Residential property division was restructured for greater flexibility

(10) *The backlog (or order book) comprises revenues (excl. tax) from notarized sales to be recognized on a percentage-of-completion basis, and individual and block sales to be notarized.*

(11) *Pre-let rate of at least 50% before acquisition of land and proven take-up rate.*

(12) *Reservations represent preliminary sales agreements for a given period signed by customers for property units.*

(13) *The backlog (or order book) comprises revenues (excl. tax) from notarized sales to be recognized on a percentage-of-completion basis, and individual and block sales to be notarized.*

in all market conditions. Consequently, completed property stock is almost zero and investment criteria[14] are applied strictly. The portfolio of land under preliminary sales agreements is more than €3.0 billion, or 30 months of business, and the product range has been expanded and modernized.

In a market still in recovery, the Office property division has not yet returned to its pre-2008 performance level. Despite the forecast shortage of new office space for 2012-2013, few programs were launched in an environment of still-unstable rental values and sluggish take-up. At December 31, 2011, the backlog amounted to €157 million, or 18 months of sales.

The main assumptions used in the valuation of these assets were:

- a discount rate of 11.2%;
- free cash flow over the business plan is based on assumptions regarding business volumes and the level of operating margin, which take account of economic and market forecasts in place at the time of preparation;
- the terminal values of the Residential and Office property divisions (excl. the AltaFund investment fund) were calculated using a growth rate from 2016 of 1.5% and a return on capital employed (ROCE) of between 14.2% and 18.2%.

At December 31, 2011, on the basis of the aforementioned assumptions, the fair values of the operating assets of the Residential and Office property divisions were greater than their book values on the same date, irrespective of the ROCE rates used. No impairment charge was recognized.

Changes to the assumptions used that management deems reasonable—namely, a growth rate of 1% instead of 1.5% and a discount rate of 12.2% instead of 11.2%—would result in valuations for operating assets including intangible assets and goodwill of the Residential and Office segments exceeding their carrying values at December 31, 2011, on the basis of an ROCE of between 14.2% and 18.2%.

Goodwill of €15 million was allocated to the brick-and-mortar shopping-center segment to reflect synergies from the Cogedim acquisition. For the segment's going-concern net asset value, this goodwill was tested separately for impairment.

Goodwill recognized at December 31, 2011, for the Cogedim acquisition is unchanged from the prior year, at €128 million.

7.2. Goodwill arising from the acquisition of RueduCommerce

In France, online sales of products and services reached €45 billion in 2012, compared with €37.7 billion in 2011, up 19% in a context of declining household consumption (-2.9% in 2012).

In a highly competitive environment (the number of online retail sites in France grew from approximately 100,000 in 2011 to 117,500 in 2012, while large retailers reinforced their positions in this market with their own sites), RueduCommerce revenue grew a respectable 10%. RueduCommerce's marketplace, the *Galerie Marchande*, grew by 14%, with commission rates up a healthy 0.8 points. Meanwhile the company's own retail sales grew by 9% in a recessionary market, with high-tech products leading the way. RueduCommerce maintained its ranking of 8th place among general retailer in France, as measured by the monthly number of unique visitors (i.e., the number of internet shoppers who have visited the site at least once during a one-month period) (source: Médiamétrie//Netrating for the period January-November 2012). The conversion rate (ratio of number of orders to number of unique visitors) was stable.

As a result of the significant expenditures (e.g., website, mobile applications, marketing, and hiring of numerous employees, particularly experts) carried out in 2012 and expensed in the same period, the company showed an operating loss. These investments are intended to boost RueduCommerce's revenues significantly over the next few years, particularly the *Galerie Marchande*, by expanding the number of merchants and global offer. Another objective is to break even in the medium term.

At slightly more than a year after the acquisition of RueduCommerce, and in a context of massive change, Altarea Cogedim has not yet finalized a medium-term business plan that includes an assessment of all expected developments. Furthermore, with no indication of business-impairment loss, and given the impossibility of assessing the value in use of this "Online retail" cash-generating unit, no impairment of RueduCommerce's book value was recognized at December 31, 2012. At December 31, 2012, one year after its acquisition, RueduCommerce was valued in Group financial statements at the purchase price minus the loss recognized for 2012. This valuation takes into account the amortization of the brand and of software identified at the time of acquisition.

See note 6 "Business combinations," particularly concerning business-performance indicators.

7.3. Brands

Cogedim brand

A valuation of the Cogedim brand at the acquisition date (July 2007) was conducted by an independent appraiser. The brand was tested for impairment both individually and with the Residential CGU (see the preceding section).

(14) *Pre-let rate of at least 50% before acquisition of land.*

RueduCommerce brand

The RueduCommerce brand was tested for impairment by an independent appraiser at the acquisition date (December 2011). No impairment loss that might compromise the value of this brand, which belongs to the Retail CGU, was detected (see section 7.2).

In a new, volatile, and highly competitive market, this brand has an expected life of ten years and therefore is amortized over this length of time. An amortization was recognized for the period.

7.4. Investment assets under development and construction valued at cost

Investment assets under development and construction valued at cost relate to the shopping-center development business.

The principal uncertainties surrounding the development and construction of these assets are linked to the award of administrative permits and to delays in the start-up or marketing of projects when economic conditions become less favorable.

The group monitors investment assets under development and construction according to phase of completion: the design stage, the "secured" phase (when the project is fully secured and a purchase option has been obtained on the land), the phase when all administrative permits have been obtained (business and land-use authorizations and building permits), and the pre-letting and construction phase.

At the end of the reporting period, no impairment loss had been recognized for projects other than what had previously been recognized in the financial statements. The production cost of these projects remains less than the forecast value of the properties. The value is determined on the basis of internal five-year business plans that are reviewed by management at regular intervals. The method used is capitalization of rental revenues. The capitalization rates used to determine property values are those observed in the market.

FY 2011 and 2012

At the end of these financial years, net impairment losses for investment properties corresponded to depreciation of shopping-center projects suspended or discontinued.

See note 8.3 "Investment properties and assets held for sale" and note 9.6 "Other components of operating profit."

8. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8.1. Intangible assets

Gross (in € millions)	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold right	Other	Total	
At January 1, 2011	**368.3**	**66.6**	**181.6**	**9.8**	**2.3**	**0.1**	**12.2**	**628.6**
Acquisitions	–	–	–	2.0	–	0.1	2.1	2.1
Disposals / write-offs	–	–	–	(0.2)	(0.1)	(0.0)	(0.3)	(0.3)
Transfers	–	–	–	–	–	–	–	–
Changes of accounting method	–	–	–	–	–	–	–	–
Changes in scope of consolidation	64.4	–	–	(0.0)	–	3.5	3.5	67.9
At December 31, 2011	**432.7**	**66.6**	**181.6**	**11.6**	**2.2**	**3.7**	**17.5**	**698.3**
Acquisitions	–	–	–	2.2	–	0.4	2.6	2.6
Disposals / write-offs	–	–	–	(0.5)	–	–	(0.5)	(0.5)
Transfers	(42.9)	35.5	–	7.5	–	(0.2)	7.4	(0.0)
Changes of accounting method	–	–	–	–	–	–	–	–
Changes in scope of consolidation	16.4	–	–	(0.1)	–	0.1	0.0	16.5
At December 31, 2012	**406.2**	**102.1**	**181.6**	**20.7**	**2.2**	**4.0**	**26.9**	**716.8**

Impairment losses (in € millions)	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold right	Other	Total	
At January 1, 2011	**(239.6)**	**–**	**(181.6)**	**(7.0)**	**(0.9)**	**(0.0)**	**(7.9)**	**(429.1)**
Impairment, depreciation and amortization	–	–	–	(1.3)	(0.2)	(0.0)	(1.6)	(1.6)
Reversals / Disposals	–	–	–	0.2	0.1	–	0.3	0.3
Transfers	–	–	–	–	–	–	–	–
Changes of accounting method	–	–	–	–	–	–	–	–
Changes in scope of consolidation	–	–	–	–	–	(3.1)	(3.1)	(3.1)
At December 31, 2011	**(239.6)**	**–**	**(181.6)**	**(8.1)**	**(1.0)**	**(3.2)**	**(12.3)**	**(433.5)**
Impairment, depreciation and amortization	–	(3.6)	–	(3.3)	(0.2)	(0.1)	(3.6)	(7.2)
Reversals / Disposals	–	–	–	0.5	–	–	0.5	0.5
Transfers	–	–	–	–	–	0.0	0.0	0.0
Changes of accounting method	–	–	–	–	–	–	–	–
Changes in scope of consolidation	–	–	–	(0.0)	–	–	(0.0)	(0.0)
At December 31, 2012	**(239.6)**	**(3.6)**	**(181.6)**	**(10.9)**	**(1.3)**	**(3.2)**	**(15.4)**	**(440.1)**

	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold right	Other	Total	
Net values at 01/01/2011	128.7	**66.6**	–	2.8	1.4	0.1	**4.3**	**199.6**
Net values at 01/01/2012	193.1	**66.6**	–	3.5	1.1	0.5	**5.2**	**264.9**
Net values at 12/31/2012	166.6	**98.6**	–	10.2	0.9	0.5	**11.5**	**276.7**

Provisional goodwill for 2011 totaling €64.4 million attributable to the acquisition of RueduCommerce was adjusted in 2012 to a net amount of €37.9 million following partial appropriation to the brand (€35.5 million) and software (€7.4 million.) The remainder of goodwill concerns Cogedim SAS for €128 million and Altarea France for €0.7 million.

The RueduCommerce brand is amortized over 10 years as of January 1, 2012, while software is amortized over 5 years.

8.2. Tangible assets

In € millions	Land and buildings	Other tangible assets	Total Gross	Amortization	Net
At January 1, 2011	**3.0**	**21.5**	**24.5**	**(12.3)**	**12.2**
Acquisitions / Allowances	–	1.5	**1.5**	(2.9)	**(1.3)**
Disposals / Reversals	0.0	(2.0)	**(2.0)**	1.9	**(0.1)**
Transfers	(0.0)	0.2	**0.2**	0.9	**1.0**
Changes in scope of consolidation	–	5.2	**5.2**	(4.1)	**1.1**
At December 31, 2011	**3.0**	**26.4**	**29.4**	**(16.6)**	**12.9**
Acquisitions / Allowances	–	2.0	**2.0**	(3.3)	**(1.3)**
Disposals / Reversals	(0.0)	(0.5)	**(0.5)**	0.3	**(0.2)**
Transfers	(0.0)	0.1	**0.1**	(0.1)	**0.0**
Changes in scope of consolidation	(0.0)	0.0	**0.0**	(0.0)	**(0.0)**
At December 31, 2012	**3.0**	**28.0**	**31.0**	**(19.6)**	**11.4**

At December 31, 2011 and 2012, other tangible assets consisted of:

- fixtures and fittings for the Group's head offices, and more particularly, the building on Avenue Delcassé (Paris, 8th arrondissement),
- the constituent assets of the Marriott hotel business franchise on Avenue de Wagram in Paris,
- RueduCommerce operating assets.

8.3. Investment properties and non-current assets held for sale

In € millions	Investment properties measured at fair value	Investment properties measured at cost	Non-current assets held for sale	Total investment properties and non-current assets held for sale
At January 1, 2011	**2,606.4**	**150.9**	**52.7**	**2,809.9**
Investments: Later expenditures capitalized	40.3	73.0	0.0	113.4
Change in apportion of benefits accorded to tenants	(1.7)	–	–	(1.7)
Disposals/Repayment of deposits	(52.4)	(1.4)	(46.7)	(100.5)
Net impairment / project discontinuation	–	(6.1)	–	(6.1)
Transfers to assets held for sale or to and from other categories	(42.6)	(21.3)	48.5	(15.3)
Change in fair value	75.4	–	0.8	76.1
At December 31, 2011	**2,625.5**	**195.0**	**55.3**	**2,875.8**
Investments: Later expenditures capitalized	95.2	26.0	1.1	122.2
Change in apportion of benefits accorded to tenants	(3.6)	–	–	(3.6)
Disposals/Repayment of deposits	(95.1)	(0.0)	(55.4)	(150.4)
Net impairment / project discontinuation	–	(0.4)	–	(0.4)
Transfers to assets held for sale or to or from other categories	71.0	(75.3)	3.7	(0.6)
Change in fair value	19.9	–	0.1	20.0
Change in scope of consolidation	324.3	17.8	0.0	342.1
At December 31, 2012	**3,037.3**	**163.0**	**4.8**	**3,205.1**

Over the period, financial expenses amounting to €4.5 million were capitalized in 2012 in respect of projects under development and construction (whether recognized at value or at cost) compared to €3.1 million in 2011.

Investment properties at fair value

IN 2012

The main changes over the period related to:
- Investments and expenditures for:
  - shopping centers under construction in Villeneuve-la-Garenne and Nîmes (completions forecast for Q1 2014 and Q1 2013, respectively);
  - redevelopment of zones inside shopping centers already open (Cap 3000 opened on June 28, 2012, after redevelopment of a 32,300-ft² (3,000-m²) mall with 12 new retailers; Bercy opened a refurbished FNAC on June 29) and/or expansions (Toulouse Gramont, for which a "drive" and an eastward extension of the existing center were completed on October 3, 2012);
  - acquisition of a C&A building shell in Flins.
- Disposals of a shopping center in Reims (asset held for sale at December 31, 2011), two shopping centers north of Bordeaux (Sainte Eulalie), and four small assets in Plaisir, Mantes, Echirolles, and Rambouillet.
- The change related to the consolidation rate corresponds to effects from the December 14, 2012 takeover of Alta Blue and its subsidiary that owns Cap 3000 (see note 5.2, "Changes in Group structure").

The weighted average capitalization rate[15] on values excluding transfer duties was 6.22% at December 31, 2012.

On the basis of a weighted average capitalization rate of 6.22%, a 25 bp increase in the capitalization rate would lower the value of investment properties by €105.2 million (-3.47%), while a 25 bp decrease in the capitalization rate would raise the value of investment properties by €114.9 million (+3.78%).

After nearly 15 years of legal proceedings, a decision of the Council of State on December 26, 2012, definitively granted SCI Bercy Village (owner of Bercy Village shopping center in Paris) a building permit for the construction of the shopping center it owns. This decision puts an end to the dispute regarding the legality of the initial authorizations for the Bercy Village shopping center. The decision had no impact on Group financial statements because at December 31, 2011, no provision had been set aside for this purpose.

IN 2011

The main changes over the period related to:
- investments and expenses for assets completed in 2010 and 2011 (in particular the Tourcoing and Thionville assets), and the amount for work on existing shopping centers (remodeling of Cap 3000 in Nice and redevelopment of Bercy Village in Paris).
- disposals of assets in Crêches-sur-Saône and Thionville.

The weighted average capitalization rate on values excluding transfer duties was 6.21% at December 31, 2011.

On the basis of a weighted average capitalization rate of 6.21%, a 25 bp increase in the capitalization rate would lower the value of investment properties by €111 million (-4.23%), while a 25 bp decrease in the capitalization rate would raise the value of investment properties by €101.7 million (+3.87%).

Investment properties measured at cost

Investment property measured at cost comprises properties under construction or development that do not meet the criteria set by the Group for assessing whether the fair value can be determined reliably (see note 1.9, "Investment properties").

IN 2012

Assets under construction or development measured at cost mainly concern the development projects of La Valette-du-Var, the Genoa port in Italy, the Cap 3000 extension project in Saint-Laurent-du-Var, and the initial costs for the major redevelopment planned for Massy that will require gradual voluntary departures.

Transfers mainly concern the classification of assets under construction (Villeneuve-la-Garenne and Nîmes) as investment property at fair value—in compliance with measurement criteria—and the Chambéry purchase option under assets held for sale.

Investments and expenses mainly concern:
- future shopping centers in Toulon la Valette, where construction is expected to begin in 2013, and Massy, whose retail spaces are being gradually vacated ahead of major redevelopment for which a CDAC (*Commission Départementale d'Aménagement Commercial*, the Departmental Retail Development Commission) permit has already been obtained;
- the cost of Altarea's exercising its call option for its full initial share of one-third of the equity of Alta Blue, with current accounts contributed initially and equally by the shareholders Predica and APG, in the amount of €200 million that served to finance the acquisition in July 2010 of the CAP 3000 shopping center. This option (par value of €66.66 million) was exercised after studies were begun for the Cap 3000 extension project, and after the governance overhaul of Alta Blue and its subsidiary Aldeta (owner of the Cap 3000 shopping center), giving Altarea control of the assets. These current accounts were capitalized immediately.
- the acquisition of land in the south of France.

(15) The capitalization rate is the ratio of net rental yield to appraisal value (excluding transfer duties).

IN 2011

Assets under construction and development measured at cost mainly concern shopping centers and retail parks in Nîmes, Villeneuve-la-Garenne, la Valette-du-Var, the port of Genoa in Italy, and the expansion projects in Saint-Laurent-du-Var (Cap 3000) and Toulouse.

Investments mainly concern the Group's acquisition of land authorized for the development of a retail park in Nîmes (Gard).

Subsequent capitalized expenditures mainly concern the extension of the Toulouse site, the redevelopment of the Massy site, and the start of construction in Villeneuve-la-Garenne and la Valette-du-Var.

Transfers to other categories concern mainly the reclassification under inventory of land in the south of France (partially sold in the second half).

Non-current assets held for sale

IN 2012

At December 31, 2012, the change in non-current assets held for sale concerned:
- the sale of the Espace d'Erlon shopping center in Reims;
- the sale of the Viallex shopping mall in Echirolles;
- the sale of a warehouse in Rambouillet.

The reclassification under non-current assets held for sale corresponds to the Chambéry asset, under purchase option since July 2012.

IN 2011

In 2011, assets held for sale were impacted by the following events:
- the disposal on January 26, 2011, of retail parks in Tours, Herblay, and Brive-la-Gaillarde;
- the disposal on December 8, 2011, of the Vichy asset, including both retail and non-retail areas;
- the reclassification of three assets as held for sale: one in Reims (Marne) that was subsequently sold, another in the Rhône-Alpes region, and land in the Paris region.

8.4. Investments in affiliates and non-consolidated investments

This line item mainly concerns the net value of shares in consolidated entities accounted for by the equity method. The value of non-consolidated investments, also included in this line item, amounts to €0.4 million at December 31, 2012, compared to €0.1 million December 31, 2011.

Investments in affiliates

In € millions	Investments in affiliates
At January 1, 2011	**76.9**
Dividends	(2.7)
Share of net earnings	0.9
Capital increase	0.5
Reclassified	2.0
Change in scope of consolidation	(1.1)
At December 31, 2011	**76.4**
Dividends	(2.7)
Share of net earnings	5.7
Capital increase	5.7
Reclassified	(0.3)
Change in scope of consolidation	(0.5)
At December 31, 2012	**84.3**

In 2012, dividends totaling €2.7 million were paid, mainly by Semmaris, Zhivago, Liévin, and Société d'Aménagement Mezzanine Paris Nord (gare du Nord).

Changes in Group structure correspond to Group disposal of its holdings in 8'33, Holding Lumières, and other companies in the Property Development division.

The Group also exercised its subscription rights, equal to its proportionate share in AltaFund VAI, for €5.7 million in a capital increase after the first investment in a refurbishment project in a building on Boulevard Raspail in Paris.

Previsions for impairment are recorded if the holdings in affiliates become negative after accumulated losses. At December 31, 2012, this transfer amounted to €0.3 million, compared with €2.0 million in 2011.

The main equity interest is one held by Semmaris/MIN (Rungis) and amounts to €58.9 million. At December 31, 2012, the Semmaris investment had been measured at fair value on the acquisition date and included goodwill. It was appraised in January 2013 by an independent expert (Accuracy). The appraisal was conducted on the basis of a business plan drawn up by management for the period from 2012 to 2034, when the concession ends. A discount rate of between 6.7% to 5.7% was used for this valuation. No impairment loss was recognized.

In 2011, dividends totaling €2.7 million were paid, mainly by Semmaris, Zhivago, Liévin, and Société d'Aménagement Mezzanine Paris Nord (gare du Nord).

The capital increase corresponds mainly to the Group's participation in capital calls, at the 16.67% share of its interest in the AltaFund property-investment fund in partnership with other investors.

A provision for impairment of €2.9 million was recorded for 8'33, increasing the value of the investment in this company to its disposal value, in accordance with the shareholders' agreement and given that the expected growth and profitability from this investment have failed to materialize.

Where the value of holdings in affiliates becomes negative following cumulative losses at these companies, provisions are written. At December 31, 2011, the provision thus recorded amounted to €3.7 million. This provision concerned mainly securities for the office-property fund Cogedim Office Partner.

The main equity interest is one held by Semmaris/MIN (Rungis) and amounts to €53.1 million. At December 31, 2011, the Semmaris investment had been measured at fair value on the acquisition date and included goodwill. It was appraised in January 2012 by an independent expert (Accuracy). The appraisal was conducted on the basis of a business plan drawn up by management for the period from 2011 to 2034, when the concession ends. A discount rate of between 6.7% to 5.7% was used for this valuation. An impairment loss of €3.9 million was recognized on the basis of a comparison with a range of values determined by this method.

Principal equity-method affiliates

	Percentage held		Net value of equity-method affiliates	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Brick-and-mortar retail:				
CIB SCI	49.0%	49.0%	1.1	0.9
SCI LIEVIN INVEST	49.0%	49.0%	14.3	14.7
STE AMENAGEMENT MEZZANINE PARIS NORD SA	40.0%	40.0%	4.2	6.1
8'33 - Future Energie SA	–	45.7%		1.0
HOLDING LUMIERE SAS	–	34.0%		0.1
SEMMARIS	33.3%	33.3%	58.9	53.1
Office property				
ALTAFUND Value Add I SCA	16.7%	16.7%	5.3	0.0
SAS COGEDIM OFFICE PARTNERS	16.5%	16.5%	0.4	0.4
Residential property:				
SAS FONCIERE GLATZ	–	20.0%		0.2
OTHER			0.1	0.0
Total	**–**	**–**	**84.3**	**76.4**

Stakes in companies 8'33 and Holding Lumière were sold in 2012.

Principal balance sheet and income statement items of equity-method affiliates

In € millions	12/31/2012	12/31/2011
Non-current assets	110.5	89.6
Current assets	29.6	47.9
Total assets	**140.1**	**137.5**
Shareholders' equity	62.3	51.3
Non-current liabilities	54.6	38.8
Current liabilities	23.1	47.4
Total liabilities	**140.1**	**137.5**

In € millions	12/31/2012	12/31/2011
Rental income	34.2	32.8
Development revenue	2.6	3.0
External services	–	2.0
Revenue	**36.8**	**37.8**
Net profit	**5.8**	**0.9**

8.5. Investments in jointly controlled entities

The figures below reflect restated individual data for the different structures, Altarea share.

Share in balance sheet of jointly controlled entities

In € millions	12/31/2012	12/31/2011
Non-current assets	179.7	270.8
Current assets	131.1	111.3
Total assets	**310.9**	**382.1**
Shareholders' equity	66.5	60.8
Non-current liabilities	138.8	231.3
Current liabilities	105.6	89.9
Total liabilities	**310.9**	**382.1**

Share in income statement of jointly controlled

In € millions	12/31/2012	12/31/2011
Net rental income	15.7	13.5
Net property income	11.8	7.9
Net overhead expenses	(0.0)	0.0
Other income and expense	(2.6)	(3.8)
Change in value of investment properties	9.4	0.9
Net charge to provisions for risks and contingencies	(0.1)	(0.3)
Operating profit	**34.1**	**26.2**
Net borrowing costs	(8.3)	(9.9)
Change in value and income from disposal of financial instruments	(4.5)	(6.5)
Profit before tax	**21.3**	**9.7**
Income tax	(10.6)	(2.4)
Net profit	**10.7**	**7.4**

8.6. Receivables and other short-term and non-current investments

In € millions	Accounts receivable from participating interests and shareholders' accounts	Loans and other financial receivables	Deposits and down payments paid	Subtotal: loans and advances	Other financial assets	Total receivables and other gross assets	Impairment	Net
At January 1, 2011	**17.5**	**2.4**	**5.9**	**25.8**	**0.0**	**25.8**	**(0.9)**	**24.9**
Increases / Allowances	1.4	–	0.3	1.7	0.1	1.8	(0.0)	1.8
Decreases / Reversals	(1.2)	(0.5)	(0.6)	(2.4)	(0.0)	(2.4)	–	(2.4)
Transfers / Reclassifications	(1.6)	(0.0)	–	(1.6)	0.1	(1.6)	–	(1.6)
Change in scope of consolidation	1.2	0.3	–	1.6	0.0	1.6	–	1.6
At December 31, 2011	**17.3**	**2.1**	**5.6**	**25.0**	**0.1**	**25.1**	**(0.9)**	**24.3**
Increases / Allowances	144.2	0.2	0.2	144.7	0.9	145.6	–	145.6
Decreases / Reversals	(1.4)	(0.3)	(0.2)	(1.9)	(0.4)	(2.4)	–	(2.4)
Transfers / Reclassifications	(132.1)	(0.6)	0.3	(132.4)	(0.0)	(132.4)	(1.5)	(133.9)
Change in scope of consolidation	1.7	(0.0)	(0.0)	1.7	0.0	1.7	(0.6)	1.2
At December 31, 2012	**29.7**	**1.4**	**5.8**	**37.0**	**0.6**	**37.6**	**(3.0)**	**34.6**
o/w Non-current at 12/31/2011	10.0	2.1	5.6	17.7	0.0	17.8	(0.9)	16.9
o/w Current at 12/31/2011	7.3	–	–	7.3	0.1	7.4	–	7.4
o/w Non-current at 12/31/2012	14.0	1.4	5.8	21.3	0.0	21.3	(3.0)	18.3
o/w Current at 12/31/2012	15.7	(0.0)	–	15.7	0.5	16.3	–	16.3

Accounts receivable from participating interests and Shareholders' accounts

Accounts receivable from participating interests and Shareholders' accounts relate mainly to advances made to partners of consolidated companies or advances to companies accounted for on the equity method. The increase mainly concerns the real estate development activity.

The increased flow includes, on the one hand, acquisition of the current account balances following Altarea SCA having exercised its option regarding a share of shareholders' current accounts in Alta Blue, the controlling holding company of the Cap 3000 shopping center, for €66.66 million and, on the other hand, subscription of a complementary current account in the same amount by Altarea SCA. These current accounts were consecutively capitalized by offsetting receivables, which explains most of the amount on the transfers / reclassifications line item.

Loans

Loans consist mainly of loans to "1% construction" organizations and loans to employees.

Deposits and down payments paid

This item mainly includes security and deposits paid on projects, the offsetting amount of security deposits paid into escrow accounts by tenants in shopping centers and security deposits paid on buildings occupied by the Group.

8.7. Working capital requirement

8.7.1. Summary of components of working capital requirement

In € millions	Net inventories and work in progress	Net accounts receivable	Other net operating assets	Trade and other net operating assets	Accounts Payable	Other operating liabilities	Trade payables and other operating liabilities	Working capital requirement for operations
At January 1, 2011	**631.0**	**98.1**	**244.1**	**342.2**	**(319.9)**	**(402.9)**	**(722.8)**	**250.4**
Change	(10.9)	13.1	1.4	14.5	33.5	(49.6)	(16.1)	(12.5)
Net impairment losses	(0.8)	(0.5)	(3.6)	(4.1)	–	–	–	(4.9)
Transfers	13.8	0.0	(0.9)	(0.9)	3.7	(0.1)	3.6	16.5
Change in scope of consolidation	51.1	18.1	14.3	32.4	(56.8)	(13.3)	(70.1)	13.4
At December 31, 2011	**684.2**	**128.8**	**255.3**	**384.1**	**(339.4)**	**(466.0)**	**(805.5)**	**262.9**
Change	19.5	31.6	31.3	62.8	(112.6)	81.2	(31.4)	51.0
Net impairment losses	(1.2)	(4.5)	(0.0)	(4.5)	–	–	–	(5.7)
Transfers	(0.0)	(0.2)	(1.0)	(1.3)	5.2	(0.9)	4.3	3.0
Change in scope of consolidation	0.1	4.8	0.6	5.4	4.7	(1.8)	2.9	8.4
At December 31, 2012	**702.6**	**160.4**	**286.1**	**446.5**	**(442.2)**	**(387.4)**	**(829.6)**	**319.5**
Change in WCR at 12/31/2012	**(18.3)**	**(27.0)**	**(31.3)**	**(58.3)**	**(112.6)**	**81.2**	**(31.4)**	**(45.2)**
Change in WCR at 12/31/2011	**11.7**	**(12.6)**	**2.2**	**(10.4)**	**33.5**	**(49.6)**	**(16.1)**	**17.5**

(1) excl. receivables / payables on disposals / acquisition of non-current assets

The Group's operational working capital requirement is essentially linked to the property development operating sector.

At December 31, 2012, operational WCR accounts for 20.2% of sales compared to 18.7% at December 31, 2011 (taking account of Rue-duCommerce sales).

Changes in the scope of consolidation are tied to changes in consolidation method, particularly concerning Aldeta.

8.7.2. Summary of components of working capital requirement for capital expenditure and tax

WCR for investments

In € millions	Receivables on sale of fixed assets	Payables on acquisition of fixed assets	WCR for investment
At January 1, 2011	**3.9**	**(68.5)**	**(64.6)**
Change	1.6	15.6	17.3
Present value adjustment	0.0	(0.1)	(0.0)
Transfers	0.5	(2.1)	(1.6)
At December 31, 2011	**6.1**	**(55.0)**	**(49.0)**
Change	(1.4)	(0.9)	(2.2)
Present value adjustment	0.0	(0.1)	(0.0)
Transfers	5.4	(6.0)	(0.6)
Change in scope of consolidation	–	(1.3)	(1.3)
At December 31, 2012	**10.2**	**(63.2)**	**(53.1)**
Change in WCR at 12/31/2012	**(1.4)**	**0.9**	**(2.2)**
Change in WCR at 12/31/2011	**1.6**	**(15.6)**	**17.3**

Transfers between receivables and amounts payable on non-current assets mainly concern registration fees and other fees for operations carried out "deed in hand" and for which the purchaser pays a sale price including transfer rights, which are refunded by the seller to the notary following deductions.

The change in scope of consolidation concerns Aldeta, fully consolidated at December 31, 2012.

Working capital requirement for tax

In € millions	Tax receivables	Tax Payables	Tax WCR
At January 1, 2011	**0.8**	**(3.0)**	**(2.2)**
Tax paid over the financial year	0.2	2.8	3.0
Tax charge for the period	–	(0.8)	(0.8)
Other changes	(0.0)	0.1	0.1
Change in scope of consolidation	-	(0.3)	(0.3)
At December 31, 2011	**1.0**	**(1.2)**	**(0.2)**
Tax paid over the financial year	0.0	2.1	2.1
Tax charge for the period	–	(2.0)	(2.0)
Other changes	–	(1.8)	(1.8)
Change in scope of consolidation	0.8	0.1	0.9
At December 31, 2012	**1.8**	**(2.8)**	**(1.0)**
Change in WCR at 12/31/2012	**0.0**	**2.1**	**2.1**
Change in WCR at 12/31/2011	**0.2**	**2.8**	**3.0**

There is no income tax liability due in more than one year.

8.8. Inventories and work in progress

In € millions	Gross inventory	Depreciation	Net
At January 1, 2011	**634.2**	**(3.2)**	**631.0**
Change	(10.9)	-	(10.9)
Increases	-	(2.2)	(2.2)
Reversals	-	1.4	1.4
Reclassifications	14.2	(0.4)	13.8
Change in scope of consolidation	51.8	(0.7)	51.1
At December 31, 2011	**689.3**	**(5.1)**	**684.2**
Change	19.5	(0.0)	19.5
Increases	-	(1.9)	(1.9)
Reversals	-	0.6	0.6
Change in scope of consolidation	0.1	0.0	0.1
At December 31, 2012	**708.7**	**(6.1)**	**702.6**

Generally, inventories are intended for sale by 2015.

Breakdown of net inventory by stage of completion and by activity sector

At December 31, 2012	Brick-and-mortar retail	Online retail	Residential property development	Office property	Total net inventories and work in progress
New programs	(0.0)	–	23.4	0.9	24.3
Programs at land stage	2.4	–	102.9	13.1	118.5
Ongoing programs	2.3	–	427.8	54.9	485.1
Completed programs	–	–	2.7	0.3	3.1
Dealer programs	0.9	–	28.3	4.9	34.1
Goods and merchandise	0.1	38.2	–	–	38.3
Total	**5.7**	**38.2**	**584.7**	**74.0**	**702.6**

At December 31, 2011	Brick-and-mortar retail	Online retail	Residential property development	Office property	Total inventories and work in progress
New programs	0.0	–	20.1	1.2	21.3
Programs at land stage	5.0	–	48.2	17.3	70.5
Ongoing programs	0.4	–	471.8	28.1	500.4
Completed programs	–	–	4.6	0.8	5.4
Dealer programs	0.9	–	38.2	15.9	54.9
Goods and merchandise	0.1	31.7	–	–	31.8
Total	**6.4**	**31.7**	**582.9**	**63.3**	**684.2**

"New transactions" correspond to programs identified for which land has not been acquired.

"Transactions at land stage" correspond to programs for which land has been acquired but construction work has not yet begun.

"Transactions in progress" correspond to programs for which land has been acquired and construction work has begun.

"Completed transactions" correspond to programs for which construction work has been completed.

"Dealer transactions" correspond to properties acquired for resale "as-is."

Inventories in the "Brick-and-Mortar Retail" sector relate to off-plan (VEFA) retail programs sold, as well as land held for resale (without transformation).

Merchandise inventories essentially correspond to supplies of goods held by RueduCommerce.

8.9. Trade receivables and other accounts receivable

In € millions	12/31/2012	12/31/2011
Brick-and-mortar retail clients	55.4	50.3
Online retail clients	31.9	26.1
Residential clients	62.3	54.2
Office property clients	30.9	13.6
Gross trade receivables	**180.4**	**144.2**
Opening impairment	**(15.4)**	**(12.7)**
Increases	(8.4)	(4.6)
Changes in scope of consolidation	(0.1)	(2.2)
Reversals	**3.9**	**4.1**
Impairment at the end of the period	**(20.0)**	**(15.4)**
Net trade Receivables	**160.4**	**128.8**
Advances and down payments paid	50.1	53.8
VAT receivables	152.0	135.0
Miscellaneous amounts payable	32.6	22.6
Prepaid expenses	29.8	28.7
Principal accounts in debit	25.4	19.1
Total other operating receivables	**289.9**	**259.1**
Opening impairment	**(3.8)**	**(0.1)**
Impairment allocation	0.0	(3.7)
Closing impairment	**(3.8)**	**(3.8)**
Net operating receivables	**286.1**	**255.3**
Trade and other receivables	**446.5**	**384.1**
Receivables on sale of assets	10.2	6.1
Trade and other receivables	**456.7**	**390.2**

Net allocations to trade receivables mainly concern impairment of certain clients regarding recovery of rents.

Trade receivables

Receivables on off-plan sales (VEFA) are recorded inclusive of all taxes and represent revenues on a percentage-of-completion basis less receipts received from customers.

Breakdown of trade receivables due:

In € millions	12/31/2012
Total gross trade receivables	**180.4**
Impairment of trade receivables	(20.0)
Total net trade receivables	**160.4**
Trade accounts to be invoiced	(16.5)
Receivables lagging completion	(16.6)
Trade account receivables due	**127.3**

In € millions	Total	On time	30 days	60 days	90 days	More than 90 days
Trade accounts receivables due	**127.3**	88.8	1.8	15.7	4.5	16.6

Advances and down payments paid

Advances and down payments correspond primarily to indemnities paid by Cogedim to sellers of land at the time of the signature of sale contracts as part of its development business. They are offset against the price to be paid on completion of the purchase.

Land advances are provisioned in the amount of €3.7 million.

Miscellaneous amounts payable

The line item "Miscellaneous amounts payable" mainly concerns real estate development sectors. In particular, this line item relates to advances paid by the developer ("prorated accounts") in the event of joint construction site management, and which are distributed and passed on to the companies carrying out the construction. It also concerns income to be received for development of a designated development zone (ZAC) in the Paris region. In the context of the Group's online business, "Miscellaneous amounts payable" essentially concerns notes of credit to be received from suppliers for its retail activity.

Prepaid expenses

Prepaid expenses mainly concern the real estate development business and are comprised of marketing fees and sales commissions.

Principal accounts in debit

In the context of its property transaction and management business, as well as the *Galerie Marchande*, the balance of cash the Group manages for third parties is presented on its balance sheet.

8.10. Account payable and other operating liabilities

In € millions	12/31/2012	12/31/2011
Trade payables and other accounts payable	442.2	339.4
Trade payables and other accounts payable	**442.2**	**339.4**
Advances and down payments received from clients	255.3	338.0
VAT collected	57.1	51.0
Other tax and social security payables	34.2	36.4
Prepaid income	3.7	11.1
Other payables	11.8	10.4
Principal accounts in credit	25.3	19.1
Other operating payables	**387.4**	**466.0**
Amounts payable on non-current assets	63.2	55.0
Account payable and other operating liabilities	**892.9**	**860.5**

Advances and down payments received from clients

This line item includes advances – trade receivables, which represent the excess of amounts received from clients, including taxes, over revenue recognized on a percentage-of-completion basis, including of taxes. It mainly concerns indemnities received on off-plan sales in the development business and contractual advances paid by tenants of shopping centers under development in Italy.

This line item decreased mainly due to the level of completion of developments underway in the property development sector; calls for funds have not advanced as quickly as construction projects.

Payables on acquisition of assets

Payables on acquisition of assets correspond mainly to debts to suppliers for shopping centers just completed or under development.

8.11. Share capital, share-based payments and treasury shares

Share capital (in €)

In number of shares and € millions	Number of shares	Nominal amount	Share capital
Number of shares outstanding at January 1, 2011	**10,178,817**	**15.28**	**155,540,502**
No change in 2011			
Number of shares outstanding at December 31, 2011	**10,178,817**	**15.28**	**155,540,502**
New share issue following exercise of the option for dividend payment in shares	732,624	15.28	11,194,495
Number of shares outstanding at December 31, 2012	**10,911,441**	**15.28**	**166,734,997**

Owing to the reverse acquisition between Imaffine and Altarea on December 24, 2004, the share capital presented in the consolidated balance sheet is the share capital of what was, from a legal standpoint, the absorbed entity.

Capital management

The aim of the Group's capital management is to ensure liquidity and optimize its capital structure.

The Group measures its capital in terms of net asset value (NAV) including unrealized gains and loan-to-value (LTV) ratio.

The Group aims to reduce its current LTV ratio. Banking covenants on corporate loans require an LTV ratio of less than 60%.

Share-based payments

A new free share plan was implemented in 2012.

The gross cost recorded on the income statement for share-based payments was €4.8 million, compared to €6.7 million at December 31, 2011.

Assumptions used to value the new free share plan

	12/31/2012
Expected dividend yield	6.84%
Expected volatility	NA
Risk-free interest rate	1.96%
Model used	Cox Ross Rubinstein binomial model

Stock option plans

No stock option plan was implemented in 2012.

STOCK OPTION PLAN	Number of options awarded	Option exercise price (in €)	Exercise Dates	Options outstanding at 12/31/2011	Awarded	Options exercised	Options canceled	Options outstanding at 12/31/2012
Stock option plans on Altarea shares								
January 04, 2005	28,500	38.25	1/4/2009 & 1/4/2012					
Additional options - capital increase	857	170.00	1/4/2009 & 1/4/2012	–			–	–
March 13, 2006	1,950	119.02	3/13/2010 & 3/13/2013	550			–	550
Additional options - capital increase	557	170.00	3/13/2010 & 3/13/2013	156			–	156
January 30, 2007	3,800	175.81	1/30/2011 & 1/30/2014	850			–	850
Additional options - capital increase	1,086	170.00	1/30/2011 & 1/30/2014	242			–	242
March 05, 2010	5,500	104.50	3/5/2010 & 3/5/2013	4,250			(150)	4,100
Total	**42,250**			**6,048**	**–**	**–**	**(150)**	**5,898**

Bonus share grants

A new plan was implemented in 2012 to attribute 1,125 free share rights.

136,800 shares were delivered through plans implemented in previous years.

Award date	Number of rights awarded	Vesting date	Options outstanding at 12/31/2011	Awarded	Delivery	Rights canceled (*)	Options outstanding at 12/31/2012
Stock grant plans on Altarea shares							
March 05, 2010	32,190	March 31, 2012	30,000		(30,000)		–
March 05, 2010	73,800	December 20, 2012	71,300		(70,100)	(1,200)	–
March 05, 2010	20,000	December 20, 2012	20,000		(20,000)		–
March 05, 2010	20,000	December 20, 2013	20,000				20,000
March 05, 2010	20,000	December 20, 2014	20,000				20,000
March 05, 2010	16,700	March 05, 2012	16,700		(16,700)		–
December 16, 2010	15,400	June 30, 2013	14,300			(1,100)	13,200
March 29, 2011	413	March 29, 2013	413				413
December 15, 2011	1,000	December 15, 2014	1,000				1,000
June 01, 2012	1,125	October 31, 2014	–	1,125			1,125
Total	**200,628**		**193,713**	**1,125**	**(136,800)**	**(2,300)**	**55,738**

(*) rights canceled for reasons of departure or due to lack of certainty on performance conditions being met.

Treasury shares

The acquisition cost of treasury shares was €13.8 million at December 31, 2012 for 115,331 shares (including 113,049 shares intended for allotment to employees under stock grant or stock option plans and 2,282 shares allocated to a liquidity contract), compared with €26.9 million at December 31, 2011 for 212,880 shares (including 210,598 shares intended for allotment to employees under stock grant or stock option plans and 2,282 shares allocated to a liquidity contract). Treasury shares are eliminated and offset directly in equity.

In addition, a net loss on disposal and/or stock grants of treasury shares to company employees was recognized directly in equity in the amount of €17.5 million before tax at December 31, 2012 (€11.5 million after tax) compared with a loss of €4.9 million before tax at December 31, 2011 (€3.2 million after tax).

The negative impact on cash flow from purchases and disposals over the period comes to €4.4 million in 2012 compared to €14.1 million in 2011.

8.12. Financial liabilities

Current and non-current borrowings and financial liabilities

In € millions	**Participating loans and Shareholders' advances under option**	Bond issues	Borrowings from lending establishments	Finance lease debt	Bank Overdrafts	**Bank debt, private and bond investment**	Current Accounts	Other financial liabilities	**Total borrowings and financial debt excluding interest and overdraft**	Bank overdraft (cash liabilities)	Accrued interest on bank debt, private and bond investment	Accrued interest on other financial debt	**Total borrowings and financial debts**
At January 1, 2011	**81.4**	**–**	**2,121.3**	**47.6**	**140.3**	**2,309.2**	**25.5**	**0.1**	**2,416.2**	**5.5**	**7.9**	**1.4**	**2,431.0**
Increase	**1.1**	–	164.2	0.1	113.1	**277.4**	7.5	–	**285.9**	–	2.7	0.7	**289.4**
o/w Spreading of issue costs	**–**	–	*3.1*	–	–	***3.1***	–	–	***3.1***	–	–	–	***3.1***
Decrease	**(1.0)**	–	(169.3)	(3.7)	(90.8)	**(263.7)**	(2.0)	(0.0)	**(266.7)**	(0.2)	(1.1)	(0.1)	**(268.1)**
o/w Appropriation of income to current accounts	**–**	–	–	–	–	**–**	*(1.4)*	–	***(1.4)***	–	–	–	***(1.4)***
Reclassifications	**–**	–	–	1.0	–	**1.0**	(1.6)	(0.0)	**(0.6)**	–	(0.0)	0.0	**(0.6)**
Change in scope of consolidation	**–**	–	(0.0)	–	5.6	**5.6**	3.5	–	**9.1**	0.0	0.0	(0.0)	**9.1**
At December 31, 2011	**81.5**	**–**	**2,116.2**	**45.0**	**168.3**	**2,329.5**	**32.9**	**0.1**	**2,444.1**	**5.3**	**9.5**	**2.0**	**2,460.8**
Increase	**–**	250.0	186.7	0.1	81.6	**518.5**	7.5	0.1	**526.1**	–	1.5	1.6	**529.2**
o/w Spreading of issue costs	**–**	–	*3.9*	–	–	***3.9***	–	–	***3.9***	–	–	–	***3.9***
o/w Appropriation of income to current accounts	**–**	–	–	–	–	**–**	*(2.8)*	–	***(2.8)***	–	–	–	***(2.8)***
Decrease	**(0.1)**	–	(328.8)	(2.1)	(139.2)	**(470.1)**	(0.1)	–	**(470.4)**	(2.5)	(5.1)	(2.5)	**(480.5)**
Reclassifications	**(200.0)**	–	(0.0)	–	–	**(0.0)**	(0.2)	(0.0)	**(200.2)**	–	(0.0)	0.0	**(200.2)**
Change in scope of consolidation	**133.3**	–	120.5	–	(0.0)	**120.5**	(0.3)	–	**253.5**	–	0.7	1.7	**256.0**
At December 31, 2012	**14.8**	**250.0**	**2,094.5**	**43.1**	**110.8**	**2,498.4**	**39.8**	**0.2**	**2,553.1**	**2.7**	**6.6**	**2.8**	**2,565.2**
o/w Non-current at 12/31/2011	***81.5***	–	*1,998.3*	*43.0*	*46.8*	***2,088.0***	*15.8*	*0.1*	***2,185.4***	–	–	–	***2,185.4***
o/w Non-current at 12/31/2012	***14.8***	*250.0*	*1,864.8*	*40.7*	*67.2*	***2,222.7***	*16.5*	*0.2*	***2,254.2***	–	–	–	***2,254.2***
o/w Current at 12/31/2011	**–**	–	*117.9*	*2.1*	*121.5*	***241.5***	*17.1*	–	***258.6***	*5.3*	*9.5*	*2.0*	***275.4***
o/w Current at 12/31/2012	**–**	–	*229.7*	*2.3*	*43.6*	***275.6***	*23.3*	–	***298.9***	*2.7*	*6.6*	*2.8*	***311.1***

Bond issues

In FY 2012, the following operations were concluded:

- €100 million in five-year bonds were issued by Altarea on December 21, 2012 with a fixed coupon rate of 3.65%; the bonds have been listed on Nyse Euronext Paris as of that date.
- €150 million through a seven-year private debt placement issued by Foncière Altarea to APG (ABP Group) on December 17 at a fixed rate of 3.97% with funds becoming available on December 28, 2012; this is a bullet loan repayable on December 28, 2019.

Borrowings from lending establishments

In FY 2012, the principal operations were the following:

Corporate financing

- For Altarea SCA: net reduction of €211 million; at December 31, 2012, debt amounted to €400 million, including €384 to Natixis, €15 million to BECM and €1 million to LCL; the drawdown of €15 million from BECM comes from a new €35 million line of credit signed in July 2012; the drawdown of €1 million from LCL comes from a new €40 million line of credit signed in December; in addition, on July 2 the company signed two new lines of credit with Natixis for €35 and €60 million. No funds will be drawn from these credit lines until June 2013.

- For Foncière Altarea: signature of two renewable corporate loans for €50 and €60 million from HSBC and Société Générale; funds were only drawn from the HSBC loan in the amount of €18 million.

In total, €280 million in loans from banking institutions were contracted in 2012. At December 31, 2012, €528.1 million was drawn from corporate loans, excluding bond issues (€329 million available).

Acquisition loans

- For Penthièvre: an additional drawdown of €42 million on the acquisition loan for RueduCommerce (€75.9 million line of credit, of which €64.5 million was drawn by December 31, 2012).
- For Cogedim SAS: €26.2 million of the acquisition loan was amortized. The loan now comes to €223.7 million.

Operating loans

- For Tourcoing: signature of an €8.8 million mortgage loan to refinance the shopping center.
- For Aldeta: drawdown of €15 million to finance redevelopment work (€199 million in debt at year-end, fully booked).
- For the Gare de l'Est development company: signature of a €33.2 million mortgage loan from Helaba to refinance the Gare de l'Est shopping gallery (leading to repayment of the balance of the initial loan in the amount of €13.3 million).
- For Montigny: drawdown of €23.6 million to finance the Mercedes operation in Montigny-le-Bretonneux.
- For companies housing shopping centers sold during the year, repayment of loans taken to finance these shopping centers: Drouet (-€10.5 million), Bordeaux Sainte Eulalie (-€16.7 million), Grand Tour (-€8.9 million).

Bank Overdrafts

Bank financing for development transactions is set up by arranging a credit facility with an authorized overdraft ceiling for a given period (generally for duration of the construction work). These facilities are classified as due in less than or more than one year depending on the expiry date; they are guaranteed by mortgage commitments on the assets and undertakings not to sell or assign the ownership units.

Participating loans and Shareholders' advances under option

Participating loans represent the share of minority affiliates or partners in the financing of fully consolidated projects.

Current Accounts

These are advances to current accounts made as a normal part of business by affiliates in subsidiaries of the company which house shopping centers under development or in operation, together with programs relating to property development for third parties.

Net financial debt

Net financial debt equals gross financial debt as shown in the table in the previous paragraph less cash.

In € millions	Bond issues	Bank debt excluding accrued interest and overdrafts	**Bank debt, private and bond investment excluding accrued interest and overdrafts**	Accrued interest on bank debt, private and bond investment	**Bank debt, private and bond investment**	Cash and cash equivalents (assets)	Bank overdraft (cash liabilities)	**Net cash**	**Bank debt, private and bond investment**	Participating loans and Shareholders' advances under option	Current Accounts	Other financial liabilities	Accrued interest on other financial debt	**Net financial debt**
Cash assets	–	–	**–**	–	**–**	(263.2)	–	**(263.2)**	**(263.2)**	–	–	–	–	**(263.2)**
Non-current financial liabilities	–	2,088.0	**2,088.0**	–	**2,088.0**	–	–	**–**	**2,088.0**	81.5	15.8	0.1	–	**2,185.4**
Current financial liabilities	–	241.5	**241.5**	9.5	**251.0**	–	5.3	**5.3**	**256.3**	–	17.1	–	2.0	**275.4**
At December 31, 2011	**–**	**2,329.5**	**2,329.5**	**9.5**	**2,339.1**	**(263.2)**	**5.3**	**(257.9)**	**2,081.1**	**81.5**	**32.9**	**0.1**	**2.0**	**2,197.6**
Cash assets	–	–	**–**	–	**–**	(321.8)	–	**(321.8)**	**(321.8)**	–	–	–	–	**(321.8)**
Non-current financial liabilities	250.0	1,972.7	**2,222.7**	–	**2,222.7**	–	–	**–**	**2,222.7**	14.8	16.5	0.2	–	**2,254.2**
Current financial liabilities	–	275.6	**275.6**	6.6	**282.3**	–	2.7	**2.7**	**285.0**	–	23.3	–	2.8	**311.1**
At December 31, 2012	**250.0**	**2,248.4**	**2,498.4**	**6.6**	**2,505.0**	**(321.8)**	**2.7**	**(319.1)**	**2,185.9**	**14.8**	**39.8**	**0.2**	**2.8**	**2,243.4**

Breakdown of bank and bond debt by maturity

The bank and bond debt analyzed in the table opposite is made up of the following elements:

- bond debt (including private equity investments)
- bank debt
- accrued interest
- bank overdrafts (cash liabilities)

The portion repayable in 3 to 6 months increased from €93.5 million to €148.5 million: Altarea SCA's tranche B corporate loan matures on June 30, 2013 in an amount of €127 million.

In € millions	12/31/2012	12/31/2011
< 3 months	70.5	63.4
3 to 6 months	148.5	93.5
6 to 9 months	26.2	71.0
9 to 12 months	39.9	28.6
Less than 1 year	**285.2**	**256.4**
2 years	325.3	416.8
3 years	263.3	253.8
4 years	588.9	109.5
5 years	510.1	586.2
1 to 5 years	**1,687.6**	**1,366.4**
More than 5 years	**554.8**	**739.1**
Issue costs to be amortized	(19.8)	(17.6)
Total gross bank debt	**2,507.7**	**2,344.3**

Breakdown of bank and bond debt by guarantee

In € millions	12/31/2012	12/31/2011
Mortgages	1,571.0	1,420.3
Mortgage Commitments	105.5	154.7
Moneylender Lien	4.6	4.7
Pledging of receivables	–	–
Pledging of securities	384.8	618.3
Altarea SCA security deposit	165.7	133.2
Not Guaranteed	296.1	30.8
Total	**2,527.5**	**2,361.9**
Issue costs to be amortized	(19.8)	(17.6)
Total gross bank debt	**2,507.7**	**2,344.3**

Mortgages backed by securities mainly concern the following operations: €127 million on shares in Foncière Altarea given as security against the CIB Ixis tranche B loan and €224.3 million on shares in Cogedim given as security on the loan taken out for the acquisition of Cogedim, which is also backed by a solidarity guarantee from Altarea SCA.

Breakdown of bank and bond debt by interest rate

In € millions	Gross bank debt		
	Variable rate	Fixed rate	Total
At December 31, 2012	2,257.7	250.0	2,507.7
At December 31, 2011	2,344.3	–	2,344.3

At December 31, 2012, the Group's variable-rate debt was linked to 3-month Euribor rates. Fixed-rate debt concerns bond issues taken up by Altarea SCA and Foncière Altarea in 2012.

Average cost of debt

The average cost of debt including the impact of interest rate hedging instruments amounted to 3.52% compared with 3.60% in 2011.

Schedule of future interest expenses

In € millions	12/31/2012	12/31/2011
- 3 months	14.7	24.4
3 to 6 months	14.5	24.0
6 to 9 months	14.2	23.7
9 to 12 months	14.2	23.5
Less than 1 year	**57.5**	**95.6**
2 years	59.7	85.9
3 years	71.0	76.7
4 years	61.4	58.0
5 years	41.1	46.2
1 to 5 years	**233.2**	**266.8**

These future interest expenses relate to borrowings from lending establishments, including interest flows on financial instruments calculated using forecast interest rate curves as at the closing date.

Finance leases

Bank debt on finance leases

In € millions	Amount owed to banks on finance leases	
	12/31/2012	12/31/2011
Debt at less than 1 year	2.3	2.1
Debt at between 1 and 5 years	9.5	9.9
Debt at more than 5 years	31.2	33.9
TOTAL	**43.1**	**45.9**

Future lease payments

In € millions	Future lease payments	
	12/31/2012	12/31/2011
Debt at less than 1 year	2.6	2.4
Debt at between 1 and 5 years	10.9	10.6
Debt at more than 5 years	31.4	34.2
Total, gross	**44.9**	**47.2**
Debt at less than 1 year	2.6	2.3
Debt at between 1 and 5 years	10.4	9.8
Debt at more than 5 years	25.5	22.5
Total, present value	**38.5**	**34.6**

Accounting value of assets held under finance lease

In € millions	Accounting value of assets held under finance lease	
	12/31/2012	12/31/2011
Other tangible assets	1.1	1.1
Assets held for sale	–	–
Investment properties	66.9	66.9
Total	**68.0**	**68.0**

8.13. Provisions

In € millions	Provision for Benefits payable at retirement	Other provisions				Total Other provisions	Total
		Brick-and-mortar retail	Online retail	Residential	Office		
At January 1, 2011	**5.3**	**5.1**	**–**	**9.2**	**2.2**	**16.5**	**21.8**
Increases	1.0	2.1	–	2.4	0.0	4.5	5.5
Reversals utilized	(0.2)	(0.5)	–	(1.3)	–	(1.8)	(2.0)
Reversals of unused provisions	–	(1.8)	–	(2.1)	(0.0)	(3.9)	(3.9)
Transfers to another heading	–	(0.1)	–	(0.3)	2.0	1.6	1.6
Change in scope of consolidation	0.2	–	0.5	(0.0)	–	0.5	0.6
At December 31, 2011	**6.3**	**4.7**	**0.5**	**7.9**	**4.2**	**17.3**	**23.6**
Increases	0.8	1.2	0.4	1.3	0.0	2.9	3.8
Reversals utilized	(0.1)	(2.0)	(0.2)	(1.7)	(0.2)	(4.1)	(4.1)
Reversals of unused provisions	–	(1.7)	–	–	–	(1.7)	(1.7)
Transfers to another heading	–	–	–	(0.4)	0.1	(0.3)	(0.3)
Change in scope of consolidation	–	–	3.5	(0.0)	–	3.5	3.5
Actuarial gains and losses	1.0	–	–	–	–	–	1.0
At December 31, 2012	**8.1**	**2.1**	**4.2**	**7.1**	**4.1**	**17.5**	**25.7**
o/w Non-current at 12/31/2011	*6.3*	*4.7*	*0.5*	*7.9*	*4.2*	*17.3*	*23.6*
o/w Current at 12/31/2011	–	–	–	–	–	–	–
o/w Non-current at 12/31/2012	*8.1*	*2.1*	*4.2*	*7.1*	*4.1*	*17.5*	*25.7*
o/w Current at 12/31/2012	–	–	–	–	–	–	–

Provision for benefits payable at retirement

Pension obligations are listed in note 15.2 "Pension obligations."

Brick-and-mortar retail provisions

As was the case at the close of the previous financial year, at December 31, 2012, provisions in the Brick-and-Mortar Retail sector primarily covered the risk of payment of rent guarantees granted upon the sale of shopping centers.

Online retail provisions

The change in scope of consolidation relates to recognition of contingent liabilities upon assessment, at the acquisition date, of assets and liabilities arising from the acquisition of RueduCommerce. As the assessment period ended on December 31, 2012, these amounts are definitive.

Residential and office property provisions

Provisions for this business mainly cover the risk of disputes arising from construction operations and the risk of the failure of certain partners. Estimates of residual risks involving completed programs (litigation, 10-year guarantee, etc.) are also included. Finally, accumulated losses exceeding the Group's share of equity in equity-method affiliates are shown as provisions. Transfers to another heading correspond to reclassification of accumulated losses of equity-method affiliates.

8.14. Deposits and security interests received

In € millions	Deposits received
At January 1, 2011	**25.5**
Change	(0.3)
At December 31, 2011	**25.2**
Change	3.8
At December 31, 2012	**29.1**

Deposits and security interests received relate to the deposits and security interests paid by tenants of shopping centers against future rent. Also included in this item are funds received from tenants as advances on service charges.

9. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9.1. Net rental income

Net rental income was €145.8 million at December 31, 2012, compared with €148.8 million in 2011. This decrease mainly reflects the negative impact of disposals carried out in 2011 and 2012, amounting to €10.1 million (see 9.6 "Other components of operating profit"), offset to a large extent by net rental income, which showed a €6.7 million increase year-on-year on a like-for-like basis. This like-for-like change varies from one country to the next: in France, the particularly substantial increase was driven by large regional shopping centers (Cap 3000, Toulouse Gramont, Bercy Village, etc.) where asset management activities were especially intense; in Italy (and to a lesser extent, Spain), net rental income declined on a like-for-like basis and was concentrated in the Due Torri shopping center (Lombardy), where a single tenant accident involving a household equipment retailer generated a €1.3-million loss.

In € millions	
Net rental income 12/31/2011	**148.8**
a- Centers opened in 2011/2012	0.9
b- Disposals	(10.1)
c - Acquisitions	–
d- Redevelopments	(0.6)
e - Like-for-like change	6.8
Total - Change in net rental income	(3.0)
Net rental income 12/31/2012	**145.8**

9.2. Net property income

The Group's net property income came to €140.7 million at December 31, 2012, compared to €105.7 million at December 31, 2011. This increase mainly reflects the significant rise in the Residential operating sector, which came to €127.8 million compared to €101.7 million at December 31, 2011. This sector benefited from an increase in housing sales in 2010 and 2011, which is recognized in financial statements using the percentage-of-completion method. Net property income from the Office property operating sector rose to €7.3 million at December 31, 2012, compared to €3.1 million at December 31, 2011. Net property income for Brick-and-mortar retail includes off-plan sales relating to the development of shopping centers. It came to €5.6 million at December 31, 2012, compared to €0.8 million at December 31, 2011.

9.3. Retail margin

The retail margin is the margin for the Online retail operating sector arising from the incorporation of RueduCommerce's proprietary retail business as of January 1, 2012. At December 31, 2012, this figure came to €24.4 million.

9.4. *Galerie Marchande* commissions

Galerie Marchande commissions represent a percentage of sales carried out by online merchants partnering with the Galerie. At December 31, 2012, this figure came to €9.4 million.

9.5. Net overhead expenses

Net overhead expenses relating to the Group's service providers totaled €92.6 million at December 31, 2012, compared to €41.4 million at December 31, 2011. This increase primarily reflects incorporation of RueduCommerce as of January 1, 2012.

External services

External services were stable in 2012, amounting to €24.0 million compared to €23.7 million in 2011.

Own-work capitalized and production held in inventory

At December 31, 2012, own-work capitalized and production held in inventory came to €74.7 million compared to €82.0 million at December 31, 2011. This decrease is primarily due to the Residential operating sector, where production held in inventory came to €63.0 million in 2011 compared to €57.4 million at December 31, 2012.

Personnel costs

In € millions	FY 2012	FY 2011
Personnel compensation	(76.6)	(60.5)
Social security contributions	(33.2)	(26.6)
Share-based payments to personnel	(4.8)	(6.7)
Profit-sharing net of tax credits	(0.4)	(1.7)
Other personnel costs	(4.6)	(3.0)
Benefits payable at retirement (IFRS)	(0.8)	(0.7)
Personnel expense	**(120.4)**	**(99.2)**

The increase in personnel expenses between December 31, 2011 and December 31, 2012 mainly reflects incorporation of RueduCommerce for an amount of €19.1 million, as well as the impact of recruitments for the residential property development sector.

Other overhead expenses

As a result of the incorporation of the Online retail division, other overhead expenses rose by €21.5 million over the period, coming to €67.4 million at December 31, 2012, compared to €44.8 million at December 31, 2011. Excluding this change in scope, other overhead expenses came to €45.8 million compared to €44.8 million in FY 2011.

Allowance for depreciation on operating assets

Allowance for depreciation on operating assets came to €3.6 million in 2012 compared to €3.1 million in 2011, i.e., an increase of €0.5 million primarily due to the Residential operating sector.

9.6. Other items contributing to operating profit

Other income and expenses; depreciation and amortization

Other income and expenses showed a negative balance of €7.3 million compared with -€8.6 million at December 31, 2011. They mainly consist of fees (legal and audit fees, stamp duties, dispute-related costs, shopping center valuation fees, etc.), advertising expenses (including spending on shopping center launches that cannot be capitalized), taxes other than income tax, rental costs and bank charges, along with ancillary revenue (hotel revenue, temporary rental income or cost reductions) registered by the Group's non-service companies.

Depreciation expenses

In 2012, depreciation expenses amounted to €6.9 million compared with €1.1 million in 2011. This increase mainly reflects amortization of software acquired by the Online retail operating sector for €5 million.

Transaction indemnities (costs)

Transaction indemnities (costs) came to €7.9 million. For the most part, they were tied to the compensation received following litigation with an Italian company. Moreover, €1.2 million in transaction costs were generated by the equity investment in RueduCommerce.

In 2011, transaction costs came to €13.3 million in respect of business combinations or equity investment, whether completed or not (Foncia, RueduCommerce, Urbat, AltaFund).

Proceeds from disposal of investment properties

Nine commercial properties were sold in 2012 for a total consideration of €149.9 million, generating a €0.8 million loss on disposal. The main disposals in 2012 were the Drouet d'Erlon shopping center in Reims, properties located close to Bordeaux (Grand'Tour 1 and 2), the "Viallex" shopping gallery in Echirolles, the Monoprix store in Mantes-la-Jolie and a shopping center located in Plaisir.

Six commercial properties were sold in 2011 for a total consideration of €104.4 million, generating a €5.5 million gain on disposal. The main disposals in 2011 were the Crêches-sur-Saône Family Village®, as well as the Quatre Chemins and Cours des Capucins shopping centers located in Vichy and Thionville, respectively.

Change in value of investment properties measured at fair value

The value of investment properties represented a gain of €20.0 million in at December 31, 2012. This line item comes to €49.9 million in France and primarily follows from the effect of Asset Management operations. Outside of France (Italy and Spain), change in value of investment properties represented a €29.8 million loss, which reflects economic conditions in these areas, impacted by austerity policies.

At December 31, 2012, change in value of investment properties represented income of €76.1 million, including €62.9 million in France and €13.2 million abroad (Italy and Spain). This gain was mainly due to positive rent indexation to the ICC and ILC indexes, as well as the effect of Asset Management operations.

Net impairment losses on investment properties measured at cost

In 2012, €0.4 million in net impairment losses on investment properties measured at cost represented impairment of Spanish and French shopping center projects that had been discontinued or abandoned.

In 2011, net impairment losses on investment properties measured at cost came to €6.1 million and represented impairment of Italian and French shopping center projects that had been discontinued or abandoned.

Net allowances for provisions

In 2012, the negative balance of €0.8 million was principally due to allocations to and reversals of provisions incurred by the Residential operating sector, in the amount of -€1.2 million and +€0.9 million, respectively.

In 2011, the net balance for the period was -€0.2 million.

9.7. Net borrowing costs

In € millions	FY 2012	FY 2011
Interest paid to credit institutions	(50.7)	(63.2)
Interest on partners' advances	(4.9)	(5.1)
Interest on rate hedging instruments	(29.6)	(23.0)
Stand-by fees	(2.8)	(0.7)
Other financial expenses	(0.2)	(1.2)
Capitalized finance costs	9.7	8.0
Financial expenses	**(78.5)**	**(85.1)**
Net proceeds from the disposal of money-market securities	0.9	1.1
Interest on partners' advances	1.5	1.4
Other interest income	0.2	0.6
Interest income on bank accounts	0.4	0.1
Interest on rate hedging instruments	0.0	0.0
Financial income	**3.0**	**3.2**
NET BORROWING COSTS	**(75.5)**	**(82.0)**

Interest costs on loans from credit institutions include the effect of amortizing issuance costs in accordance with IAS 32 and IAS 39.

Capitalized finance costs relate only to companies carrying an asset under development or construction (shopping centers and Residential and Office property operating sectors) and are deducted from interest paid to credit institutions.

The capitalization rate used to determine the amounts of borrowing costs that may be included in the carrying amount of assets is the interest rate on financing assigned specifically to asset development or, if there is no specific financing, to the average cost of debt borne by the Group and not assigned specifically to another purpose. Rates used in 2012 range from 2.8% to 3%; in 2011 this range was between 2.9% and 3.1%.

9.8. Other components of profit before tax

The change in value of financial instruments and gains/losses on disposal of these instruments was a net charge of €78.4 million at December 31, 2012, compared to a net charge of €80.4 million at December 31, 2011. These figures reflect the aggregate changes in value of interest-rate hedging instruments used by the Group and amounts paid to restructure several hedging instruments. Balancing cash payments recorded in 2012 amounted to €70.0 million compared with €23.4 million in 2011. Premiums incurred in 2012 amounted to €0.4 million, compared to €2.1 million in 2011.

Income from disposals of equity investments came to €0.7 million at December 31, 2012, and essentially concerns disposal of Holding Lumières securities.

The share of earnings of equity-method affiliates accounted for income of €5.7 million in 2012, compared to €0.9 million at December 31, 2011 (see note 8.4 "Investments in associated companies and non-consolidated investments").

9.9. Income tax

Analysis of tax expense

Tax expense is analyzed as follows (distribution between payable and deferred taxes and breakdown according to the nature of deferred tax):

In € millions	12/31/2012 Total	12/31/2011 Total
Tax due	**(2.0)**	**(0.8)**
Recognition or use of tax loss carryforwards	(2.9)	6.7
Valuation Differences	2.4	–
Fair value of investment properties	0.8	(6.3)
Fair value of financial and hedging instruments	(4.3)	5.2
Net property income on a percentage-of-completion basis	(15.5)	(9.7)
Other temporary differences	(10.1)	(4.8)
Deferred tax	**(29.6)**	**(8.8)**
Total tax benefit (expense)	**(31.6)**	**(9.6)**

Effective tax rate

In € millions	12/31/2012	12/31/2011
Profit before tax of companies included in the consolidated financial statements	**86.1**	**102.8**
Group tax savings (expense)	**(31.6)**	**(9.6)**
Effective tax rate	**36.73%**	**9.34%**
Tax rate in France	34.43%	34.43%
Theoretical tax charge	**(29.6)**	**(35.4)**
Difference between theoretical and effective tax charge	**(2.0)**	**25.8**
o/w Differences related to entities' SIIC status	8.2	23.5
o/w Differences related to treatment of deficits	(9.4)	(2.9)
Other permanent differences and rate differences	(0.8)	5.3

Differences related to the entities' SIIC status represent tax savings related to cumulative income by French companies having opted for SIIC tax treatment.

Differences related to treatment of losses represent the income tax expense related to unrecognized tax loss carryforwards and / or tax savings related to the use loss carryovers not recognized under tax assets.

Deferred tax assets and liabilities

In € millions	Tax loss carryforwards	Valuation Differences	Fair value of investment properties	Fair value of financial instruments	Net property income on a percentage-of-completion basis	Other temporary differences	Total
At 1/1/2011	**95.0**	**(29.8)**	**(10.6)**	**9.4**	**(20.5)**	**(10.4)**	**33.2**
Accounting change	–	–	–	–	–	–	–
Expense (income) recognized in the income statement	6.7	–	(6.3)	5.2	(9.7)	(4.8)	(8.8)
Deferred taxes recognized in equity	–	–	–	–	–	(0.6)	(0.6)
Other changes	0.4	0.0	1.3	(0.0)	(0.2)	(1.5)	0.0
Change in scope of consolidation	–	–	–	–	–	0.1	0.1
At 12/31/2011	**102.1**	**(29.8)**	**(15.5)**	**14.6**	**(30.3)**	**(17.2)**	**23.9**
Accounting change	–	–	–	–	–	–	–
Expense (income) recognized in the income statement	(2.9)	2.4	0.8	(4.3)	(15.5)	(10.1)	(29.6)
Deferred taxes recognized in equity	–	–	–	–	–	4.8	4.8
Other changes	–	–	–	(0.2)	–	0.2	0.0
Change in scope of consolidation	(0.0)	(14.8)	(22.4)	0.0	(0.9)	2.1	(36.0)
At 12/31/2012	**99.1**	**(42.1)**	**(37.1)**	**10.1**	**(46.7)**	**(20.3)**	**(36.9)**

In € millions	Deferred tax assets	Deferred tax liabilities	Net deferred tax
At 12/31/2011	**49.5**	**25.6**	**23.9**
At 12/31/2012	**26.0**	**62.9**	**(36.9)**

Deferred taxes recognized in equity relate to the stock option and stock grant plans expensed under staff costs with a corresponding adjustment to equity in accordance with IFRS 2 and the cancellation of gains and losses arising on sales of treasury shares. They also relate to valuation differences on defined-benefit pension plans (actuarial differences).

Deferred tax relating to valuation differences corresponds mainly to the amortization of customer relations recognized on the 2007 acquisition of Cogedim (the percentage relating to customer relations was entirely absorbed at December 31, 2010 owing to the complete amortization of these relations), as well as the brand and software recognized on the 2011 acquisition of RueduCommerce.

Deferred taxes relating to tax loss carryforwards primarily concern losses recognized as assets in the Altareit tax consolidation group, and particularly the loss sustained by subsidiary Cogedim SAS in an amount of €74.1 million, as well as that of parent company Altareit Group in an amount of €15.1 million. The deadline for using these tax losses was deferred owing to new tax provisions limiting annual use of available tax losses to 50% of the tax on the year: it is therefore estimated that Cogedim SAS may use its own tax losses until 2017.

Proposed revisions

Altarea and several of its subsidiaries have undergone a tax audit.

In their proposed revisions dated December 21, 2011, tax authorities mainly called into question the appraised market value of Cogedim, which was used during the 2008 restructuring. The result is additional income tax in the base amount of €133.9 million. On the advice of its tax council, the Group contests this revision. Following a meeting with tax authorities on November 29, 2012, the latter reiterated their position in a letter dated December 17, 2012; on the advice of its tax council, the Group maintains its position and is continuing to challenge this measure. As a result, no provision was allocated at December 31, 2012.

9.10. Earnings per share

Basic earnings per share (in €)

Basic earnings per share is calculated by dividing profit attributable to Group Shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share (in €)

Diluted earnings per share are calculated using the share repurchase method. Under this method, the funds received from the exercise of warrants or options are assumed to be applied first to repurchasing own shares at market price. The market price is taken to be the volume-weighted average of average monthly prices of Altarea shares.

The theoretical number of shares that would be repurchased at this market price is subtracted from the total number of shares produced by the exercise of warrants and options. The number calculated using this method is then added to the average number of shares in issue to produce the denominator.

When the theoretical number of shares to be bought at market price is greater than the number of potentially dilutive shares, the difference is disregarded. The weighted average number of shares after dilution is then equal to the average number of shares before dilution.

Potential shares are treated as dilutive if their conversion into ordinary shares would cause a reduction in earnings per share.

	FY 2012	FY 2011
Numerator		
Total net income attributable to Altarea SCA shareholders	55.9	88.3
Denominator		
Weighted average number of shares before dilution	10,400,370	10,023,610
Effect of potential dilutive shares		
Stock options	*324*	*1,283*
Rights to stock grant awards	*146,868*	*216,349*
Total potential dilutive effect	147,192	217,632
Weighted fully-diluted average number of shares	10,547,562	10,241,241
Basic earnings per share (in €)	**5.37**	**8.81**
Diluted earnings per share (in €)	**5.30**	**8.62**

For the option of a dividend payment in shares (or in cash), 732,624 shares were created on July 3, 2012 for options exercised on June 11, 2012 (see note 12 "Dividends paid or proposed").

At 31 December 2012, 1,248 stock options had an accretive effect as their exercise price was higher than the market price on the closing date. Consequently, they were not included in the calculation of diluted earnings per share.

10. NOTES TO THE CASH FLOW STATEMENT

Net cash and cash equivalents

In € millions	Cash	Marketable Securities	Total cash assets	Bank overdraft (cash liabilities)	Cash and cash equivalents
At 1/1/2011	**72.3**	**190.1**	**262.4**	**(5.5)**	**257.0**
Change during the period	13.8	(40.5)	(26.8)	0.2	(26.6)
Change in fair value	–	(0.0)	(0.0)	–	(0.0)
Cash of acquired companies	27.6	0.0	27.6	–	27.6
Cash of companies sold	(0.0)	(0.0)	(0.1)	–	(0.1)
At 12/31/2011	**113.6**	**149.6**	**263.2**	**(5.3)**	**257.9**
Change during the period	(32.3)	92.2	59.8	2.5	62.4
Change in fair value	–	(0.0)	(0.0)	–	(0.0)
Cash of acquired companies	1.2	0.0	1.2	–	1.2
Cash of companies sold	(0.5)	(1.9)	(2.4)	–	(2.4)
At 12/31/2012	**82.0**	**239.8**	**321.8**	**(2.7)**	**319.1**
Net change at 12/31/2011	41.3	(40.5)	0.7	0.2	0.9
Net change at 12/31/2012	(31.6)	90.2	58.6	2.5	61.2

Marketable securities classified as cash equivalents are recognized at their fair value at each accounts closing date. They consist of cash invested in money-market funds and other short-term money-market investments.

Cash of acquired companies represents income generated through issuance of securities by RueduCommerce for the benefit of company employees through the exercise of stock options. The shares issued were repurchased by the Group in the context of the takeover bid for RueduCommerce, or immediately thereafter at the same price. As a result, these operations are part of the business combination joining RueduCommerce with the Group (see note 6 "Business Combinations").

Cash of companies sold is generated by deconsolidation of former Cogedim programs, primarily held through co-development initiatives.

Breakdown of eliminations of fair value adjustments

In € millions	12/31/2012	12/31/2011
Elimination of value adjustments on:		
Change in fair value of financial instruments (excluding marketable securities)	78.4	80.3
Change in value of investment properties	(19.9)	(75.4)
Change in value of assets held for sale	(0.1)	(0.8)
Impairment losses on investment properties	(1.4)	6.1
Present value adjustment	0.0	0.1
Total	**57.0**	**10.4**

Net acquisitions of assets and capitalized expenditures

In € millions	12/31/2012	12/31/2011
Nature of non-current assets acquired:		
Intangible assets	(2.7)	(2.1)
Tangible assets	(2.0)	(1.6)
Investment properties	(117.8)	(127.2)
Non-current assets held for sale	(1.1)	(0.0)
Long-term investments (excluding consolidated participating interests)	(5.7)	(0.5)
Total	**(129.2)**	**(131.5)**

2012 investment expenditure primarily concerned:

- shopping centers delivered in 2010-2011 and over the period (particularly the shopping centers in Le Kremlin-Bicêtre, Stezzano (Italy), Tourcoing and Toulouse);
- shopping centers under development (Villeneuve-la-Garenne, Nîmes, La Valette-du-Var, Puget-sur-Argens and a program in Italy);
- shopping centers undergoing redevelopment or improvements (Flins, Massy, Cap 3000 in Nice, L'Aubette in Strasbourg, Toulouse Gramont and Bercy Village).

Investments in financial assets related to the capital increase of the equity-method associate AltaFund VAI, taken up by Faubourg.

In 2011, investment expenditure primarily concerned:

- shopping centers delivered in 2010 and 2011 (particularly the shopping centers in Kremlin-Bicêtre, Stezzano (Italy), Thionville, Tourcoing and Limoges);
- the Group's acquisition of land with authorization for development of a retail park in Nîmes (Gard);
- shopping centers under development (Villeneuve-la-Garenne, Nîmes, La Valette-du-Var, Puget-sur-Argens and a program in Italy);
- shopping centers undergoing redevelopment or improvements (Massy, Cap 3000 in Nice Bercy Village);
- centers undergoing extensions (Toulouse Gramont).

In € millions	Intangible assets	Tangible assets	Investment properties	Long-term investments (excluding participating interests)	Total acquisitions of non-current assets (excluding consolidated participating interests)
Increase during the period	(2.6)	(3.1)	(117.5)	(5.7)	(128.8)
Repayment of advance payments made on programs	–	–	–	–	–
Change in debt relating to non-current assets	(0.1)	–	(0.3)	–	(0.3)
Acquisition of net non-current assets	**(2.7)**	**(3.1)**	**(117.8)**	**(5.7)**	**(129.2)**

Net acquisitions of consolidated companies, net of cash acquired

In € millions	12/31/2012	12/31/2011
Investment in consolidated securities	(75.9)	(29.1)
Debt on acquisition of consolidated participating interests	1.2	–
Cash of acquired companies	1.2	27.6
Impact of changes in consolidation method	0.8	2.6
Total	**(72.8)**	**1.1**

As in 2011, investments in consolidated entities and cash acquired in 2012 mainly concerned the business combination with RueduCommerce, and particularly includes the 2012 purchase of minority stakes held by the founders of RueduCommerce (see note 6 "Business Combinations"). This amount also includes Altarea SCA's purchase from ABP of a stake in the company Alta Blue for €5.4 million.

Debt on acquisition of consolidated participating interests represents future payments on the purchase of the stake in Altacom, the holding company for RueduCommerce, formerly held by the founders of RueduCommerce.

The impact of changes in consolidation method corresponds to the shift from proportional consolidation to full consolidation for all of Alta Blue and its subsidiary Aldeta.

Sale of non-current assets and repayment of advances and down payments

Breakdown of transition between gains (losses) on disposals in the consolidated statement of comprehensive income and the total of disposals and repayment of advances and down payments in the Consolidated statement of cash flows:

In € millions	12/31/2012	12/31/2011
Investment asset disposal proceeds in net income (net of selling fees)	**147.0**	**103.2**
Disposal proceeds recognized in other income statement aggregates	0.1	0.1
Repayments of advances and down payments	0.0	1.4
Gross proceeds from disposals and repayments of advances and down payments	**147.1**	**104.7**
Receivables on sale of assets	1.4	(1.6)
Disposals and repayments of advances and down payments	**148.4**	**103.1**

In 2012, assets located in Reims, Bordeaux, Echirolles, Rambouillet, Plaisir and Mantes-la-Jolie were sold.

In 2012, proceeds from disposals of assets were linked to the sale of assets located in Thionville, Toulouse, Mantes-la-Jolie and Le Kremlin-Bicêtre.

In 2011, proceeds from disposals of assets and repayment of advances and down payments were linked to the sale of assets located in Thionville, Vichy, Crèches-sur-Saône, Tours, Herblay and Brive-la-Gaillarde.

The reimbursement of a down payment concerned an Italian program.

Net change in investments and derivative financial instruments

In 2012, net change in investments and derivative financial instruments consisted of a payment in the amount of €32.6 million for premiums and balancing cash payments incurred in 2012.

In 2011, net change in investments and derivative financial instruments consisted of a payment in the amount of €42.5 million for balancing cash payments and premiums, including €25.5 million incurred in 2011 and €17 million incurred in 2010.

Dividends received

In 2012, dividends received for a total of €2.7 million consisted of dividends paid in cash by associated companies.

In 2011, dividends received for a total of €2.9 million consisted on the one hand of dividends received from associated companies in the amount of €2.7 million (see note 8.4), and on the other hand dividends received from non-consolidated investments in the amount of €0.2 million.

11. FINANCIAL INSTRUMENTS AND MARKET RISKS

As part of its operational and financing activities, the Group is exposed to the following risks: interest rate risk, liquidity risk, counterparty risk and currency risk.

To reduce and manage its exposure to changes in interest rates, Altarea uses derivatives accounted for at fair value.

Financial instruments by category

At December 31, 2012

In € millions			Financial assets and liabilities carried at amortized cost		Financial assets and liabilities carried at fair value				
	Total carrying amount	Non-financial assets	Loans and Advances	Debts at amortized cost	Assets available for sale	Assets and liabilities at fair value through profit and loss	Level 1 *	Level 2 **	Level 3 ***
NON-CURRENT ASSETS	**103.0**	**84.3**	**18.3**	**–**	**0.4**	**–**	**–**	**–**	**0.4**
Investments in associated companies and non-consolidated investments	84.7	84.3			0.4				0.4
Receivables and other short-term investments	18.3		18.3						
CURRENT ASSETS	**795.1**	**–**	**555.0**	**–**	**–**	**240.1**	**239.8**	**0.3**	**–**
Trade and other receivables	456.7		456.7						
Receivables and other short-term investments	16.3		16.3						
Derivative financial instruments	0.3					0.3		0.3	
Cash and cash equivalents	321.8		82.0			239.8	239.8		
NON-CURRENT LIABILITIES	**2,283.3**	**–**	**–**	**2,283.3**	**–**	**–**	**–**	**–**	**–**
Borrowings and debt	2,254.2			2,254.2					
Deposit received	29.1			29.1					
CURRENT LIABILITIES	**1,385.2**	**–**	**–**	**1,241.8**	**–**	**143.4**	**–**	**143.4**	**–**
Borrowings and debt	311.1			311.1					
Derivative financial instruments	181.2			37.8		143.4		143.4	
Accounts payable and other operating liabilities	892.9			892.9					
Amount due to shareholders	–			–					

** Financial instruments quoted on an active market.*
*** Financial instruments whose fair value is determined using valuation techniques.*
**** Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.*

Non-consolidated securities classified as assets available for sale are measured at their fair value, previously determined on the basis of their net worth, without determining valuation assumptions.

At December 31, 2011

In € millions			Financial assets and liabilities carried at amortized cost		Financial assets and liabilities carried at fair value				
	Total carrying amount	Non-financial assets	Loans and Advances	Debts at amor-tized cost	Assets available for sale	Assets and liabilities at fair value through profit and loss	Level 1 *	Level 2 **	Level 3 ***
NON-CURRENT ASSETS	**93.4**	**76.4**	**16.9**	**–**	**0.1**	**–**	**–**	**–**	**0.1**
Investments in associated companies and non-consolidated investments	76.5	76.4			0.1				0.1
Receivables and other short-term investments	16.9		16.9						
CURRENT ASSETS	**662.5**	**–**	**512.1**	**–**	**–**	**150.4**	**149.6**	**0.8**	**–**
Trade and other receivables	391.1		391.1						
Receivables and other short-term investments	7.4		7.4						
Derivative financial instruments	0.8					0.8		0.8	
Cash and cash equivalents	263.2		113.6			149.6	149.6		
NON-CURRENT LIABILITIES	**2,210.6**	**–**	**–**	**2,210.6**	**–**	**–**	**–**	**–**	**–**
Borrowings and debt	2,185.4			2,185.4					
Deposit received	25.2			25.2					
CURRENT LIABILITIES	**1,267.0**	**–**	**–**	**1,136.8**	**–**	**130.2**	**–**	**130.2**	**–**
Borrowings and debt	275.4			275.4					
Derivative financial instruments	130.2					130.2		130.2	
Accounts payable and other operating liabilities	861.4			861.4					
Amount due to shareholders	–			–					

** Financial instruments quoted on an active market*
*** Financial instruments whose fair value is determined using valuation techniques*
**** Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.*

Non-consolidated securities classified as assets available for sale are measured at their fair value, previously determined on the basis of their net worth, without determining valuation assumptions.

Position in derivative financial instruments

In € millions	12/31/2012	12/31/2011
Interest-rate swaps	(132.8)	(121.5)
Interest-rate collars	(6.8)	(6.3)
Interest-rate caps	0.3	0.8
Accrued interest not yet due	(3.8)	(2.4)
Outstanding premiums or balancing cash payments	(37.8)	–
Total	**(181.0)**	**(129.3)**

Of the €70.4 million in premiums and balancing cash payments incurred in 2012, €32.6 million were paid in 2012 and €37.87 million were paid on January 2, 2013.

Maturity of derivative financial instruments (notional amounts)

At December 31, 2012

	Dec '12	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17
Altarea – pay fixed – swap	2,083.3	1,771.7	1,851.5	1,576.5	1,413.7	1,119.9
Altarea – pay fixed – collar	185.0	50.0	50.0	-	-	-
Altarea – pay fixed – cap	343.8	397.8	180.8	78.1	93.2	36.9
Total	**2,612.1**	**2,219.5**	**2,082.3**	**1,654.6**	**1,506.9**	**1,156.8**
Average hedge ratio	1.80%	2.01%	2.16%	3.21%	3.20%	2.86%

At December 31, 2011

	Dec-2011	Dec-2012	Dec-2013	Dec-2014	Dec-2015	Dec-2016
Altarea – pay fixed – swap	1,710.8	1,883.3	1,572.0	1,389.4	1,204.7	1,042.5
Altarea – pay fixed – collar	10.0	185.0	–	–	–	–
Altarea – pay fixed – cap	631.9	340.4	344.5	77.6	74.9	90.2
Total	**2,352.7**	**2,408.7**	**1,916.5**	**1,467.0**	**1,279.6**	**1,132.7**
Average hedge ratio	2.82%	3.05%	3.29%	3.31%	3.39%	3.40%

Interest rate risk

Altarea holds a portfolio of swaps, caps and collars designed to protect against interest rate risk on its floating rate debts.
Altarea elected not to account for these swaps as cash flow hedges under IAS 39.

Management position

At December 31, 2012

	Dec '12	Dec '13	Dec '14	Dec '15	Dec '16	Dec '17
Fixed-rate borrowings and bank loans	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(150.0)
Floating rate borrowings and bank loans	(2,257.7)	(1,972.9)	(1,647.6)	(1,384.3)	(795.4)	(385.3)
Cash and cash equivalents (assets)	321.8					
Net position before hedging	**(2,185.9)**	**(2,222.9)**	**(1,897.6)**	**(1,634.3)**	**(1,045.4)**	**(535.3)**
Swap	2,083.3	1,771.7	1,851.5	1,576.5	1,413.7	1,119.9
Collar	185.0	50.0	50.0	-	-	-
Cap	343.8	397.8	180.8	78.1	93.2	36.9
Total derivative financial instruments	**2,612.1**	**2,219.5**	**2,082.3**	**1,654.6**	**1,506.9**	**1,156.8**
Net position after hedging	**426.2**	**(3.4)**	**184.7**	**20.3**	**461.5**	**621.5**

At December 31, 2011

	Dec '11	Dec '12	Dec '13	Dec '14	Dec '15	Dec '16
Fixed-rate borrowings and bank loans	–	–	–	–	–	–
Floating rate borrowings and bank loans	(2,344.3)	(2,087.9)	(1,671.1)	(1,417.3)	(1,307.7)	(721.5)
Cash and cash equivalents (assets)	263.2					
Net position before hedging	**(2,081.1)**	**(2,087.9)**	**(1,671.1)**	**(1,417.3)**	**(1,307.7)**	**(721.5)**
Swap	1,710.8	1,883.3	1,572.0	1,389.4	1,204.7	1,042.5
Collar	10.0	185.0	-	-	-	-
Cap	631.9	340.4	344.5	77.6	74.9	90.2
Total derivative financial instruments	**2,352.7**	**2,408.7**	**1,916.5**	**1,467.0**	**1,279.6**	**1,132.7**
Net position after hedging	**271.6**	**320.8**	**245.4**	**49.7**	**(28.1)**	**411.2**

Analysis of interest-rate sensitivity

The following table shows the interest-rate sensitivity (including the effect of hedging instruments) of the entire portfolio of floating-rate borrowings from credit institutions and derivative instruments.

	Increase / Decrease in interest rates	Impact of the gain or loss on profit before tax	Impact on the value of the portfolio of financial instruments
31/12/2012	+50	-€1.3 million	+€47.4 million
	-50	+€1.4 million	-€48.6 million
31/12/2011	+50	-€3.4 million	+€46.4 million
	-50	+€3.3 million	-€50.7 million

Liquidity risk

CASH

The Group had a cash balance of €321.8 million at December 31, 2012, compared with €263.2 million at December 31, 2011. This cash is the main tool for managing liquidity risk (see the statement of cash flows and note 10, "Notes to the statement of cash flows").

A portion of this cash is classified as restricted for the Group, though it is available to those subsidiaries that carry it. At December 31, 2012, this restricted cash totaled €156 million, including €110.2 million for the residential segment, €17.2 million for the office segment, and €28.6 million for the other segments.

At December 31, 2011, restricted cash totaled €177 million.

At December 31, 2012, Altarea also had €329 million of confirmed credit lines that had not been drawn upon and remained unallocated to specific development projects.

BANK COVENANTS

The principal financial covenants to be met relate to credit facilities subscribed by Altarea SCA and Foncière Altarea, to the acquisition loan for Cogedim, and, to a lesser extent, to the loans obtained to finance shopping centers that are completed or under development.

- **Covenants specific to the corporate loans taken out by Altarea SCA, in the amount of €831 million** (of which €329 million has not been drawn down) **are:**
  - Counterparty: CIB IXIS / BECM / LCL / AMUNDI (fixed-rate borrowing)

Principal covenants applicable at the Altarea group level:
  - ratio of Company's net debt to net asset value (Altarea's consolidated LTV ratio) ⩽ 60% (49.3% at December 31, 2012);
  - ratio of Company's operating income (FFO column) to net borrowing costs (FFO column) >= 2 (Altarea's consolidated interest-cover ratio (ICR), 3.24 at December 31, 2012).

- **Covenants specific to the corporate loans taken out by Foncière Altarea in the amount of €260 million (of which €92 million has not been drawn down) are:**
  - Counterparty: HSBC / Société Générale / private placement (fixed-rate borrowing)

Principal covenants applicable at the Altarea group level:
  - ratio of Company's net debt to net asset value (Altarea's consolidated LTV ratio) ⩽ 60% (49.3% at December 31, 2012);
  - ratio of Company's operating income (FFO column) to net borrowing costs (FFO column) >= 2 (Altarea's consolidated interest-cover ratio (ICR), 3.24 at December 31, 2012).

Principal covenants applicable at the Foncière Altarea level:
  - ratio of Company's net debt to net asset value (Foncière Altarea's consolidated LTV ratio) ⩽ 50% (45.9% at December 31, 2012);
  - ratio of Foncière Altarea's operating income (FFO column) to net borrowing costs (FFO column) >= 2 (Foncière Altarea's consolidated interest-cover ratio (ICR), 2.58 at December 31, 2012).

- **Covenants specific to the €223.8 million acquisition loan for Cogedim are:**
  - Counterparty: CIB IXIS

Principal covenants applicable at the Altarea group level:
  - ratio of Company's net debt to net asset value (Altarea's consolidated LTV ratio) ⩽ 60% (49.3% at December 31, 2012);
  - ratio of Company's operating income (FFO column) to net borrowing costs (FFO column) >= 2 (Altarea's consolidated interest-cover ratio (ICR), 3.24 at December 31, 2012).

Principal covenants applicable at the Cogedim level:
  - gearing: ratio of net debt to EBITDA for Cogedim and its subsidiaries ⩽ 5.25 (1.4 at December 31, 2012);
  - ICR: EBITDA / Net financial costs for Cogedim and its subsidiaries ⩾ 2 (10.36 at December 31, 2012).
  - DSCR: EBITDA / Debt servicing costs for Cogedim and its subsidiaries ⩾ 1.1 (3.0 at December 31, 2012).

- **Covenants specific to the loans obtained to finance shopping centers in operation or under development**
  - DSCR = net rental income of the Company / (net interest expense + principal repayment) > generally 1.10 or 1.15 (even 1.20 for certain loans);
  - LTV ratio in operation = Loan to Value ratio = Net debt of the Company / Net asset value of the company, generally < 65% (or 80% on certain loans). If there is equity invested, the required LTV may be lower.

At December 31, 2012, the Company was in compliance with all its covenants.

Counterparty risk

The use of derivatives to hedge interest-rate risk exposes the Group to a possible default by a counterparty. The Group mitigates this risk by using only major financial institutions as counterparties in hedging transactions.

Foreign-exchange risk

Because the Group operates almost exclusively in the euro zone, it has not entered into any currency hedges.

12. DIVIDENDS PROPOSED AND PAID

For 2012, the payment of a dividend of €10 per share (i.e., a total dividend of €107.9 million) will be submitted to a vote at the next Shareholders' Meeting, on June 10, 2013, called to approve the financial statements for the financial year ended December 31, 2012. It will be accompanied by a proportional payment of €1.6 million to the sole general partner, Altafi 2. This amount represents 1.5% of the amount paid to limited partners. The above amounts are calculated on the basis of the 10,796,110 shares carrying rights to dividends for FY 2012, and adjusted by management in accordance with the number of shares carrying rights to dividends on the actual payment date.

The same Shareholders' Meeting will allow shareholders to choose between ordinary-dividend payment in cash or shares (to be issued by the Company). The new shares issued as payment will be priced at 90% of the average opening share price over the 20 trading days prior to the Shareholders' Meeting, minus a dividend of €10 per share, as voted by shareholders.

For 2011, a dividend payment of €9 per share representing a total of €90.0 million was approved at the Shareholders' Meeting of May 25, 2012. It was accompanied by a proportional payment of €1.3 million to the sole general partner, Altafi 2. This amount represents 1.5% of the amount paid to limited partners.

The same Shareholders' Meeting allowed shareholders to choose between ordinary-dividend payment in cash or shares (to be issued by the Company). The new shares issued as payment were priced at €94.31, equal to 90% of the average opening share price over the 20 trading days prior to the Shareholders' Meeting, minus a dividend of €9 per share, as voted by shareholders.

Dividend payment in shares was opted for by 76.76% of shareholders, resulting in the issuance of 732,624 new shares and a capital increase of €69.1 million (including paid-in capital).

The amount of dividend paid in cash came to €20.9 million and was paid on the same date. A preferential dividend of €1.3 million was paid to Altafi 2 on the same date.

13. RELATED PARTIES

Ownership structure of Altarea SCA

Ownership of Altarea's shares and voting rights is as follows:

As a percentage	12/31/2012 % share capital	12/31/2012 % voting rights	12/31/2011 % share capital	12/31/2011 % voting rights
Founding shareholders *	49.33	49.85	48.85	49.89
Crédit Agricole Group	18.75	18.95	16.64	17.00
Foncière régions	8.20	8.29	12.06	12.32
ABP	7.92	8.01	7.75	7.92
Opus Investment BV	0.84	0.85	0.82	0.84
Treasury shares	1.06	-	2.09	–
Employee Investment Mutual Fund (FCPE) + Free-float	13.90	14.05	11.79	12.03
Total	**100.0**	**100.0**	**100.0**	**100.0**

** in their own name (or the name of relatives) or via legal entities that they control; the founding shareholders are Alain Taravella and Jacques Nicolet, acting in concert.*

Related party transactions

The Group's main related parties are the companies of the founding shareholders that hold stake in Altarea:
- Altafinance 2, Alta Patrimoine, Altapat 1, represented by Mr. Alain Taravella;
- JN Holding and Ecodime, represented by Mr. Jacques Nicolet.

Company Management consists of Alain Taravella and Altafi 2, of which Alain Taravella is Chairman.

Transactions with these related parties mainly relate to the purchase of treasury shares from the holding companies and services rendered by Altafi 2 as Co-Manager of the Company and, to a lesser extent, services and re-billings by the Company to Altafi 2. JN Holding signed a lease with SCI Centre d'affaires du KB for offices located in Le Kremlin-Bicêtre.

Purchase of treasury shares

There were no related-party transactions involving the Company's treasury shares in 2012.

In 2011, through a share buyback program authorized by the Combined General Meeting of June 17, 2011, the Company acquired 38,000 shares from the holding company Alta Patrimoine for a total of €4.5 million.

Executive compensation

Altarea and its subsidiaries pay Management – Altafi 2 (replacing Altafinance 2) in its capacity as Co-Manager, represented by Alain Taravella – compensation in accordance with Article 14 of its Articles of Association. In this respect, the following expense was recognized:

	Altafi 2 SAS	
In € millions	**FY 2012**	**FY 2011**
Fixed executive compensation	1.7	1.7
- o/w Amount recognized in other overhead costs	*1.7*	*1.7*
Variable executive compensation	4.5	3.6
- o/w Amount based on property development sales (recognized in other overhead costs)	*2.0*	*2.2*
- o/w Amount based on property asset disposals (shopping centers) (recognized in gains on disposals)	*0.4*	*0.3*
- o/w Amount based on investments over the period (capitalized amounts)	*2.1*	*1.1*
Total	**6.2**	**5.3**

Assistance services and rebilling of rents

Assistance services and rebilling of rents and other items are recognized as a deduction of other overhead costs in the amount of €0.2 million. Services invoiced to related parties by the Altarea group are invoiced on an arm's length basis.

	Altafi 2 Sas	
In € millions	**FY 2012**	**FY 2011**
Trade and other receivables	0.1	0.1
Total assets	**0.1**	**0.1**
Account payable and other operating liabilities (*)	1.8	0.8
Total equity and liabilities	**1.8**	**0.8**

(*) Mainly includes part of variable executive compensation

Compensation of the founding shareholder-managers

Mr. Alain Taravella does not receive any compensation from Altarea SCA or its subsidiaries in his capacity as Manager. Mr. Alain Taravella receives compensation from holding companies that control Altarea group.

Mr. Jacques Nicolet, in his capacity as Chairman of Altarea SCA's Supervisory Board, received gross compensation directly from Altarea SCA, which is included in the compensation paid to the Group's main managers stated below. Mr. Jacques Nicolet does not receive any other compensation from Altarea SCA or its subsidiaries.

No share-based payments were made by Altarea SCA to its founding shareholder-managers. No other short-term or long-term benefits or other forms of compensation and benefits were granted to the founding shareholder-managers by Altarea SCA.

Compensation of the Group's senior executives

In € millions	**FY 2012**	**FY 2011**
Gross salaries*	4.0	3.8
Social security contributions	1.8	1.6
Share-based payments**	2.9	4.5
Number of shares delivered during the period	88,000	11,445
Post-employment benefits***	0.1	0.1
Other short- or long-term benefits and compensation****	–	–
Termination indemnities*****	–	–
30% employer contribution for stock grants	–	–
Loans	0.1	0.3
Post-employment benefit liability	0.8	0.8

* *Fixed and variable compensation; variable compensation corresponds to performance-related pay.*

** *Charge calculated in accordance with IFRS 2.*

*** *Pension service cost according to IAS 19, life insurance and medical care.*

**** *Benefits in kind, director attendance fees and other compensation vested but payable in the future.*

***** *Post-employment benefits, including social security costs.*

In number of rights in circulation	**FY 2012**	**FY 2011**
Rights to Altarea stock grant awards	40,413	128,413
Altarea share subscription warrants	–	–
Stock options on Altarea shares	–	–

"Senior executives" include members of the Company's Strategy Committee or members of Altarea's Supervisory Board who receive compensation[16] from Altarea or its subsidiaries. The composition of the company's Strategy Committee can be found in the registration document. Compensation paid to Gauthier Picquart in his capacity as Chairman of the Board of Directors of RueduCommerce was taken into account for 2012.

Compensation paid to senior executives excludes dividends.

14. GROUP COMMITMENTS

14.1. Off-balance sheet commitments

The main commitments given by the Group are mortgages and mortgage commitments made to secure loans or lines of credit from credit institutions.

Pledges of securities, assignments of receivables (intra-Group loans, interest rate hedges, VAT, insurance policies, etc.) and undertakings not to sell or assign ownership units are also made by the Group to secure certain loans.

These commitments are shown in Note 8.12 "Financial liabilities", under "Breakdown of borrowings and liabilities vis-à-vis credit institutions by guarantee".

All other material liabilities are set out below:

In € millions	12/31/2011	12/31/2012	Less than 1 year	1 to 5 years	More than 5 years
Commitments received					
Commitments received relating to financing (excl. borrowings)	**–**	**–**	**–**	**–**	**–**
Commitments received relating to company acquisitions	**22.0**	**35.5**	**11.0**	**23.5**	**1.0**
Commitments received relating to operating activities	**242.2**	**174.6**	**117.5**	**38.1**	**19.0**
Security deposits received from FNAIM (Hoguet Law)	50.0	50.0	50.0	–	–
Security deposits received from tenants	22.6	23.9	3.3	3.6	17.0
Payment guarantees received from customers	167.7	83.8	62.8	21.0	–
Unilateral land sale undertakings received and other commitments	1.9	16.7	1.4	13.3	2.0
Other commitments received relating to operating activities	–	0.2	0.1	0.1	–
Total	**264.2**	**210.1**	**128.5**	**61.5**	**20.0**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**67.1**	**60.1**	**10.1**	**22.3**	**27.7**
Commitments given relating to company acquisitions	**102.9**	**95.0**	**0.4**	**0.4**	**94.3**
Commitments given relating to operating activities	**448.8**	**465.8**	**163.8**	**276.9**	**25.1**
Construction work completion guarantees (given)	348.7	303.1	107.3	195.8	–
Guarantees given on forward payments for assets	25.4	73.3	21.0	52.3	–
Guarantees for loss of use	34.8	32.4	22.3	10.0	0.1
Other sureties and guarantees granted	39.9	57.0	13.1	18.9	25.0
Total	**618.8**	**620.9**	**174.2**	**299.6**	**147.1**
Bilateral property purchase and other undertakings relating to operating activities	**62.5**	**32.8**	**28.8**	**4.0**	**–**
o/w Altarea as seller	12.5	21.8	21.8	–	–
o/w Altarea as purchaser	50.0	11.0	7.0	4.0	–
Total	**62.5**	**32.8**	**28.8**	**4.0**	**–**

(16) *This concerns only Mr. Jacques Nicolet, Chairman of the Supervisory Board.*

Commitments received

COMMITMENTS RECEIVED RELATING TO ACQUISITIONS/DISPOSALS

The Group benefits from representations and warranties obtained when acquiring subsidiaries and equity interests, including:

- the representations and warranties provided by the Affine group for the sale of the controlling interest in Imaffine on September 2, 2004 were transferred as part of the merger, and so Altarea now directly holds a 10-year guarantee covering Imaffine's net assets before the merger;
- in connection with the acquisition of Altareit, Altarea received a guarantee from seller Bongrain that it would be held fully harmless through a reduction in the selling price from any damage or loss originating from the business activities effectively suffered by Altareit with a cause or origin predating March 20, 2008 for a period of 10 years.

COMMITMENTS RECEIVED RELATING TO OPERATING ACTIVITIES

Security deposits

Under France's Hoguet Law, Altarea holds a security deposit received from FNAIM in an amount of €50 million as a guarantee covering its property management and sales activity.

Altarea also receives security deposits from its tenants to guarantee that they will pay their rent.

Payment guarantees received from customers

The Group receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. They mainly relate to office property development operations.

Unilateral land sale undertakings received and other Commitments

Other guarantees received consist mainly of commitments received from property sellers.

The principal change in commitments given relating to operating activities is tied to the signature of a sales commitment for land located in Aix.

Other commitments received (not quantified)

In its property development business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract).

Commitments given

COMMITMENTS GIVEN RELATING TO FINANCING ACTIVITIES

Altarea provided guarantees €50 million to cover hedging transactions and of €10 million to cover overdraft facilities granted to its subsidiaries.

COMMITMENTS GIVEN RELATING TO ACQUISITIONS AND DISPOSALS

The Group makes representations and warranties or contingent consideration when disposing of shares in subsidiaries and affiliates.

When the Group considers that it is probable that there will be a cash outlay under the terms of these guarantees, it sets aside allowances to provisions and their amount is re-assessed at each closing date.

The main commitment, in the amount of €93.8 million, is a commitment to subscribe capital proportional to the Group's 16.66% stake in AltaFund VAI, an office property investment fund.

COMMITMENTS GIVEN RELATING TO OPERATING ACTIVITIES

Construction work completion guarantees

Completion guarantees are given to customers as part of off-plan sales, and are provided on behalf of Group companies by financial institutions, mutual guarantee organizations or insurance companies. They are reported in the amount of risk borne by the financial institution that issued the guarantee.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell ownership units.

Guarantees on forward payments for assets

These guarantees mainly cover purchases of land for the property development business.

Over the year, two new property development programs for third parties were covered by guarantees on forward payments.

Compensation for loss of use

As part of its property development activities, the Group signs unilateral sale undertakings with landowners, the execution of which is subject to conditions precedent, including conditions relating to obtaining administrative permits. In return for their undertakings, landowners receive compensation for loss of use, which takes the form of an advance (carried on the asset side of the balance sheet) or a guarantee (an off-balance sheet liability). The Group undertakes to pay the compensation for loss of use if it decides not to buy the land when the conditions precedent are met.

Other sureties and guarantees granted

The other sureties and guarantees granted essentially concerned the property investment business in Italy, including a guarantee granted for the Ponte Parodi project and guarantees granted by the companies to the Italian government regarding their VAT position.

Bilateral property purchase and other undertakings relating to operating activities

These commitments mainly include bilateral undertakings relating to land or off-plan sales (VEFA) contracts.

The decrease in this item during the year was due to the cancellation of an off-plan sales agreement for a project in southern France after contingencies could not be met.

Other commitments

In the conduct of its proprietary shopping center development business, Altarea has made commitments to invest in projects initiated and controlled by the company.

Moreover, for its Residential property development, the Group signs reservation contracts (or sale agreements) with its customers, the execution of which depends on whether the customers meet the contingencies, particularly with respect to their ability to secure financing.

Lastly, as part of its property development business, the Group has a property portfolio consisting mainly of unilateral purchase agreements (and bilateral agreements, where applicable).

The amount of these commitments is shown in the Review of Operations.

Minimum future rents to be paid or received

Minimum future rents to be received

The total of minimum future rents to be received under non-cancelable rental agreements over the period amounted to:

	12/31/2012	12/31/2011
Less than 1 year	165.8	145.4
Between 1 and 5 years	296.2	273.5
Over 5 years	86.7	77.4
Guaranteed minimum rent	**548.8**	**496.3**

Minimum future rents to be paid

The total of minimum future payments to be made under non-cancelable rental agreements over the period amounted to:

	12/31/2012	12/31/2011
Less than 1 year	11.7	10.9
Between 1 and 5 years	44.2	39.2
Over 5 years	0.2	12.7
Minimum future rents to be paid	**56.1**	**62.7**

These agreements relate to:
- offices leased by the Group for its own operations;
- rents to be paid to the owner of the hotel building on Avenue Wagram in Paris.

14.2. Litigation and claims

No significant new litigation issues arose in 2012 other than those for which provisions were set aside (see note 8.13 "Provisions") or that the company has challenged (see note 9.9 "Corporate income tax").

15. WORKFORCE AND EMPLOYEE BENEFITS

15.1. Workforce

	12/31/2012	12/31/2011
Executive	743	692
Non-executive level	489	476
Workforce	**1,232**	**1,168**

The number of employees at December 31, 2012 was higher than at December 31, 2011 owing to new hires in the "Online retail" operating sector, where the workforce rose from 273 to 356. These new hires represent the investments carried out in this sector to prepare for development of the first multi-channel property company.

15.2. Pension obligations

At December 31, 2012, as was the case at December 31, 2011, the Group engaged an outside actuary to calculate employees' post-employment benefits.

Weighted-average assumptions used to calculate pension obligations

	2012	2011
Retirement age	Voluntary retirement on the date of eligibility for full pension benefits	Voluntary retirement on the date of eligibility for full pension benefits
Discount rate	2.80%	4.89%
Expected return on investments	4.89%	4.00%
Average rate of salary increase	3.00%	3% to 6%
Corporate and property development employee turnover in France	2.64%	2.64%
Property development employee turnover in Italy	4.00%	4.00%
RueduCommerce employee turnover	17.27%	27.00%
Cogedim employee turnover	7.97%	6.67%
Inflation rate	2.00%	2.00%

The discount rate used is equivalent to the iboxx rate (rate of return on AA-rated eurozone corporate bonds with a residual life of more than 10 years).

Expected return on investments, set at 4.89%, represents the discount rate at the end of the previous period, in compliance with IAS 19, as amended.

A change of plus or minus 25 basis points in the discount rate would not have a significant effect on obligations.

A change of plus or minus 25 basis points in the expected investment return would not have a significant effect on the value of plan assets.

Change in commitment

In € millions	12/31/2012	12/31/2011
Gross liability at the beginning of the year	**7.3**	**6.3**
Rights vested during the year	0.6	0.6
Interest expense	0.3	0.3
Service cost	(0.1)	(0.2)
Transfer	–	0.2
Actuarial differences observed	(0.0)	0.4
Actuarial differences assumed	1.0	(0.2)
Actuarial gains and losses	1.0	0.1
Gross liability at the end of the year	**9.1**	**7.3**
Plan assets at the beginning of the year	**1.0**	**0.9**
Return on assets	0.0	0.0
Actuarial gains and losses	0.0	0.0
Plan assets at the end of the year	**1.0**	**1.0**
Net provisions at the beginning of the year	**6.3**	**5.3**
Net provisions at the end of the year	**8.1**	**6.3**
(expense)/income for the period	**(0.8)**	**(0.7)**

Breakdown of provision

In € millions	2012	2011
Current value of unfunded obligation	2.0	1.8
Current value of funded obligation	7.1	5.5
Market value of invested assets	(1.0)	(1.0)
Deficit	**8.1**	**6.3**
Unrecognized past service costs	–	–
Provisions established at the end of the year	**8.1**	**6.3**

History of provision

In € millions	2012	2011	2010	2009	2008
Commitment	9.1	7.3	6.3	5.5	5.8
Financial assets	(1.0)	(1.0)	(0.9)	(1.4)	(2.3)
Financial cover	**8.1**	**6.3**	**5.4**	**4.1**	**3.5**
Actuarial (losses) and gains recognized in profit and loss on obligation	–	–	0.6	0.2	(0.9)
Actuarial (losses) and gains recognized in profit and loss on assets	–	–	–	–	–
Actuarial (losses) and gains recognized in equity on obligation	1.0	0.1	–	–	–
Actuarial (losses) and gains recognized in equity on assets	–	–	–	–	–

In 2011, actuarial gains and losses were recognized in profit and loss on obligation. Following from the change of accounting method IAS 19, actuarial gains and losses are now recognized in equity.

Details of invested assets

In € millions	2012	2011
Ordinary	0.1	0.1
Government bonds	0.4	0.3
Corporate bonds	0.4	0.4
Property	0.1	0.1
Details of invested assets	**1.0**	**1.0**

Plan assets do not include financial securities issued by Altarea or real estate assets occupied by the Group.

16. POST-CLOSING EVENTS

The asset located in Chambéry and classified among assets held for sale at December 31, 2012, was sold on January 16, 2013.

On January 14, 2013, Alta Blue and Aldeta opted for *société d'investissement immobilier cotée* (a listed property investment company, or SIIC) status on January 14, 2013, thus generating a €33.6 million exit tax liability payable over four years. At December 31, 2012, deferred taxes in the same amount had been recognized.

Finally, a compulsory delisting of RueduCommerce followed by a squeeze-out was initiated by Altacom on February 26, 2013. This event marked the completion of RueduCommerce's incorporation into Altarea Cogedim group.

3.8. AUDITORS' FEES

	Auditors' fees															
In €	Ernst & Young				AACE (French member of Grant Thornton International)				Other				TOTAL			
	Amount		%		Amount		%		Amount		%		Amount		%	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Statutory audit, certification, examination of individual and consolidated financial statements																
- Altarea SCA	291,257	374,339	24%	38%	301,914	281,706	36%	40%					593,171	656,045	27%	37%
- Fully consolidated subsidiaries	863,956	610,996	71%	62%	507,387	421,495	61%	60%	141,639	85,246	100%	100%	1,512,983	1,117,737	69%	63%
Other work and services related directly to the statutory audit assignment																
- Altarea SCA	66,200	0	5%	0%	16,000		2%						82,200	0	4%	0%
- Fully consolidated subsidiaries					2,000	0	0%	0%					2,000	0	0%	0%
Total	**1,221,413**	**985,335**	**100%**	**100%**	**827,301**	**703,201**	**100%**	**100%**	**141,639**	**85,246**	**100%**	**100%**	**2,190,354**	**1,773,782**	**100%**	**100%**

3.9. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Altarea

Financial year ended December 31, 2012

Statutory Auditors' report
on the consolidated financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we hereby present you with our report for the financial year ended December 31, 2012:

- our audit of Altarea's consolidated financial statements as attached to this report;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements have been approved by Management. Our responsibility is to express an opinion on these financial statements based on our audit.

I. 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 consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion given below.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 2.1: "Change of accounting method in 2012" in the appendix that presents the change in accounting method implemented relating to the early adoption of revised IAS 19 - Employee Benefits.

II. Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the following items:

- As specified in Note 1.2, "Estimates and assumptions affecting assets and liabilities" in the Notes to the consolidated financial statements, the Group used certain estimates, particularly regarding the valuation and impairment of investment properties under construction, the fair value of which cannot be determined reliably, along with goodwill, the brands Cogedim and Rue du Commerce, and deferred tax assets. We have found the data and assumptions used by your Company for impairment testing of these assets to be reasonable. We have ensured that possible impairment observed in these tests was recognized.
- As specified in Note 1.9: "Investment property" of the Notes to the consolidated financial statements, the fair value of investment property in operation is determined on the basis of primarily external appraisals. We ascertained that the fair value of investment property as presented in the balance sheet had been determined on the basis of these appraisals.

- As specified in Note 1.14 "Financial assets and liabilities" of the Notes to the consolidated financial statements, financial assets and liabilities are carried at fair value. Fair value is determined with reference to published market prices for listed shares and according to valuation models that are commonly accepted and used by actuaries for other items. We ascertained that the fair value of financial instruments as presented in the balance sheet and in Note 11, "Financial instruments used and market risk" of the Notes to the consolidated financial statements, had been determined on the basis of market values or actuarial variations.
- As stated in Note 1.20, "Revenue and related expenses," section b) "Net property income" in the Notes to the consolidated financial statements, property revenue and net property income for the property development business are measured using the percentage-of-completion method. They therefore depend on completion estimates made by your Company. As part of our assessment, we examined whether the assumptions on which these estimates were based were reasonable, and we reviewed the calculations performed by your Company.
- Paragraph 6 "Business combinations" refers in particular to the allocation of goodwill arising from the integration of Rue du Commerce, which was determined with the assistance of an independent valuation expert, as indicated in Note 7.3. Our mission consists of determining whether the factors on which these valuations are based are reasonable, and verifying that the Notes to the financial statements provide appropriate information.
- As specified in Note 9.9, "Corporate income tax," the Company and several of its subsidiaries have been audited by tax authorities. Based on legal advice, the Company challenges the reassessment charge in its entirety, and had consequently not allocated provisions at December 31, 2012. Our mission consists of determining whether the factors on which these assessments are based are reasonable, and verifying that the note to the financial statements provides appropriate information.

Our assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore assisted us in reaching our opinion as expressed in the first part of this report.

III. Specific verification

We also carried out specific verification, as required by law, of information relating to the Group provided in the management report, in accordance with professional standards applicable in France.

We have no comments to report with respect to the fairness of their presentation and consistency with the consolidated financial statements.

Paris and Paris La Défense, April 10, 2013

The Statutory Auditors

A.A.C.E. Paris Region *French member of Grant Thornton International*	**ERNST & YOUNG et Autres**
Michel RIGUELLE	**Jean-Roch VARON**

4 PARENT COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012

4.1. INCOME STATEMENT

In € thousands	12/31/2012	12/31/2011
Sale of goods		
Sold production - services	39,408	40,159
NET REVENUE	**39,408**	**40,159**
Production held in inventory		
Capitalized production	10,620	10,612
Operating grants		
Reversals of depreciation, amortization and provisions, expense reclassifications	4,117	2,394
Other income	117	32
OPERATING INCOME	**54,262**	**53,197**
Other purchases and external charges	32,436	29,828
Purchases of goods held for resale (including customs duties)		
Changes in inventories of goods held for resale		
Raw materials and other supplies	411	(76)
Changes in inventories of raw materials and other supplies		
Other purchases and external charges	32,025	29,904
Taxes other than on income and related payments	1,838	1,843
Salaries and wages	1,820	1,395
Social security contributions	4,598	1,839
OPERATING ALLOWANCES		
Financial allowances for depreciation and amortization of non-current assets	8,937	9,662
Allowances for impairment of current assets	92	237
Allowances for operating provisions	2,879	2,899
Other expenses	820	968
OPERATING EXPENSES	**53,419**	**48,671**
OPERATING INCOME	**843**	**4,526**
FINANCIAL INCOME		
Financial income from participating interests	53,292	18,466
Income from other marketable securities	2,908	3,431
Other interest and similar income	3,894	3,869
Reversals of provisions, impairment and expense reclassifications		20,748
Foreign exchange gains		
Net gain from the disposal of marketable securities	7	
FINANCIAL INCOME	**60,100**	**46,515**
Financial allowances for depreciation, impairment and provisions	25,589	13
Interest and similar expense	39,912	48,542
Foreign exchange losses		
Net losses from the disposal of marketable securities		
FINANCIAL EXPENSES	**65,501**	**48,556**
NET FINANCIAL INCOME / (EXPENSE)	**(5,401)**	**(2,041)**
INCOME FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAX	**(4,558)**	**2,485**
Exceptional income from non-capital transactions	7,050	
Exceptional income from capital transactions	19,204	43,692
Reversals of provisions, impairment and expense reclassifications	644	
EXCEPTIONAL INCOME	**26,898**	**43,692**
Exceptional expenses on non-capital transactions	919	1
Exceptional expenses on capital transactions	18,024	40,197
Exceptional allowances for depreciation, amortization and impairment		644
EXCEPTIONAL EXPENSES	**18,944**	**40,842**
NET EXCEPTIONAL ITEMS	**7,955**	**2,850**
Employee profit-sharing		
Income tax	(24)	(57)
TOTAL INCOME	**141,261**	**143,404**
TOTAL EXPENSES	**137,839**	**138,011**
NET INCOME (LOSS) FOR THE PERIOD	**3,422**	**5,392**

4.2. BALANCE SHEET

ASSETS

In € thousands	Gross	Depr., amortiz. & provisions	12/31/2012	12/31/2011
Uncalled subscribed capital				
INTANGIBLE ASSETS				
Start-up costs				
Research and development expenditures				
Concessions, patents and similar rights	586	182	404	145
Purchased goodwill	9,417		9,417	9,417
Other				
Intangible assets in progress				
Advances and down payments				
PROPERTY, PLANT AND EQUIPMENT				
Land	47,888	47	47,841	47,121
Buildings	233,209	52,586	180,623	172,711
Plan, machinery and equipment				
Other	159	42	117	19
Property, plant and equipment in progress	559		559	3,674
Advances and down payments				
NON-CURRENT FINANCIAL ASSETS				
Equity-accounted investments				
Other investments	938,391	13,800	924,591	719,844
Investment-related loans and receivables	95,119		95,119	252,944
Long-term portfolio securities				
Loans	141,971	11,789	130,182	106,076
Other non-current financial assets	119		119	133
NON-CURRENT ASSETS	**1,467,417**	**78,446**	**1,388,972**	**1,312,083**
Advances and installments paid on orders	305		305	
RECEIVABLES				
Trade receivables and related accounts	18,952	550	18,402	9,071
Other receivables	10,099		10,099	6,501
Called, unpaid subscribed capital				
CASH AND OTHER				
Treasury shares	13,779	25	13,753	26,865
Cash at bank and in hand	276		276	310
Prepaid expenses	4		4	27
CURRENT ASSETS	**43,415**	**575**	**42,839**	**42,773**
TOTAL	**1,510,832**	**79,021**	**1,431,811**	**1,354,856**

LIABILITIES

In € thousands	12/31/2012	12/31/2011
Share capital or individual share	166,735	155,541
Additional paid-in capital	480,080	508,419
Revaluation difference		
Legal reserve	12,629	12,359
Statutory and contractual reserves	0	0
Regulated reserves		
Other reserves		
Retained earnings	()	
NET INCOME/(LOSS) FOR THE YEAR	**3,422**	**5,392**
Investment grants		
Tax-driven provisions		
EQUITY	**662,866**	**681,712**
Subordinated perpetual notes (TSDI)	109,000	
OTHER EQUITY	**109,000**	
Provisions	3,360	5,066
PROVISIONS	**3,360**	**5,066**
BORROWINGS AND FINANCIAL LIABILITIES		
Convertible bonds		
Other bonds	100,000	
Bank borrowings	402,507	611,539
Other borrowings and financial liabilities	132,758	37,699
Advances and down payments on orders in progress	6	10
OPERATING PAYABLES		
Trade payables and related accounts	9,588	6,742
Tax and social security payables	6,270	3,038
OTHER PAYABLES		
Amounts due on non-current assets and related accounts	4,186	2,945
Other payables	1,270	5,884
Prepaid income		222
TOTAL LIABILITIES	**656,586**	**668,079**
TOTAL EQUITY AND LIABILITIES	**1,431,811**	**1,354,856**

4.3. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Altarea is a *Société en Commandite par Actions* (a form of French partnership), the shares of which have been traded since 2004 on the Eurolist of Euronext Paris S.A. regulated market (Compartment A). Its head office is located at 8, avenue Delcassé in Paris.

Altarea chose the SIIC corporate form (*Société d'Investissement Immobilier Cotées,* comparable to a REIT) as of January 1, 2005. Altarea produces consolidated financial statements.

4.3.1. MAJOR EVENTS DURING THE FINANCIAL YEAR

Investments

Following the decision to undertake studies on the extension of the Cap 3000 shopping center and the subsequent decision to provide Alta Blue with equity capital for this purpose, all agreements executed in July 2010 with APG and Predica with respect to the governance of Alta Blue and Aldeta, the shopping center owners, were restructured. As a consequence, Altarea SCA's stake in Alta Blue was increased to 61.77% with Predica holding 33.33% and APG 4.90%. Altarea SCA financed the acquisition of this additional stake in Alta Blue in part by issuing €109 million in subordinated perpetual notes (TSDI) fully taken up by APG and with a yield directly indexed on the performance of the Cap 3000 shopping center. These securities are recognized by the Company under "other equity."

Changes in financial position

On December 21, 2012, Altarea proceeded with a 5-year €100 million bond issue with a 3.65% coupon listed on NYSE Euronext Paris.

Altarea also secured three other loans for amounts totaling €170 million of which €16 million were drawn in the period.

Altarea has taken measures to restructure its interest rate hedging profile to reduce the average hedge rate to cover a period of two years at market rates. Fees incurred in the period for restructuring interest rate hedging contracts amounted to €24.9 million.

Acquisitions of assets

On April 20, 2012, in connection with the project for eastern extension of the Toulouse Gramont shopping center, Altarea SCA acquired land (plots 22 and 23) for €1,246,000. This extension was open to the public in the fourth quarter of 2012.

On July 26, 2012 Altarea SCA acquired a commercial property (C&A) in Flins for €5,876,600.

On December 14, 2012, Altarea SCA acquired 4.9% of the undivided interest in the La Vigie shopping center in Geispolsheim (Alsace) for €1,182,000.

Disposal of shopping centers

The Viallex asset located in Echirolle was sold on May 16, 2012 for a total of €4.1 million, generating a capital gain of €1 million.

4.3.2. SIGNIFICANT ACCOUNTING POLICIES

4.3.2.1. Compliance statement and comparability of information

The annual financial statements have been prepared and presented in accordance with the provisions of applicable French laws and regulations and notably French GAAP in accordance with the 1999 accounting plan adopted by the CRC (*Comité de Réglementation Comptable*) on April 29, 1999 (regulation 99-03) and approved by ministerial decree on June 22, 1999. All subsequent CRC regulations have also been applied, including Regulation 2002-10 on the depreciation, amortization and impairment of assets and Regulation 2004-06 on the definition, recognition and measurement of assets, and Regulation 2005-09.

Accounting principles and methods are identical to those used to prepare annual financial statements for the year ended December 31, 2011. There has been no change in the presentation of the financial statements.

Unless otherwise stated, the annual financial statements have been drawn up and are presented in thousands of euros.

4.3.2.2. Accounting principles and methods

Intangible assets

Intangible assets are measured on initial recognition at acquisition cost.

Intangible assets consist mainly of software acquired, which is usually amortized on a straight-line basis over three years.

Intangible assets may be written down when their carrying amount differs significantly from their value in use, as defined under French GAAP.

Property, plant and equipment

Property, plant and equipment mainly consist of property assets, and more specifically shopping centers or business premises.

GROSS VALUE OF BUILDINGS

Buildings are initially recognized at acquisition cost which for contributed property is the contribution value excluding purchase costs and for new property the construction or refurbishment cost. As a general rule, purchase costs (transfer duties, expert fees, commissions, and stamp duties) are recognized as expenses.

Buildings are broken down into major components with specific uses and replacement rates. In accordance with the recommendations of the FSIF (*Fédération des Sociétés Immobilières et Foncières*), four property components are used: structural work, facades and weatherproofing, technical equipment and fixtures and fittings.

BUILDING DEPRECIATION

Building components are depreciated on a straight-line basis over the following useful lives:

Components	Useful lives (Shopping centers)	Useful lives (Business premises)
Structural work (structures, road and utilities works)	50 yrs.	30 yrs.
Facades, weatherproofing	25 yrs.	30 yrs.
Technical equipment	20 yrs.	20 yrs.
Fixtures and fittings	15 yrs.	10 yrs.

BUILDING IMPAIRMENT

Property assets are appraised twice a year at market value by outside appraisers (DTZ and Eurexi).

The Company considers the present value of property is value in use equivalent to the appraisal value including transfer duties. If there is any near-term development potential not included in the appraisal, the appraisal value is increased by estimated unrealized gains. Where there is a preliminary sales agreement or a firm sale commitment for the property, its present value is the value stated in the agreement or commitment excluding transfer duties.

The Company recognizes an impairment loss for the difference whenever the present value of a property asset (the higher of market value and value in use) falls significantly below its carrying amount.

OTHER TANGIBLE ASSETS

Other tangible assets are initially recognized at acquisition cost.

Vehicles and office and computer equipment are depreciated over five years.

Non-current financial assets

These financial assets include shares held in subsidiaries and participating interests, as well as receivables and loans related to indirect equity holdings of the Company.

Financial assets are recognized in the balance sheet at acquisition cost or contribution value.

Financial assets may be impaired where their carrying amount falls substantially below their value in use for the Company. This value in use is determined according to multiple criteria such as net asset value, profitability forecasts, long-term growth prospects and the economic environment. The market value of assets held by subsidiaries and sub-subsidiaries is taken into account.

Receivables

Receivables are carried at their nominal value. There are comprised of Group receivables and trade receivables from shopping centers.

When there is evidence that the Company will not be able to collect all amounts due, receivables are recorded in doubtful accounts. Impairment losses are calculated separately for each customer after subtracting the security deposit and accounting for the aged trial balance of the receivable, the status of collection proceedings in progress, and any guarantees that have been received.

Treasury shares

Treasury shares are recognized as either:
- Financial assets, if held for the purposes of a capital reduction; or
- Marketable securities
  - When they are held under the "liquidity agreement" with a service provider for the purpose of ensuring the liquidity and orderly trading of its shares, or
  - When they are held for purposes of grants to employees of the Company or its subsidiaries.

Treasury shares are recognized at acquisition cost. The FIFO method is used to determine the gross value of treasury shares that are sold.

An impairment loss is recognized if the value of shares held under the liquidity agreement is less than their acquisition cost.

Treasury shares held for grants to the Company's employees are covered by a provision calculated over the past vesting period on a prorata basis. Treasury shares held for grants to employees of the Company's subsidiaries are not subject to impairment insofar as the cost of such shares, which is equal to the cost of the shares plus any management fees, if applicable, will be passed on to these subsidiaries when granted. These rules comply with the provisions of CRC Regulation 2008-15 of December 4, 2008.

Other marketable securities

Marketable securities are stated in the balance sheet at cost. The FIFO method is used to determine the value of any SICAV mutual fund holdings sold.

An impairment loss is recognized on marketable securities when their realizable value falls below the net carrying amount.

Provisions

In accordance with CRC Regulation 2000-06 on liabilities, a provision is a liability considered probable or certain representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange and of uncertain timing and amount.

Retirement service benefits

No provisions are recorded for severance benefits payable on retirement. These items are presented in the notes to the financial statements under off-balance sheet commitments.

Loan arrangement costs

Loan arrangement costs are expensed.

Rental income and expenses

Rental income comprises income from the rental of property assets. Invoice amounts are recognized over the relevant rental period.

Income is not recognized for any rent holidays granted to tenants over the period during which the rent holiday is in effect.

Initial lease payments paid by tenants or stepped rents and rent holidays granted to tenants are not spread over the lease term.

Marketing costs

Marketing fees for new and existing property, as well as remodeling costs, are recognized as expenses.

Financial instruments

The Company uses interest swap contracts (swaps) or interest purchase options (caps) to hedge credit lines and borrowings. The corresponding interest income and expense are recognized in the income statement. Any premiums or other amounts paid when contracts are executed are fully expensed.

Unrealized gains and losses equal to the estimated market value of the contracts on their closing date are not recognized. Nominal value, maturity schedule and estimated unrealized gains or losses are presented under off-balance sheet commitments.

Tax

Altarea adopted the SIIC status on January 1, 2005. Under this status, there are two separate categories with respect to tax treatment:

- a SIIC category exempt from French corporate income tax, capital gains tax on property sales and tax on dividends received under the SIIC category; and
- a taxable category comprising all the Company's other operations not eligible for SIIC treatment.

Altarea must comply with the following three rules to be eligible for exemptions from French corporate income tax and notably an obligation to distribute:

- 85% of earnings from property rentals during the financial year following the year in which the earnings were generated;
- 50% of any gains on the sale of property, participating interests in tax transparent companies with the same corporate purpose as a SIIC, or interests in subsidiaries subject to French corporate income tax which have chosen the SIIC status, before the end of the second financial year after the year in which the gains were generated; and
- all dividends from subsidiaries having chosen a SIIC status during the financial year following the year in which the dividends were received.

Under the provisions applicable to SIIC status, at least 80% of the Company's operations must be eligible for SIIC status and no single shareholder or group of shareholders acting in concert can own more than 60% of the Company's shares or voting rights.

4.3.3. NOTES TO THE FINANCIAL STATEMENTS

4.3.3.1. Notes to the balance sheet - assets

4.3.3.1.1. Intangible assets

Gross intangible assets (€ thousands)

Intangible assets	12/31/2011	Increase	Decrease	12/31/2012
Software	241	345		586
Total	**241**	**345**		**586**

Amortization of intangible assets (€ thousands)

Amortization	12/31/2011	Allowances	Reversals	12/31/2012
Software	96	86		182
Total	**96**	**86**		**182**

Amortization of other intangible fixed assets (€ thousands)

Other intangible assets	12/31/2011	Increase	Decrease	12/31/2012
Merger loss / Alta Développement Espagne	9,417			9,417
Total	**9,417**			**9,417**

The merger loss corresponds to negative goodwill (*mali technique* defined as the difference between the net value of shares of the absorbed company and the final transfer value of net assets received by the absorbing company) recognized in 2011 from the merger of Alta Développement Espagne.

4.3.3.1.2. Property, plant and equipment

Gross property, plant and equipment (€ thousands)

Property, plant and equipment	12/31/2011	Acquisition/Contribution	Derecognition/Sale	12/31/2012
LAND	*47,155*	*2,579*	*1,846*	*47,888*
BUILDINGS	*217,050*	*18,600*	*2,442*	*233,209*
Structural work (structures, road and utilities works)	91,072	7,569	977	97,663
Facades, weatherproofing	20,679	1,826	244	22,260
Technical equipment	63,346	5,528	733	68,141
Fixtures and fittings	41,955	3,678	488	45,145
OTHER TANGIBLE FIXED ASSETS	*55*	*157*	*54*	*158*
Technical installations, plant and industrial equipment				
General installations, various fittings				
Vehicles	42	144	53	133
Office and computer equipment, furniture	12	13		25
Recoverable packaging and related items	1		1	
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	*3,674*	*10,083*	*13,198*	*559*
Land	54	186	127	112
Buildings				
Other	3,620	9,897	13,071	447
Total	**267,935**	**31,419**	**17,540**	**281,814**

The asset disposals correspond to a gross amount of €2.4 million for the Viallex Echirolles shopping center.

On April 20, 2012, in connection with the project for eastern extension of the Toulouse Gramont shopping center, Altarea SCA acquired land (plots 22 and 23) for €1.2 million. This extension was open to the public in October 2012.

On July 26, 2012, Altarea SCA acquired a commercial property (C&A) in Flins for €5.8 million.

On December 14, 2012, Altarea SCA acquired 4.9% of the undivided joint ownership interest in the La Vigie shopping center in Geispolsheim (Alsace) for €1.2 million.

At December 31, 2012, assets in progress of €559,000 corresponded mainly to works in progress on the Aix en Provence shopping center.

Depreciation of property, plant and equipment (€ thousands)

Depreciation	12/31/2011	Allowances	Reversals	12/31/2012
LAND	*34*	*13*		*47*
BUILDINGS	*44,340*	*9,072*	*826*	*52,586*
Structural work (structures, road and utilities works)	8,911	2,016	264	10,663
Façades	4,376	845	57	5,164
Technical equipment	16,415	3,311	284	19,442
Fixtures and fittings	14,638	2,900	221	17,318
OTHER TANGIBLE FIXED ASSETS	*37*	*18*	*13*	*42*
Technical installations, plant and industrial equipment				
General installations, various fittings				
Transport equipment	28	14	13	30
Office and computer equipment, furniture	8	4		13
Recoverable packaging and related items				
Total	**44,410**	**9,103**	**839**	**52,675**

No impairment was recognized on property, plant and equipment.

4.3.3.1.3. Financial assets

Gross financial assets (€ thousands)

Non-current financial assets	12/31/2011	Increase	Decrease	12/31/2012
PARTICIPATING INTERESTS	*719,844*	*218,546*		*938,391*
RECEIVABLES	*359,153*	*312,064*	*434,007*	*237,209*
Investment-related loans and receivables	252,944	274,537	432,361	95,119
Loans and other financial assets	106,209	37,527	1,646	142,090
Total	**1,078,997**	**530,610**	**434,007**	**1,175,600**

The list of subsidiaries and participating interests appearing on the last page of this document shows the ownership interests in each subsidiary.

The change in participating interests resulted from a €218.5 million equity investment in Alta Blue.

The change in loans and other financial assets reflects among other things the increase of €25.2 million in the loan granted to Ori Alta, an indirect subsidiary of Altarea SCA and the project management entity for the shopping center under construction in Villeneuve La Garenne.

Changes and advances to participating interests resulted from the significant decrease of €168.2 million in amounts owed to Foncière Altarea.

Financial receivables had a maturity of over one year at December 31, 2012.

Provisions for depreciation of financial assets (€ thousands)

In the period, impairment charges on the participating interests and the related advance to the subsidiary Alta Développement Italie were recognized for €13.8 million and €11.8 million, respectively.

Provisions for impairment	12/31/2011	Increases during the year	Decreases during the year		12/31/2012
		Allowance	Reversal of unused provisions	Provisions used in the period	
Provisions for participating interests		13,800			13,800
Provisions for investment-related receivables		11,789			11,789
Total		**25,589**			**25,589**

4.3.3.1.4. Receivables

The Company's receivables are carried at nominal value.

These items consist of group receivables, trade receivables from shopping centers and tax receivables.

Impairment losses are recognized when there is evidence that the Company will not be able to collect all amounts due.

Receivables (€ thousands)

Receivables	Gross 2012	Provisions	Net 2012	Net 2011
Trade receivables and related accounts	*18,952*	*550*	*18,402*	*9,071*
Other receivables	*10,099*		*10,099*	*6,501*
Employee and related receivables	94		94	75
Advances and down payments	0		0	95
VAT receivables	7,387		7,387	3,545
Misc. government agency receivables	38		38	
Group shareholders and partners	93		93	4
Sundry debtors	2,487		2,487	2,782
Total	**29,051**	**550**	**28,501**	**15,572**

Aged trial balance for receivables (€ thousands)

Receivables	Gross 2012	Up to 1 year	1 to 5 years	> 5 years
Trade receivables and related accounts	18,952	18,952		
Employee and related receivables	94	94		
Advances and down payments	0	0		
VAT receivables	7,387	7,387		
Misc. government agency receivables	38	38		
Group shareholders and partners	93	93		
Sundry debtors	2,487	2,487		
Total	**29,051**	**29,051**		

Accrued income (€ thousands)

Accrued income on balance sheet items	12/31/2012	12/31/2011
Loans	3,527	2,278
Government agency related accruals	38	30
Trade receivables	3,474	6,935
Other sundry debtors	267	1,093
Total	**7,306**	**10,336**

4.3.3.1.5. Marketable securities

Marketable securities consisted entirely of treasury shares for an amount of €13.7 million.

Marketable securities and treasury shares (€ thousands)

	12/31/2011	Augmentation	Diminution	Provision	12/31/2012
Treasury shares	26,865	6,177	19,289		13,753
Total	**26,865**	**6,177**	**19,289**	**0**	**13,753**
Number of shares	212,880	58,548	156,097		115,331

At December 31, 2012, an impairment loss of €25,000 was recognized for treasury shares destined for market making purposes (2,282 shares). Provisions were not recorded for other treasury shares intended for grants to employees of company subsidiaries as their cost will be passed on entirely to the companies of the employee beneficiaries.

4.3.3.1.6. Provision for impairment (€ thousands)

Provisions for impairment	12/31/2011	Increases during the year	Decreases during the year		12/31/2012
		Allowance	Reversal of unused provisions	Provisions used in the period	
Provisions for participating interests		13,800			13,800
Provisions for investment-related receivables		11,789			11,789
Provisions for inventories and work-in-progress					
Provisions for trade receivables	551				550
Other provisions for impairment	25				25
Total	**576**	**25,589**			**26,164**

4.3.3.2. Notes to the balance sheet - liabilities

4.3.3.2.1. Share capital

Changes in share capital (€ thousands)

Share capital	12/31/2011	Distribution Appropriation	Capital increase & contributions	2012 net income	12/31/2012
Share capital	155,541		11,194		166,735
Additional paid-in capital / Revaluation differences	508,419	(86,238)	57,899		480,080
Legal reserve	12,359	270			12,629
General reserve					
Retained earnings					
Net income for the year	5,392	(5,392)		3,422	3,422
Investment grants					
Tax-driven provisions					
Total	**681,712**	**(91,361)**	**69,094**	**3,422**	**662,866**

After appropriating 5% of net income for the year (€270,000) to the legal reserve, the Combined Ordinary and Extraordinary General Meeting of May 25, 2012 decided to pay a dividend of €9 per share for the financial year ended December 31, 2011, or a total of €89.7 million, and a preferential dividend of €1.3 million to the General Partner deducted from the balance of profit of €5.1 million and additional paid-in capital of €85.9 million. Dividends on treasury shares amounting to €345,000 were appropriated to additional paid-in capital.

The Ordinary and Extraordinary General Meeting granted the option to beneficiaries of dividends to receive a distribution in the form of shares. Dividends allocated to the capital increase amounted to €69 million with €11.2 million recorded under share capital and €57.9 million under additional paid-in capital. Dividends distributed in the form of cash amounted to €20.9 million. A preferential dividend for €1.3 million was paid to Altafi2 as the sole general partner.

At December 31, 2012, the share capital stood at €166.7 million divided into 10,911,441 shares with a par value of €15.28 each and 10 general partner shares with a par value of €100 each.

4.3.3.2.2. Provisions

Changes in provisions (€ thousands)

Provisions for contingencies and expenses	12/31/2011	Increases during the year	Decreases during the year		12/31/2012
		Allowance	Reversal of unused provisions	Provisions used in the period	
Other provisions for contingencies and expenses	5,066	1,432		3,139	3,360
Total	**5,066**	**1,432**		**3,139**	**3,360**

The provision relates to rights to bonus share grants held by employees of the Company reduced to €3.4 million from €4.4 million at December 31, 2011.

The provision for rental guarantees given to the buyer of Brest Coat Ar Gueven until 2012 amounting to €644,000 was fully written back to income at December 31, 2012.

4.3.3.2.3. Borrowings and other financial liabilities

Borrowings and other financial liabilities by a maturity (€ thousands)

Borrowings and other financial liabilities	12/31/2012	Up to 1 year	1 to 5 years	> 5 years	12/31/2011
BORROWINGS AND FINANCIAL LIABILITIES	*635,269*	*260,392*	*371,231*	*3,647*	*649,249*
Convertible bonds	0	0			0
Other bonds	100,000	0	100,000		
Bank borrowings	402,144	130,913	271,231		611,048
Accrued interest on bank loans	15,906	15,906			521
Deposits and security interests received	3,647			3,647	3,444
Group shareholders and partners	113,566	113,566			34,226
Other liabilities	6	6			10
OTHER FINANCIAL LIABILITIES AND PAYABLES	*21,316*	*21,316*			*18,831*
Trade payables and related accounts	9,588	9,588			5,550
Employee-related and social security payables	516	516			402
Income tax payables	0	0			16
VAT payables	5,687	5,687			2,561
Government guarantee bonds					
Other tax and related payables	67	67			59
Amounts due on non-current assets and related accounts	4,186	4,186			2,717
Group shareholders and partners					7,034
Other payables	1,272	1,272			271
Prepaid income					222
Total	**656,586**	**281,708**	**371,231**	**3,647**	**668,080**

In 2012, the following transactions were carried out:

- a 5-year €100 million bond issue by Altarea SCA with a 3.65% coupon on December 21, 2012 listed on NYSE Euronext Paris from that date;
- a net reduction of €209 million;

At December 31, 2012, total debt amounted to €402 million including €386 million with Natixis, €15 million with BECM and €1 million with LCL; €15 million was drawn down from a new €35 million credit line facility with BECM obtained in July 2012; €1 million was drawn down from a new €40 million credit line facility with LCL obtained in December. Furthermore, in July, two new credit lines for €35 million and €60 million were obtained from Natixis, with drawdowns starting only in June 2013.

Accrued expenses (€ thousands)

Accrued expenses on balance sheet items	12/31/2012	12/31/2011
Borrowings and debt	15,906	521
Trade payables and related accounts	5,842	5,284
Amounts due on non-current assets and related accounts	3,756	2,453
Taxes other than on income and related payments	67	59
Group shareholders and partners	1,815	6,445
Miscellaneous items	985	368
Total	**28,371**	**15,129**

4.3.3.3. Notes to the income statement

4.3.3.3.1. Revenue (€ thousands)

The Company's revenue consists of rental income, service charges and costs of works billed to tenants of portfolio shopping centers and revenue from services rendered by Altarea to its subsidiaries under the terms of agreements related to ordinary operating activities.

Revenue	12/31/2012	12/31/2011
Rental income and service charges	27,655	30,292
Initial lease payments	781	170
Services	10,637	9,568
Other	334	129
Total	**39,408**	**40,159**

4.3.3.3.2. Other operating income (€ thousands)

Breakdown of other operating income (in € thousands)

Operating income	12/31/2012	12/31/2011
Capitalized production	10,620	10,612
Reversals of provisions and depreciation	4,034	2,230
Intra-group rebillings and expense transfers	83	164
Other	117	32
Total	**14,854**	**13,038**

Other operating income rose mainly in response to the reversal of provisions and impairment following the delivery of four bonus share plans in 2012.

The reversal of provisions concerned mainly a €3.9 million provision for bonus share grants.

4.3.3.3.3. Operating expenses (€ thousands)

Operating expenses reflect expenses incurred by Altarea in respect to its property business (service charges, property taxes, allowances for depreciation and amortization) and to its holding company activity.

		12/31/2012	12/31/2011
Service and co-ownership costs	(1)	3,629	4,958
Maintenance and repairs		313	324
Insurance premiums		260	458
Sales commission and professional fees	(2)	12,700	10,140
Advertising and public relations	(3)	736	1,025
Banking services and related accounts		2,908	462
Taxes	(4)	1,838	1,843
Personnel expense	(6)	6,418	3,234
Allowances for depreciation and impairment		11,908	12,799
Capitalized purchases	(5)	10,620	10,612
Lessee termination and early termination fees		298	40
Other expenses		1,790	2,776
Total operating expenses		**53,419**	**48,671**

(1) Almost all service charges are passed on to tenants.

(2) Fees include the fixed portion of the Altafi 2 Board of Managers' fee and a fraction of its variable portion based on acquisitions or disposals of the Company's assets, shopping center management and marketing fees, Statutory Auditors' fees, expenses relating to certain projects and service fees.

(3) Advertising and communication include expenses for financial reporting, corporate communications, internal communications, corporate patronage and sponsorship.

(4) Property taxes on shopping centers amounted to €1.4 million. Nearly all of these taxes are passed on to tenants.

(5) In 2012, capitalized purchases related to the extension of the Toulouse Occitania shopping center and were recognized under assets with an offsetting entry in other operating income.

(6) The change in this line item reflects mainly the delivery of bonus shares granted under plans 17, 18, 19 and 22. Compensation paid to members of the Supervisory Board amounted to €288,000.

4.3.3.3.4. Financial income (expense) (€ thousands)

	12/31/2012	12/31/2011
Financial income		
- Dividends	49,792	8,569
- Interest on loans	2,908	3,431
- Income from current account balances	3,409	9,465
- Other financial income (Swaps)	1,340	
- Commissions on guarantees	2,539	2,681
- Income from the simplified merger procedure (TUP) of Alta Developpement Russie		1,180
- Paid by subsidiaries	90	432
- Reversals from provisions for impairment of financial assets		20,730
- Reversals from provisions for impairment of marketable securities		18
- Other financial income	15	8
- Net gains from the disposal of marketable securities	7	0
Total	**60,100**	**46,515**
Financial expenses		
- Increases in amortization, impairment and provisions	25,589	0
- Increases in provisions for impairment of marketable securities		13
- Losses on investment-related receivables		20,926
- Interest on external borrowings	10,063	12,969
- Expenses on current account balances	229	1,191
- Expenses on financial instruments (swaps, caps)	29,290	7,674
- Bank interest	1	1
- Paid by subsidiaries	329	1,090
- Merger loss on Alta Développement Espagne		4,691
Total	**65,501**	**48,556**
Net financial expense	**(5,401)**	**(2,041)**

Dividends relates mainly to distributions of €47.9 million by the subsidiary Foncière Altarea and €1.6 million by the subsidiary Alta Blue which indirectly hold shopping centers in operation through their equity holdings.

Amortization, impairment and charges to provisions for financial items consist mainly of €13.8 million in impairment charges for Alta Développement Italie and €11.8 million for the Altalux Italie current account balance.

Accrued expenses on financial instruments include €24.9 million in interest paid by Altarea during the year and plus fees incurred in 2012 for the restructuring of interest rate hedges of which €9.3 million was paid in July 2012 and €15.5 million in January 2013.

4.3.3.3.5. Net exceptional items (€ thousands)

	12/31/2012	12/31/2011
Exceptional income		
- Exceptional income from non-capital transactions	7,050	
* incl. compensation received	7,050	
- Exceptional income from capital transactions	***19,204***	***43,692***
* incl. income from asset disposals	5,532	40,062
* incl. amount rebilled for remittance of bonus shares to employees	13,672	3,630
- Reversals of provisions and expense transfers	***644***	
* incl. reversals of provisions for rental guarantees	644	
Total	**26,898**	**43,692**
Exceptional expenses		
- Exceptional expenses on non-capital transactions	***919***	***1***
* incl. tenants works	180	
* incl. provisions for rental guarantees	739	
- Exceptional expenses on capital transactions	***18,024***	***40,197***
* incl. expenses on the sale of securities		
* incl. expenses from asset disposals	4,312	36,479
* incl. the cost of bonus shares	13,712	3,718
- Exceptional increases for depreciation, amortization and impairment		***644***
* incl. provisions for rental guarantees		644
Total	**18,944**	**40,842**
Net exceptional items	**7,955**	**2,850**

Net exceptional items were mainly impacted by asset disposals in 2012 and €7 million paid in connection with a lawsuit.

4.3.3.3.6. Corporate income tax

In 2005, Altarea Group opted to adopt the special tax-exempt status established for publicly traded real estate investment companies (*Sociétés d'Investissement Immobilier Cotées* or SIIC) under Article 208 C of the French General Tax Code.

Breakdown of tax expenses (€ thousands)

	Pre-tax profit			Tax			Net profit		
	Exempt (SIIC)	Taxable (non-SIIC)	Total	Exempt (SIIC)	Taxable (non-SIIC)	Total	Exempt (SIIC)	Taxable (non-SIIC)	Total
Operating income	5,213	(4,374)	840		24	24	5,213	(4,350)	864
Financial income	8,517	(1,744)	6,773				8,517	(1,744)	6,773
Net non-recurring items	650	7,025	7,675				650	7,025	7,675
Total	**14,380**	**907**	**15,287**		**24**	**24**	**14,380**	**931**	**15,311**

The Company is otherwise not liable for any tax for the financial year.

Changes in deferred tax liabilities (€ thousands)

	12/31/2011	Change		12/31/2012
Tax reduction		+	-	
- Organic	(37)	10	(58)	(85)
- Tax loss	(306,881)		979	(305,902)
Total base	(306,918)	10	921	(305,986)
Tax or tax saving at a rate of 33.33%	**102,296**	**(3)**	**(307)**	**101,985**

The full amount of the tax loss originates from operations in the non-SIIC category.

Proposed tax adjustments

Altarea was subject to a tax audit for the financial years ending December 31, 2007 and 2008. No outflow of funds is expected in light of the Company's tax situation. A follow-up meeting to review the results was held with the French tax authorities on November 29, 2012 that resulted in the confirmation of their position in the letter of December 17, 2012. On the advice of its advisers, the Company has maintained its own position and is pursuing legal recourse. On December 31, 2012, no provision is recorded for this tax contingency.

4.3.3.4. Other information

4.3.3.4.1. Related company transactions (€ thousands)

Balance sheet line item	Amount	Of which related parties
Assets		
Investments in participating interests and other securities	938,391	938,391
Investment-related loans and receivables	95,119	95,119
Loans	141,971	141,826
Trade receivables and related accounts	18,952	13,595
Other receivables	10,099	116
Cash and prepaid expenses	14,058	
Depreciation, amortization and provisions	79,021	
Equity and liabilities		
Provisions	3,360	
Borrowings and financial liabilities	635,272	113,522
Trade payables	13,774	3,167
Tax and social security payables	6,270	0
Other payables and prepaid income	1,270	16

Income statement line item	Net amount on the income statement	Of which related parties
Operating income		
Sale of goods held for resale and properties		
Income from services and rental	39,408	10,705
Reversals and expense classifications	4,117	83
Other income	117	
Operating expenses		
Purchases and external charges	40,692	7,196
Allowances for amortization, depreciation, provisions and impairment	11,908	
Other expenses	820	
Financial income		
Income from participating interests	53,292	53,292
Interest and similar income	6,809	5,452
Reversals and expense classifications		
Financial expenses		
Share of losses from subsidiaries		
Allowances for amortization, provisions and impairment	25,589	
Interest and similar expenses	39,912	558
Exceptional income		
Exceptional income from non-capital transactions	7,050	
Exceptional income from capital transactions	19,204	13,668
Reversals and expense for classification	644	
Exceptional expenses		
Exceptional expenses on non-capital transactions	919	
Exceptional expenses on capital transactions	18,024	
Exceptional allowances for depreciation, amortization and impairment		

The following agreements were previously authorized by the Supervisory Board of December 11, 2012:

- Altarea's issue of €109 million in subordinated perpetual notes (TSDI) fully taken up by APG Strategic Real Estate Pool by subscription agreement dated December 11, 2012.
- Altarea's acquisition of 74,259 Alta Blue shares from Azur France II SARL for an overall price of €5.4 million.

4.3.3.4.2. Transactions by the Company with related parties not concluded on an arm's-length basis

No material transactions have been concluded by the Company with related parties that were not on an arm's-length basis.

4.3.3.4.3. Off-balance-sheet commitments

FINANCIAL INSTRUMENTS (€ THOUSANDS)

Altarea holds a portfolio of swaps and caps to hedge interest rate risk for a portion of its current and future floating-rate debt and that of its subsidiaries.

Financial instruments	2012	2011
Swaps/Total (Nominal)	675,000	675,000
Caps/Total (Nominal)	188,937	189,527
Total	**863,937**	**864,527**

The fair value of the hedging instruments represented a negative amount of €43.5 million at December 31, 2012.

Impact on the income statement (€ thousands)

In € thousands	2012	2011
Interest income	1,340	
Interest expense	(4,423)	(5,156)
Premiums and commission payments	(24,868)	(2,518)
Total	**(27,950)**	**(7,674)**

Commissions of €9.3 million were paid in July 2012 and of €15.5 million in January 2013.

Swap and cap maturities at December 31 (€ thousands)

	2012	2013	2014	2015	2016
Swap	675,000	500,000	750,000	750,000	750,000
Cap	188,937	188,357			
Altarea - fixed rate payer (Total)	**863,937**	**688,357**	**750,000**	**750,000**	**750,000**

The benchmark rate used is 3-month EURIBOR.

Use of derivatives as hedging instruments could expose the Group to the risk of counterparty default. The Group mitigates this risk by selecting only major financial institutions as counterparties in hedging transactions.

EMPLOYEE BENEFIT COMMITMENTS

At December 31, 2012, the value of employee severance payment benefits amounted to €131,000.

COMMITMENTS GIVEN

Tranche A (€259 million) of the Ixis loan is guaranteed by unregistered mortgages on assets held by Altarea SCA, as well as the assignment of business receivables on present or future leases. In addition, the guarantees are subject to covenants, of which the two principal criteria are an LTV ratio of below 60% and a ratio of net interest cover by recurring EBITDA above 2.0.

Altarea has pledged its shares in SAS Foncière Altarea to Ixis bank as collateral for a new Tranche B revolving credit facility in an initial amount of €460 million (€175 million of which has been drawn down). The final installment is due to be repaid on June 9, 2013.

Altarea SCA has guaranteed loans to other Group companies for an amount of €669 million. These commitments primarily include a joint and several guarantee provided by Altarea SCA covering Cogedim SAS towards Natixis in respect of the loan arranged for the acquisition of Cogedim in an amount of €224 million.

Specific covenants for corporate loans held by Altarea SCA for amounts totaling €831 million (including €329 million undrawn) are as follows:

- Counterparty: CIB IXIS / BECM / LCL / AMUNDI (fixed-rate debt)
- Principal covenants applicable at the Altarea Group level:
  - Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) < 60% (49.3% at December 31, 2012).
  - Operating Profit (FFO column)/Cost of net debt (FFO column) of the Company >= 2 (Interest Cover Ratio or Altarea Consolidated ICR) (3.24 at December 31, 2012)

The other main commitments given by the Company are primarily related to guarantees or joint and several guarantees in an amount of €116 million.

Altarea SCA gave a rent guarantee to Deka, the owner of the premises of a hotel and three shops on Avenue de Wagram in Paris. This on-demand guarantee (GAPD) for a maximum of €17.6 million is valid until May 5, 2016. As from May 6, 2016, a new on-demand guarantee will be issued based on a performance ratio.

Altarea has a call option exercisable at any time for a period of seven years as from June 30, 2010 to acquire a share of the partners' accounts in Alta Blue for €66.7 million. Altarea exercised this option on December 13, 2012.

Stock option plans

Stock option plan	Number of options awarded	Option strike price (in €)	Exercise dates	Options outstanding at 12/31/2011	Awarded	Options exercised	Options cancelled	Options outstanding at 12/31/2012
Stock option plans on Altarea shares								
January 04, 2005	28,500	38.25	1/4/2009 - 1/4/2012					
Additional options - capital increase	857	170.00	1/4/2009 - 1/4/2012					-
March 13, 2006	1,950	119.02	3/12/2010 - 3/13/2013	550				550
Additional options - capital increase	557	170.00	3/12/2010 - 3/13/2013	156				156
January 30, 2007	3,800	175.81	1/30/2011 - 1/30/2014	850				850
Additional options - capital increase	1,086	170.00	1/30/2011 - 1/30/2014	242				242
March 05, 2010	5,500	104.50	3/5/2010 - 3/5/2013	4,250			(150)	4,100
Total	**42,250**			**6,048**	**-**	**-**	**(150)**	**5,898**

Bonus share plans

Award date	Number of rights awarded	Vesting date	Rights in issue at 12/31/2011	Awarded (*)	Delivery	Rights cancelled (**)	Rights in issue at 12/31/2012
Stock grant plans on Altarea shares							
March 05, 2010	32,190	March 31, 2012	30,000		(30,000)		-
March 05, 2010	73,800	December 20, 2012	71,300		(70,100)	(1,200)	-
March 05, 2010	20,000	December 20, 2012	20,000		(20,000)		-
March 05, 2010	20,000	December 20, 2013	20,000				20,000
March 05, 2010	20,000	December 20, 2014	20,000				20,000
March 05, 2010	16,700	March 05, 2012	16,700		(16,700)		-
December 16, 2010	15,400	June 30, 2013	14,300			(1,100)	13,200
March 29, 2011	413	March 29, 2013	413				413
December 15, 2011	1,000	December 15, 2014	1,000				1,000
June 01, 2012	1,125	October 31, 2014	-	1,125			1,125
Total	**200,628**		**193,713**	**1,125**	**(136,800)**	**(2,300)**	**55,738**

** The grant of rights is contingent upon meeting non-market related performance criteria which are assumed to have been met.*

*** Rights canceled for reasons of departure or a lack of certainty that performance criteria have been met.*

COMMITMENTS RECEIVED

For acquisitions and buyouts of minority interests, Altarea has a guarantee to cover potential tax liabilities. The representations and warranties provided by the Affine group as the seller for the controlling interest in Imaffine on September 2, 2004 were transferred as part of the merger so that Altarea now directly holds a 10-year guarantee covering Imaffine's net assets before the merger.

In connection with the acquisition of Altareit, Altarea received a guarantee from the seller Bongrain that it shall be entitled to compensation for a period of 10 years, through a reduction in the selling price of the 100% share block, from any damage or loss originating from the business activities effectively incurred by Altareit with a cause or origin predating March 20, 2008.

4.3.3.4.4. Headcount

The Company has six employees.

4.3.3.4.5. Subsequent events

None.

Subsidiaries and affiliates

Company	Share capital	Equity other than share capital	Ownership interest (%)	Cost of shares, gross	Cost of shares, net	Loans and advances given	Loans and advances, net	Guarantees given	Earnings in the previous financial year	Dividends received by the Company	Revenues before tax
FILIALES (+50%)											
SAS FONCIÈRE ALTAREA - 353 900 699	6,287	270,348	99.99%	579,507	579,507	25,258	25,258		58,272	48,000	430
SCA ALTAREIT - 553 091 050	2,627	197,719	99.63%	91,635	91,635	7,697	7,697		5,093		611
SNC TOULOUSE GRAMONT - 352 076 145	450	-321	99.99%	457	457	3,605	3,605		(329)		518
SNC ALTAREA MANAGEMENT - 509 105 537	10	90	99.99%	10	10	(1,915)	(1,915)		90		5,827
SAS ALTA DÉVELOPPEMENT ITALIE - 444 561 476	12,638	-24,428	99.80%	13,800		50,283	38,494		(21,680)		100
SAS ALTA BLUE - 522 193 796	5,278	376,749	61.77%	251,880	251,880	(64,912)	(64,912)		1,772	13,000	
SARL SOCOBAC - 352 781 389	8	153	100.00%								
SARL ALTALUX SPAIN	1,100	-77	100.00%	1,100	1,100	8,276	8,276		()		

Head office of subsidiaries and affiliates: 8 avenue Delcassé - 75008 Paris

4.4. STATUTORY AUDITORS' REPORT ON THE FULL-YEAR FINANCIAL STATEMENTS

STATUTORY AUDITORS' REPORT ON THE FULL-YEAR FINANCIAL STATEMENTS

(For the financial year ended December 31, 2012)

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Annual General Meeting, we hereby present you with our report for the financial year ended December 31, 2012 on

- our audit of the accompanying financial statements of **Altarea**;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Managers. Our responsibility is to express an opinion on these financial statements based on our audit.

I. Opinion on the 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 financial statements are free of material misstatement. An audit consists of examining, on the basis of tests and other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion given below.

In our opinion, the financial statements give a true and fair view of the company's operations during the financial year, as well as the company's assets, liabilities, and financial position at the end of the financial year, in accordance with accounting principles generally accepted in France.

II. Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code concerning the justification of our assessments, we bring to your attention the following items:

Under Note 2.2, "Accounting principles and methods":

- The Note on "Tangible assets" discusses the accounting methods used for the recognition and measurement, depreciation, and impairment of these assets.
  We confirmed that these accounting methods, as well as the information pertaining to them in the notes to the financial statements, are reasonable and have been applied appropriately.
- The Note on "Financial assets" discusses the accounting rules and methods used to measure the equity interests held by the company and related receivables at the end of the financial year.

We confirmed that these accounting methods and the information provided in the notes are appropriate, and that reasonable estimates have been used to determine the value-in-use of these financial assets and to justify the amount of related receivables.

Our assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore assisted us in reaching our opinion as expressed in the first part of this report.

III. Verifications and specific information:

We also carried out the specific verifications required by law, in accordance with professional standards applicable in France.

We have no matters to report as to the true and fair nature and the consistency with the full-year financial statements of the information provided in the management report and documents sent to Shareholders concerning the company's financial position and the full-year financial statements.

As regards the information provided in accordance with Article L. 225-102-1 of the French Commercial Code concerning compensation and benefits paid to corporate officers, as well as commitments made in their favor, we have verified their consistency with the financial statements or with the information used to prepare the financial statements and, if applicable, with the information collected by the company from the companies controlling it or controlled by it. On the basis of this work, we confirm the accuracy and sincerity of this information.

In accordance with the law, we have confirmed that the required information on acquisitions of the company's shares and voting rights, along with the identities of the company's Shareholders and voting right holders, are disclosed in the management report.

Paris and Paris-La Défense,
April 10, 2013

The Statutory Auditors

A.A.C.E. Île-de-France
French member of Grant Thornton International

Michel RIGUELLE

ERNST & YOUNG et Autres

Jean-Roch VARON

4.5. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

ANNUAL GENERAL MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

To the Shareholders,

As the Statutory Auditors of your Company, we hereby present you with our report on related-party agreements and commitments.

Our responsibility is to report to you, based on the information provided to us, the main terms and conditions of the agreements and commitments brought to our attention or of which we may have become aware in the performance of our work, without expressing an opinion on their usefulness and appropriateness or determining the existence of any other agreements. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code, to assess the company's interest in entering into these agreements before deciding on whether to approve them.

It is also our responsibility to report to you, as provided by article R. 226-2 of the French Commercial Code, information pertaining to the performance of agreements approved by the Annual General Meeting in prior years and that remained in effect during the past year.

We have taken the measures we deemed necessary in accordance with CNC professional guidelines relating to our audit. These measures consisted of verifying that the information provided to us is consistent with the documents from which it was taken.

Agreements and commitments submitted to the annual general meeting for approval:

Agreements and commitments authorized during the past financial year:

In accordance with Article L.226-10 of the French Commercial Code, we have been advised of the following agreements and commitments, which were authorized by your Supervisory Board on December 11, 2012:

- Subordinated perpetual notes (*Titres Subordonnés à Durée Indéterminée* – TSDI), issued by your Company for a nominal amount of €109 million and entirely subscribed by APG Strategic Real Estate Pool by contract dated December 11, 2012.
  The Company incurred no financial expense in this regard during the year.
  The person affected by this agreement is APG, member of the Supervisory Board.
- Acquisition by your Company of 74,259 Alta Blue shares from Azur France II SARL, for €5,413,002.59.
  The person affected by this agreement is APG, member of the supervisory board.

Agreements and commitments already approved by the general meeting:

Agreements and commitments approved in prior years

a) Remaining in effect during this financial year:

In accordance with Article R. 226-2 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, which were approved by Annual General Meetings in prior years, remained in effect during the past financial year.

With Cogedim SAS:

Your Company provided a guarantee to IXIS CORPORATE & INVESTMENT BANK on behalf of COGEDIM SAS as security for a loan in a principal amount of €300 million from IXIS CIB, which was used to finance a portion of the acquisition of the former company Cogedim.

The Company charged a commission of €932,734 for this guarantee in 2012.

With Altarea Patrimae:

Your Company granted its Spanish subsidiary, Altarea Patrimae, a subordinated loan and a guarantee for a bank loan. This financing was used to purchase the San Cugat shopping center. The subordinated loan, granted July 25, 2006 for an amount of €22,800,000, carries an interest rate of 1.5% until December 31, 2007, 3% until December 31, 2009, and 6% thereafter, until no later than December 31, 2016. Your Company also pledged receivables from Altarea Patrimae to Ixis Corporate & Investment Bank as security for the €22,800,000 subordinated loan.

The company recognized €1,371,748 of financial income from the subordinated loan in 2012.

With Mezzanine Paris Nord SA:

Your Company provided a personal, undivided guarantee to Crédit Foncier de France (acting on behalf of Entenial) on behalf of Mezzanine Paris Nord SA as security for the following:
- full repayment for Tranche A of a loan, for up to €1,859,878, representing 20% of the total loan principal amount of €9,299,390, plus interest, fees and other related costs;
- under the terms of a first-demand guarantee, payment of the remaining amount due for construction work and the initial royalty owed to the SNCF, up to €990,919, representing 20% of the total loan principal amount of €4,954,593, plus a 19.60% VAT charge and the indexed increases set forth in the tenancy agreement.

Commissions on this guarantee payable to the company at a rate of 0.4% by Mezzanine Paris Nord amounted to €4,183 in 2012.

b) With no effect during the past year:

We inform you that we have not been notified of any performance of agreements and commitments approved by Annual General Meetings in prior years, which produced no effects during the past financial year.

Paris and Paris-La Défense,
Wednesday, April 10, 2013

The Statutory Auditors

A.A.C.E. Île-de-France *French member of Grant Thornton International*	**ERNST & YOUNG et Autres**
Michel RIGUELLE	**Jean-Roch VARON**

5

CORPORATE SOCIAL RESPONSIBILITY

5.1. CSR CONTEXT AND POLICY

5.1.1. THE REAL ESTATE SECTOR IN FRANCE AND AROUND THE WORLD

5.1.1.1. Editorial by the CEO of Altarea Cogedim

What role does sustainable development play in Altarea Cogedim's strategy?

The momentum the Group has enjoyed since 2009 places social, societal and environmental issues at the core of Altarea Cogedim's business. Today, in each of our businesses, our Altagreen approach naturally complements our strategy, incorporating our environmental and energy-efficiency requirements into our traditional focus on quality. This phenomenon extends to all of our production. The Altagreen approach has contributed to the durability of our portfolio and activities by limiting our environmental footprint, providing decisive leverage to guarantee the long-term value and sustainability of our creations.

What is your analysis of Altarea Cogedim group's sustainable development in 2012?

Altarea Cogedim has made progress in managing the risks and opportunities that sustainable development issues represent. I would particularly mention three positive factors for 2012:

- Our ability to anticipate new regulations that apply to our Group; the new thermal regulation RT 2012 for new projects; the upcoming decree relative to renovation of the current portfolio; the regulation encouraging company transparency for non-financial issues.
- The comprehensiveness of our sustainable development reporting, with a coverage rate close to 100% for each of our businesses.
- Monitoring progress indicators, which are verified by an independent auditor and cover all aspects of green value: comfort of use, geographical location and sustainability.

By combining these three factors, the Group has mastered all non-financial indicators for its different businesses. These results are perfectly in line with our objectives and reflect our Group's enhanced maturity.

What are your priorities for the coming years?

Our efforts will be focused on strengthening the environmental performance of projects making up our portfolio. For our development business, we will continue to demand high quality for all of our projects, regardless of their sales price, geographical location or asset class.

For our property investment business, our efforts will focus on systemizing best operating practices by obtaining BREEAM In-Use operational environmental certification for our portfolio. This initiative will be one of the factors of success in our pursuit of reduced energy consumption and CO_2 emissions.

As for the company's social footprint, the Group will continue implementing its strategy of providing employees with high-level leadership and support. At the same time, it will maintain its initiatives to strengthen local partnerships, thus promoting employment and insertion.

Alain TARAVELLA

5.1.1.2. The current state of the real estate market and regulatory context

5.1.1.2.1. Environmental, social and societal footprint

Real estate, which accounts for 43% of energy consumption, 21% of greenhouse gas emissions, significant responsibility in terms of waste production, water consumption and impacts on biodiversity, is, along with transport, the sector in which sustainability issues - especially environmental - play the greatest role.

The extent of impacts creates a risk of value impairment on property assets. Real estate companies therefore have to remain a step ahead of the changes in social responsibility underway and those to come:

- growing difficulty of access to housing;
- worsening public health issues and energy insecurity;
- population aging and dependency;
- diminishing tax incentives promoting acquisition of sustainable property;
- pressure on energy markets impacting buildings' energy costs and means of transportation;
- pressure on urban sprawl.

As a springboard for technological and socially responsible innovations, sustainable development issues provide a beacon within the sector and represent a genuine source of value creation for real estate market players.

5.1.1.2.2. Regulatory context of the Group's real estate activities

In 2009, the Grenelle Environment Round Table set the initial concrete objectives to prepare for the social, societal and environmental challenges of tomorrow. The 57 articles cover energy, construction, transportation, biodiversity, governance and environmental and health risks.

For the Group's real estate investment and development activities, the impact is three-fold:

IMPROVING THE ENERGY PERFORMANCE OF NEW BUILDINGS

France's 2012 thermal regulations (RT 2012) establish the Low Energy Building (Bâtiment Basse Consommation® or BBC®) label for energy performance as standard, but the future 2020 thermal regulations (RT 2020) will require construction of positive-energy buildings (BEPOS). This next step will be a sign of genuine progress in minimizing energy use. Moreover, energy use will have to be completely offset by on-site production of renewable energies.

IMPROVING THE ENERGY PERFORMANCE OF EXISTING BUILDINGS

The Grenelle law included a provision to renovate public and private commercial property by 2020, with the goal of reducing energy consumption between 2012 and 2020. Implementation of this provision has been delayed, but should soon be enforceable once the implementation decree is passed. Following from the working groups chaired by Maurice Gauchot, CEO of CBRE, this decree will set out the target performance levels depending on the building's initial condition, type, usage and the level of responsibility of each stakeholder.

IMPROVING THE COMPANY'S TRANSPARENCY

Regarding publication of CSR information, article 225 of the Grenelle 2 law of July 2010 includes a provision requiring some companies to release non-financial information in their registration document, and to have this information verified by an independent third party. The registration document must "exhibit actions undertaken and orientations adopted to take account of the social and environmental consequences of companies' activities and fulfill their societal commitments to sustainable development." As a company listed on a regulated market, Altarea Cogedim falls within the scope of article 225 as of FY 2012.

5.1.1.3. Challenges and outlook for 2013

Looking ahead to all new regulations for its different activities, in 2013 Altarea Cogedim will continue its commitments to reporting and to energy and environmental enhancement for both its existing assets and new projects. The impact of 2012 thermal regulations included in the upcoming decree on improvement of the office park, as well as that of article 225 of the Grenelle 2 law intended to structure companies' CSR reporting which recently came into force, will be gradually incorporated into social and environmental reporting guidelines, construction and operation management systems and the Group's action plans.

In 2013, Altarea Cogedim will finalize incorporation of the e-commerce business into its sustainable development approach by introducing the Group's two social and environmental guidelines, as well as through action plans for this new business.

5.1.2. COMMITMENTS AND OVERSIGHT OF THE CSR APPROACH

5.1.2.1. Challenges, risks and opportunities for Altarea Cogedim

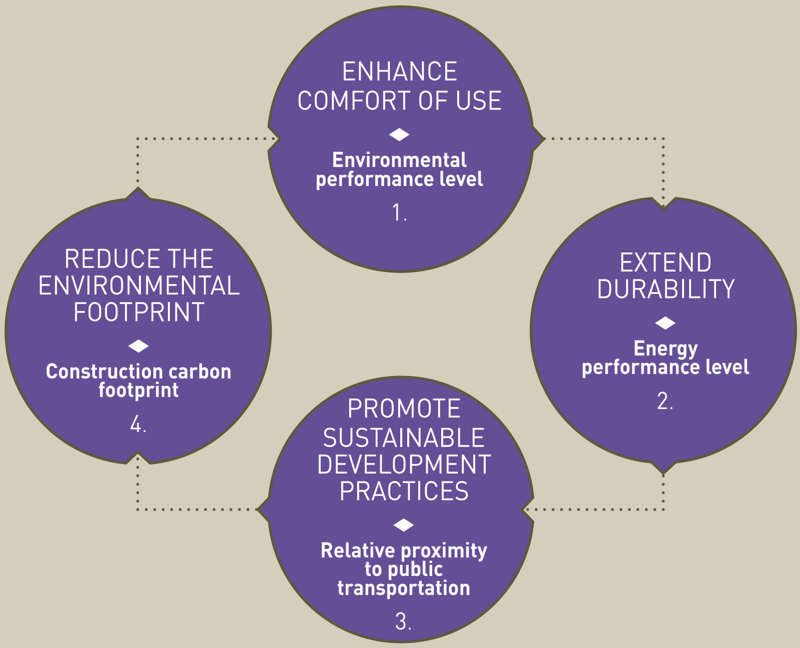
5.1.2.1.1. Developing green value in real estate activities

Altarea Cogedim looks to turn sustainable development into an opportunity by promoting the green value of its new projects and retail assets.

As a developer, the Group has established environmental performance as one of its quality requirements for all production. As such, its positioning and the development of its business and teams are grounded on four complementary areas of progress, covering factors of direct and indirect responsibility:
- improving the comfort of use of new projects by choosing certifications and environmental profiles adapted to each type of asset;
- extending the sustainability of development projects by reducing their energy requirements and protecting them from energy price increases;
- promoting sustainable practices by applying stringent criteria to the choice of sites and location with regard to public transportation;
- reducing the environmental footprint of the construction and end of life of new projects by encouraging more energy-efficient construction materials and processes that produce less greenhouse gas emissions.

In order to advance in all of its new projects, Altarea Cogedim introduced four indicators derived directly from these areas of progress.

4 key indicators and 4 areas of progress for new developments



1.

Percentage of retail, office and hotel surface area or number of homes certified or undergoing the environmental certification process (NF Démarche HQE®, BREEAM®, H&E).

2.

Percentage of retail, office and hotel surface area or number of homes with an energy performance level in line with THPE®, BBC®, Paris Climate Plan or RT 2012 standards.

3.

Percentage of retail, office and hotel surface area or number of homes located less than 500 meters from a public transportation network.

4.

Average construction carbon footprint per m^2 of retail, office, hotel or residential property.

Altarea Cogedim provides its stakeholders with understandable and comparable information to help them evaluate the green value of new projects.

As a property investor, the Group gears its strategy towards managing and improving the environmental performance of its assets. It reports on the environmental performance of its assets using specific, transparent indicators in line with sector recommendations to ensure their comparability.

Since 2011, Altarea Cogedim has called upon an independent auditor to verify the main environmental indicators applied to its assets (new projects and existing assets) to heighten the quality of its reporting process and the reliability of data.

Through all of these measures, the Group looks to limit the environmental impact of its assets, as well as its technical and energy obsolescence and vulnerability to future environmental regulations. Altarea Cogedim will thus boost the appeal and liquidity of its shopping centers for investors while maintaining their appraisal value.

A tracking table to be found in paragraph 5.2 identifies the Group's key CSR indicators: these indicators relate to all of the Group's businesses and illustrate a variety of issues.

5.1.2.1.2. Reducing our environmental footprint

Altarea Cogedim is dedicated to managing and reducing its environmental footprint across all of its activities: corporate operations, property development and investment, and finally e-commerce.

In 2012, the Group carried out a significant series of carbon assessments. For the first time, all Group businesses were targeted to evaluate:

- its property investment business, concerning emissions for all shopping centers,
- its property development business, calculating emissions related to the different Group projects currently underway,
- its e-commerce business, concerning its logistics activities and including emissions resulting from shipping purchased products,
- and finally corporate operations, concerning Altarea Cogedim's various offices (head offices, French and European subsidiaries).

This comprehensive carbon assessment makes it possible to calculate the Group's economic vulnerability in the event that a carbon tax is implemented or should the price of fossil fuels increase. It also facilitates the establishment of medium- and long-term action plans for all activities concerned.

As a real estate developer, Altarea Cogedim carries out real estate projects aiming for high environmental and energy performance while gradually reducing the impact of work during construction and the end of life of buildings. Tangible evidence of this is the Group's series of construction carbon assessments (Bilan Carbone® Construction) launched in 2010. These assessments covered the various types of projects, aiming to reduce the carbon footprint of all projects in the medium and long term.

As a real estate investor, the Group limits the environmental impact of its shopping center portfolio through detailed, verified reporting, setting short- and medium-term environmental goals and defining targeted action plans.

5.1.2.1.3. Initiatives for employees

With the growth of its businesses, Altarea Cogedim has engaged in an ambitious review of its labor policy, focusing on work quality, well-being, performance and personal development to bring out the best in each employee. The Group plans to activate three main drivers: continuous development of expertise, promotion of employee loyalty and employee motivation throughout their careers.

5.1.2.1.4. Incorporating stakeholders

Altarea Cogedim attaches great importance to taking a concrete approach to leadership with all of its stakeholders: clients, employees, suppliers/subcontractors, economic and financial partners, local communities, etc.

Given the increasing influence of stakeholders in its businesses, the Group is working to develop ways to involve them further in its sustainable development strategy and establish regular dialogue. Relations with Altarea Cogedim's stakeholders are described in Chapter 5.6.

5.1.2.2. Altarea Cogedim CSR governance

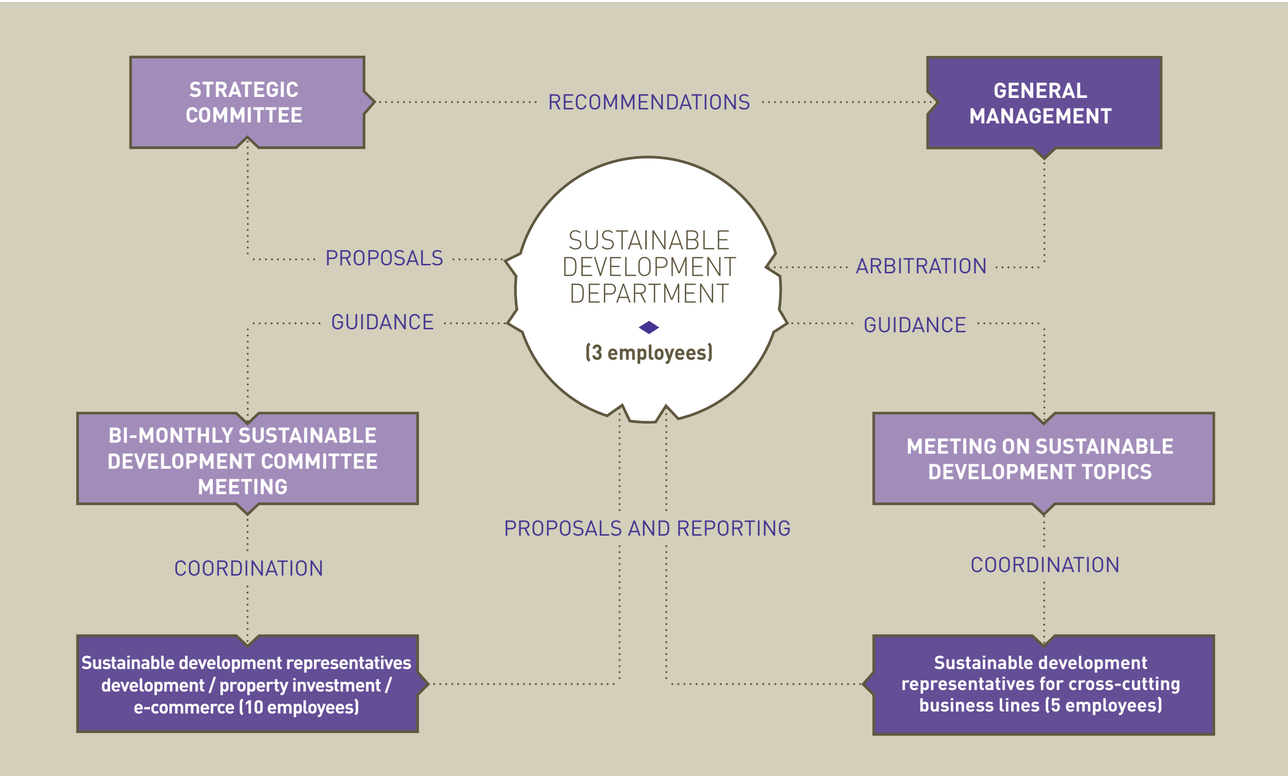
The Sustainable Development Department is made up of three staff members:

- Maxime LANQUETUIT, Sustainable Development Manager in charge of all aspects of the Altagreen approach for the Group's different businesses and operations (mlanquetuit@altareacogedim.com);
- Flora ALTER, Sustainable Development Engineer in charge of environmental reporting for the portfolio and "Bilan Carbone® exploitation" operational carbon assessments, as well as establishment and monitoring of action plans for the property investment business (falter@altareacogedim.com);
- Cécilia RIBEYRE, Communication and Sustainable Development Specialist focused on internal communication and sustainable development events and campaigns (cribeyre@altareacogedim.com).

The Department advises the Group's management in defining Altarea Cogedim's sustainable development strategy and coordinating all of its non-financial communication. The team works with a network of ten sustainable development representatives from each of the Group's businesses (office property, residential and retail) who participate in the bi-monthly Sustainable Development Committee meeting. A number of focus meetings are also held with representatives on more specific and operational topics.

The Sustainable Development Department also benefits from a network of regular advisors representing cross-cutting activities: human resources, communication, finance and corporate services. Targeted meetings are also held with them for exchange and feedback.

Structure of Altarea Cogedim's CSR governance



The structure of the department enables the Group's sustainable development approach, thanks to employees who fully grasp their accountability on these issues. It also facilitates the reporting of information and the sharing and roll-out of the approach to Group businesses through its cross-business network of representatives. In 2013, another professional will be recruited to oversee new developments, thus further strengthening the Group's sustainable development approach.

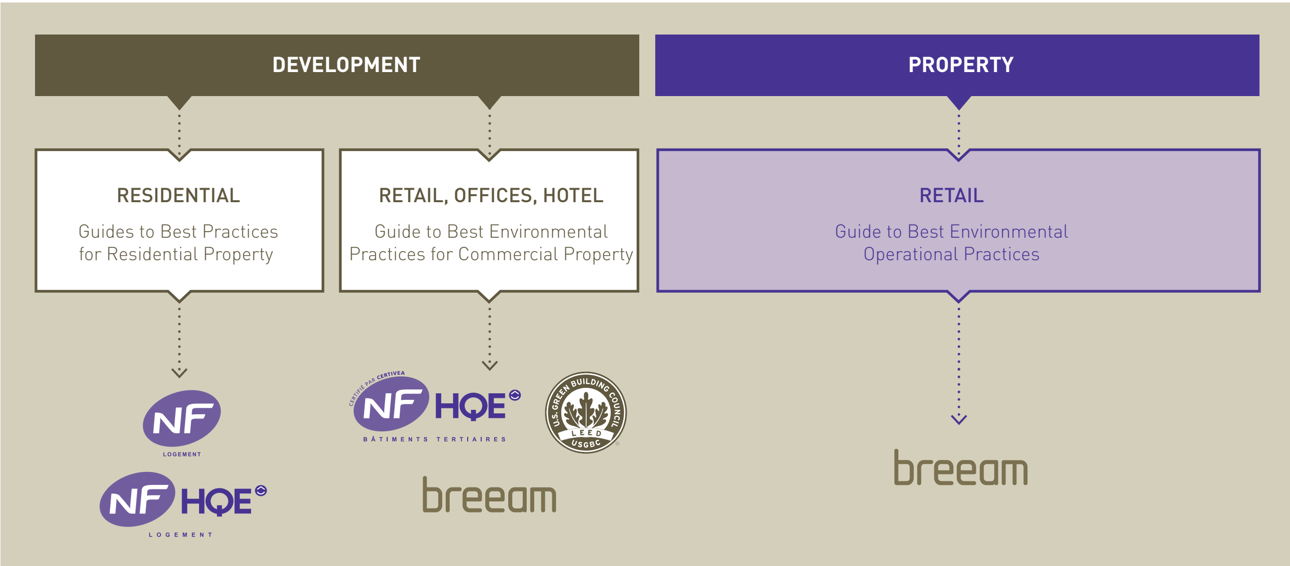
Altarea Cogedim's CSR approach is structured by the Altagreen approach. This approach is founded on three pillars – relevance, sharing and sustainability – to guarantee ambitious but balanced efforts from the company. Cross-cutting by nature, the Altagreen approach is used to pool the different types of expertise and skills from each of the Group's businesses, leading to faster CSR maturity and greater sustainable development performance for the company's projects.

Prior to their approval by management, all Group commitments are defined jointly by the Sustainable Development Department and all representatives, enabling Altagreen to reinforce the strategy of each business.

5.1.2.3. General Management system

Altarea Cogedim is gradually implementing suitable Environmental Management Systems. These guidelines are used to standardize and universalize best practices for development, construction and operational processes, as well as to boost the environmental and energy performance of new development projects and the shopping center portfolio.

Composition of Altarea Cogedim's General Management system



Implementation of this General Management system (GMS) makes it easier to meet the requirements of the different certification guidelines and develops employees' environmental skills. Due to the recent consolidation of RueduCommerce, the General Management system will be extended to include the e-commerce business in 2013 and 2014.

5.1.2.3.1. Environmental Management System for Residential Development

As a residential property developer, Altarea Cogedim has integrated a certification approach into its development and construction process: the "Guide to Best Practices for Residential Property." Through this process certification, the Group enjoys NF Logement qualitative certification on all of its production and can apply the NF Logement – Démarche HQE® (High Environmental Quality®) certification to all projects in the Paris Region.

5.1.2.3.2. Environmental Management System for Commercial Development

Similarly, in 2010 and 2011 the Group created the "Guide to Best Practices for Commercial Property." This guide offers each development or operational unit a tool to meet all requirements for NF Démarche HQE®, BREEAM (Building Research Establishment Environmental Assessment Method) or LEED (Leadership in Energy and Environmental Design) certifications at every stage of the project, as well as guidance for development and construction of the Group's commercial operations (shops, offices and hotels).

5.1.2.3.3. Environmental Management System for Operations

In 2013, the Group will complete development of the "Guide to Best Environmental Practices for Operations" to further enhance the reliability of environmental data reporting and the monitoring of environmental action plans. Implementation of this guide will help Altarea Cogedim in its gradual move towards "BREEAM In Use" environmental certification for all of its assets by improving its operational practices.

5.1.3. GOVERNANCE AND ETHICS

5.1.3.1. Values and ethics

In 2010, Altarea Cogedim introduced a Code of Conduct that was approved by both Group works councils. This Code of Conduct, which is available on the Group intranet and appended to the employment contract of all new recruits, addresses every aspect of relations between Altarea Cogedim and its stakeholders – employees, clients/tenants, service providers/suppliers – as well as best practices for internal operations: rules applicable to listed companies, information systems, telephone systems, etc.

Management appointed an ethics director to oversee the Group Code of Conduct. The ethics director may be called upon if difficulties arise in the application of the Code.

RueduCommerce has not yet adopted a Code of Conduct. Discussions are currently underway to determine whether the Group Code of Conduct should apply to this company, or if it is preferable for RueduCommerce to establish its own Code, considering the specific nature of its business. This Code of Conduct will be finished and implemented in 2013.

5.1.3.2. Governance and compensation

Descriptive information regarding Altarea Cogedim executives and their compensation is provided in Chapters 7.1 and 7.2.

5.1.3.3. Fight against money laundering, fraud and corruption

The Group's anti-corruption policy is stated in its Code of Conduct. The policy aims primarily to set forth the values and rules of conduct to be observed, and to guide employees in their daily activities regarding any ethical question or conflict of interest with which they may be faced.

For example, Altarea Cogedim prohibits an individual from commissioning work for his or her own benefit from companies or service providers who maintain a business relationship with the Group, unless such work is authorized by the ethics expert. It also prohibits payment in cash, even within limits authorized by regulations in force, unless such payment is explicitly authorized.

These principles must also be applied mutually in the context of relationships with clients and public authorities: any action that may be seen as attempted bribery is prohibited.

Any payment or acceptance of illicit funds is strictly forbidden in the conduct of Group operations. Where there is doubt as to the legality of a payment, the ethics director must immediately be consulted.

Furthermore, in 2012 specific "anti-corruption" clauses were systematically added to service contracts, business finder contracts and agreements with third parties.

5.2. CSR TRACKING TABLES

5.2.1. TRACKING TABLE OF MAIN COMMITMENTS

To demonstrate its dynamism regarding environmental, social and societal issues, Altarea Cogedim bases its initiatives on concrete commitments covering its real estate activities and workforce. These main commitments are presented below.

	Topic		Commitment	Deadline	GRI CRESS indicator
Environmental performance	**Environmental certification**				
	Development	*Offices*	Generalization of NF Batiment tertiaire certification - Démarche HQE® level "Very Goog" and BREEAM® certification BREEAM® minimium level "Very Good"	**continuous**	CRE 8
		Residential	Generalization of NF Logement certification for all operations and generalization of NF Logement certification - Démarche HQE® for all operations in the Paris Region as a minimum	**continuous**	CRE 8
		Hotels	Generalization of NF certification for all operations and generalization of NF certification - Démarche HQE® for all operations as a minimum	**continuous**	CRE 8
		Retail	Generalization of BREEAM® certification, level "Very Good" *at minimum*	**continuous**	CRE 8
	Property investment	*Retail*	BREEAM® In-Use operating certification for 100% of the commercial portfolio included in the scope of reporting	**2015**	CRE 8
	Energy efficiency				
	Development	*Offices*	Generalization of the HPE® 2012 (RT 2012 - 10%) level of energy efficiency *at minimum* Systematic Dynamic Thermal Simulation carried out in addition to the conventional calculation	**2013**	EN 6
		Residential	Adjustment to the new RT 2012 thermal regulation, applicable as of January 1, 2013	**2013**	EN 6
		Hotels	Pilot operations at HPE® and THPE® 2012 energy efficiency levels	**2013**	EN 6
		Retail	Adjustment to the new RT 2012 thermal regulation, applicable as of January 1, 2013 Systematic Dynamic Thermal Simulation carried out in addition to the conventional calculation	**2013**	EN 6
	Property investment	*Retail*	22% reduction in primary energy consumption for the portfolio (constant scope) compared to 2010	**2015**	CRE 1
	Greenhouse gas emissions				
	Development	*Offices*	Bilan Carbone® construction assessment (scopes 1,2,3) systematically carried out for all operations with surface area greater than 10,000 m^2	**continuous**	CRE 4
		Residential	5 Bilan Carbone® assessments (scopes 1,2,3) corresponding ti the 5 ranges of new residential projects	**2013**	CRE 4
		Hotels	Bilan Carbone® construction assessment (scopes 1,2,3) systematically carried out for all operations with surface area greater than 10,000 m^2	**continuous**	CRE 4
		Retail	Bilan Carbone® construction assessment (scopes 1,2,3) systematically carried out for all operations with surface area greater than 10,000 m^2	**continuous**	CRE 4
	Property investment	*Retail*	24% reduction in greenhouse gas emissions related to portfolio energy consumption (constant scope) compared to 2010	**2015**	CRE 3
Societal performance	**Accessibility**				
	Development	*Offices*	Selection of new building sites located less than 500 meters from a public transportation network (Bus, Tramway, Metro, RER, Train)	**continuous**	EN 6
		Residential		**continuous**	EN 6
		Hotels		**continuous**	EN 6
		Retail		**continuous**	EN 6
	Stakeholders				
	Property investment	*Green lease*	More than 65% of all portfolio assets covered by green leases	**2015**	SO 9
Social performance	**Group**	*Diversity*	Formalization of our commitment by signing the Diversity Charter Training of staff concerned	**2013**	NA
		Career management	Yearly increase in the percentage of employees participating in annual interviews, as well as the percentage of requests during interviews effectively giving rise to training initiatives	**continuous**	NA
		Skill development	Yearly increase in the average number of training hours per employee, essentially focusing on occupation-based training	**continuous**	LA10

5.2.2. TRACKING TABLE OF MAIN CSR INDICATORS

Altarea Cogedim uses a great number of social, societal and environmental indicators to measure its sustainable development performance. In the context of this monitoring initiative, the Group selected primary indicators called "Key Indicators." These 14 particularly significant indicators address environmental, social and societal issues. They cover numerous key concerns for Altarea Cogedim and show the outcome of actions carried out in the course of the year.

They were chosen on the basis of various criteria: stakeholders' expectations and regulatory requirements, as well as external costs or benefits for the Group. This selection makes it possible to guide Altarea Cogedim's CSR approach and provide a clear and targeted account of its CSR performance.

The guidelines used and their scope of application are laid out in paragraph 5.2.3. Comprehensive information on methodologies and indicators is available in section 5.7.

			Unit	2010	2011	2012	Change (2010-2012)	Trends (2011-2012)	Ernst & Young Verification 2012	2012 business coverage	For more information (page No.)	GRI CRESS Corre-spondence
Environmental responsibility	**Environnemental certification**											
		Percentage of the surface area or number of residential properties certified or undergoing the environmental certification process										
	Development	Offices	%	81%	95%	100%	+23.5%	☺	✔	100%	160	CRE 8
	Development	Residential properties	%	41%	59%	67%	+63.4%	☺	✔	100%	160	CRE 8
	Development	Hotels	%	71%	71%	77%	+8.5%	☺	✔	100%	160	CRE 8
	Development	Retail properties	%	76%	90%	100%	+31.6%	☺	✔	100%	160	CRE 8
	Energy efficiency											
		Percentage of the surface area or number of residential properties with THPE, BBC, Climate Plan or RT 2012 energy efficiency levels										
	Development	Offices	%	81%	90%	94%	+15.8%	☺	✔	100%	177	EN 6
	Development	Residential properties	%	23%	56%	86%	+272%	☺	✔	100%	177	EN 6
	Development	Hotels	%	11%	62%	52%	+376%	☺	✔	100%	177	EN 6
	Development	Retail properties	%	76%	75%	100%	+31.1%	☺	✔	100%	177	EN 6
		Primary energy consumption per m² (1)										
	Property investment	Commercial assets, current scope	kWhep/m²	190	185	185	-2.7%	☺	✔	91%	178	CRE 1
	Property investment	Commercial assets, constant scope	kWhep/m²	186	170	167	-10.0%	☺	✔	61%	166-178	CRE 1
	Greenhouse gas emissions											
		Bilan Carbone® assessment scopes 1,2,3										
	Group	Development, Property investment, E-commerce, Corporate	tCO_2e/employee	ND	ND	697	New indicator			100%	170	CRE 3
		Bilan Carbone® assessment scopes 1,2,3 per m²										
	Development	Offices	$kgCO_2e/m^2$	ND	ND	602	New indicator			100%	173	CRE 4
	Development	Residential properties	$kgCO_2e/m^2$	ND	ND	1048	New indicator			100%	173	CRE 4
	Development	Hotels	$kgCO_2e/m^2$	ND	ND	647	New indicator			100%	173	CRE 4
	Development	Retail properties	$kgCO_2e/m^2$	ND	ND	417	New indicator			100%	173	CRE 4
		Emissions linked to energy consumption per m² (1) (2)										
	Property investment	Commercial assets, current scope	$kgCO_2e/m^2$	9.14	8.81	9.11	-0.3%	☺	✔	91%	180	CRE 3
	Property investment	Commercial assets, constant scope	$kgCO_2e/m^2$	8.59	7.54	7.73	-10.0%	☺	✔	61%	166-180	CRE 3
		Average emission factor corresponding to visitors' means of transportation to come to shopping centers										
	Property investment	Commercial assets, current scope	$kgCO_2e$/visitor.km	ND	0.108	0.100	-7.4%	☺	✔	81%	169	EN 17
Societal responsibility	**Accessibility**											
		Percentage of the surface area or number of residential properties located less than 500 meters from public transportation										
	Development	Offices	%	93%	93%	100%	+8%	☺	✔	100%	167	EN 6
	Development	Residential properties	%	92%	86%	94%	+2%	☺	✔	100%	167	EN 6
	Development	Hotels	%	100%	100%	100%	+0%	☺	✔	100%	167	EN 6
	Development	Retail properties	%	100%	100%	100%	+0%	☺	✔	100%	167	EN 6
		Percentage of sites less than 500 meters from public transportation										
	Property investment	Commercial assets, current scope	%	ND	ND	92%	New indicator		✔	91%	169	EN 6
		Percentage of sites less than 500 meters from public transportation with a maximum waiting time under 20 minutes										
	Property investment	Commercial assets, current scope	%	ND	ND	69%	New indicator		✔	91%	169	EN 6
	Stakeholders											
	Property investment	**Green leases as a percentage of the total number of leases in effect or signed at December 31**										
	Property investment	Percentage of green leases	%	6.9%	29.6%	39.1%	+467%	☺	✔	100%	198	SO 9
Social responsibility		**Workforce**										
	Group	Total workforce	number of employees	767	860	1232	+61%	☺	✔	100%	184	LA 1
		Absenteeism										
	Group	Rate of absenteeism (excl. maternity/paternity leave)	%	ND	ND	4.3%	New indicator		✔	100%	186	LA 7
		Training										
	Group	Number of hours of training for total workforce	hours/employee	ND	9.8	9.1	-7%	☹	✔	100%	187	LA 10

(1) Consolidated ratios integrating different types of business assets, as described in paragraph 5.3.4.2.

(2) The emissions factors used are described in paragraph 5.7.1.3.

5.2.3. SCOPE OF REPORTING AND GUIDELINES

With the aim of comprehensively measuring the social and environmental impact of its business within the broadest possible scope, Altarea Cogedim defines and specifies all of its scopes and reporting periods, thus making it easier for other stakeholders to fully understand its reporting. Moreover, the Group bases its reporting on the main national and international guidelines (GRI CRESS, EPRA, etc.) to facilitate data comparison. Key indicators are specified in this chapter, and an analysis of 2012 results is available in Chapter 5.4.

5.2.3.1. Scope of reporting coverage and guidelines used

Reporting covers virtually all aspects of Altarea Cogedim's property development and investment business, as well as its head office. However, environmental reporting has not yet been extended to the e-commerce business, owing to its recent consolidation. CSR reporting coverage rates are more inclusive than financial reporting excluding RueduCommerce.

Comprehensiveness of Altarea Cogedim's non-financial reporting

	CORPORATE	DEVELOPMENT				PROPERTY	SOCIAL
STANDARD	GRI CRESS	Internal definition (chapter "Methodology and Indicator Tables")				GRI CRESS EPRA recommendations	GRI CRESS
PERIOD	September 1 of the preceding year August 31 of the current year	January 1 of the current year - December 31 of the current year				January 1 of the current year - December 31 of the current year	January 1 of the current year December 31 of the current year
SCOPE OF ACTIVITY	**HEAD OFFICE** 88,780 ft² (8,248 m²) of useful space	**RESIDENTIAL** 189 operations 15,189 homes	**OFFICE PROPERTY** 18 operations 3,799,477 ft² (352,983 m²)	**HOTELS** 3 operations 470,522 ft² (43,713 m²)	**RETAIL** 4 operations 2,025,940 ft² (188,216 m²)	**RETAIL** 7,042,310 ft² (654,252 m²) GLA	**GROUP** 1,232 employees
REPORTING COVERAGE	100%	100%	100%	100%	100%	86,7% (in terms of surface area) 91,0% (in value terms)	100%

5.2.3.1.1. Compliance of reporting with national and international guidelines

To increase transparency, the Group bases its non-financial reporting on sector guideline GRI 3.1 CRESS and achieved the level of GRI B+ in 2012. Basing reporting on a GRI guideline lets Group stakeholders compare Altarea Cogedim's non-financial reporting with all national and international players in the real estate sector.

5.2.3.1.2. Reporting periods

To ensure consistency with financial reporting, the Group chose, whenever possible, to base its environmental reporting on the same period. However, in terms of measurements of environmental data and carbon footprints for buildings used by the Group (corporate scope), the slow pace of data and the length of the calculation procedures forces us to apply a different period (September 1 of the reference year to August 31 of the following year) to comply with the completion schedules of our regulatory documents.

5.2.3.2. Description of the scope of reporting for corporate activities

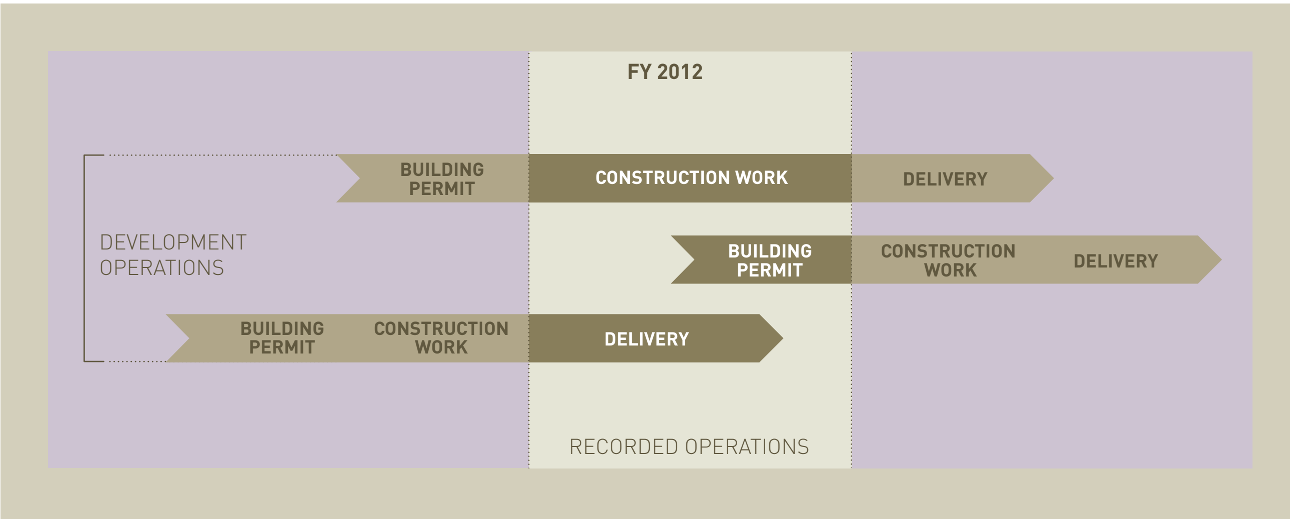
The scope of corporate reporting includes environmental data from the head office of Altarea Cogedim, located at 8 Avenue Delcassé in the 8th arrondissement of Paris. This data was managed either directly by Altarea Cogedim (waste) or by the owner of the building (water, energy, CO_2) and transmitted to Altarea Cogedim for annual (or more frequent) follow-up.

5.2.3.3. Description of the scope of reporting for development activities (new developments)

For its property development business, the Group deployed indicators to accurately assess the quality of its production for a given year. As such, the Group chose not to establish indicators based exclusively on operations begun or those that have been delivered, as these would provide only partial information on the developer's production. Particularly, they would not include operations in progress that were neither launched nor delivered within the year in question.

A development year includes operations launched through new building permits, operations under construction that were launched in previous financial years and are to be delivered in subsequent financial years, and finally operations that were delivered in the course of the year. Likewise, it seemed relevant for us to be able to place all projects within the scope of a single indicator that would be perfectly consistent and comparable with the financial and operational activity of the development business. That is why the Group selected a scope allowing indicators for calculations for projects (office, residential, retail and hotel development with provisional or permanent building permits), under construction or delivered in the reference year.

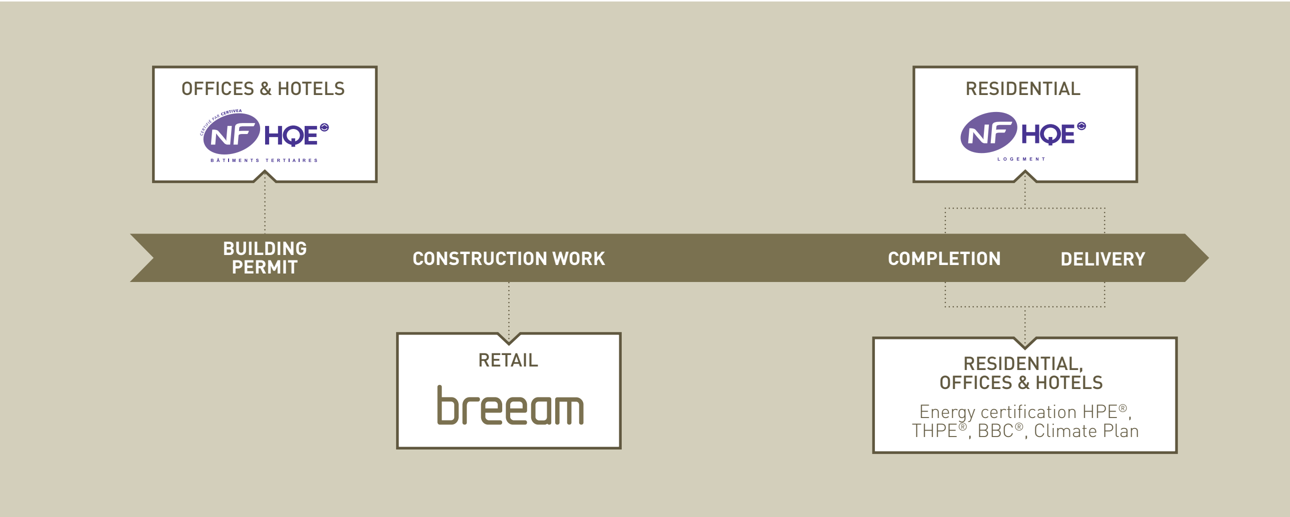
Method for recognizing new developments in the scope of reporting



The residential property indicators are consolidated in terms of number, while office, retail and hotel property indicators are consolidated in terms of net floor area.

For better understanding of indicators concerning development operations, we chose to use the same recognition method for each project type, each environmental certification and each energy label. However, key dates for granting of certification may vary depending on the various asset types and environmental certifications. Please see details of the different dates in the diagram below.

Key dates for granting of certification / energy labels by asset type



5.2.3.4. Description of the reporting scope for investment activities (existing assets)

Scope of ownership

The scope of ownership includes all assets for which Altarea Cogedim ownership is not nil. Assets included in this scope are those that have been held for 12 months in the reference year. As a result, any acquisitions or disposals made during the reference year are excluded from the scope of ownership. Sites undergoing construction during the reference year are included in this scope unless they are completely closed for at least one month in the reference year.

Scope of current reporting

All assets included in the scope of ownership are also included in the scope of current reporting with the exception of:

- Sites not managed by Altarea Cogedim and therefore for which the Group has no operational control.
- Sites on which no Altarea Cogedim representative carries out on-site management.

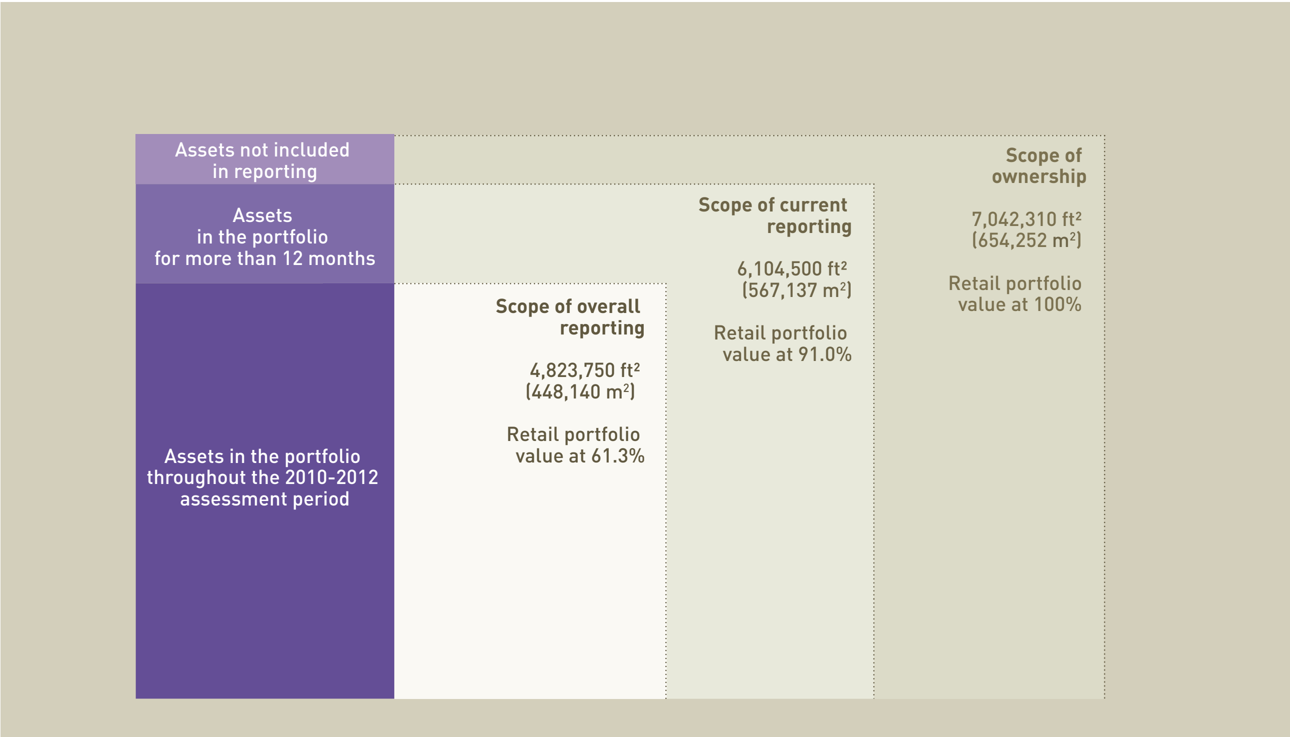
Scope of overall reporting

The overall scope is defined as all assets included in the scope of current reporting over the assessment period (2010-2012). All disposals and acquisitions carried out during the assessment period are excluded from the overall scope.

All assets included in the scope of reporting and the overall scope--even partially-owned assets--are recognized in full if Altarea Cogedim manages them directly. Assets directly managed but not owned by Altarea Cogedim are excluded from the scope of current and overall reporting.

For indicators covering all assets (shopping centers, life style centers, family villages and retail parks), we will specify the proportion of the current or the overall scope covered by the indicator, compared with the Group's scope of ownership for the reference year. This proportion is expressed as a percentage of the value of the assets in Altarea Cogedim's scope of ownership.

Reporting scopes for the property investment business



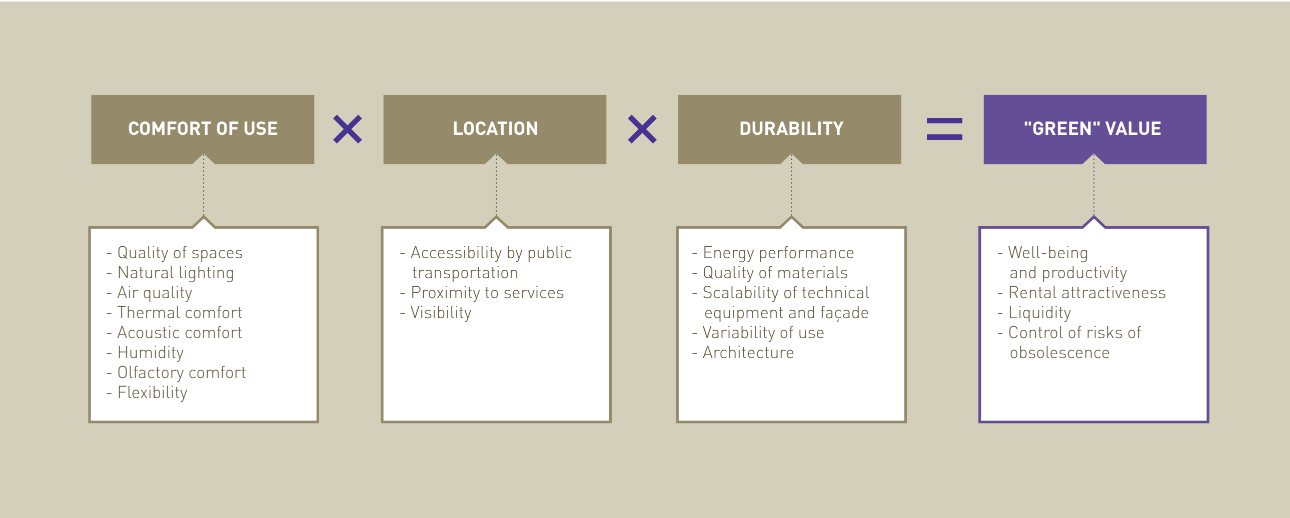
We include consumption managed or paid directly by Altarea Cogedim within the current and the overall scope. As such, we exclude all environmental data directly managed by tenants, for which Altarea Cogedim does not currently have reliable consolidated information. Ultimately, use of environmental appendices should make it possible to consolidate all energy consumption.

5.2.3.5. Description of the scope of reporting for social factors

The scope of social reporting includes all legal entities will full financial consolidation and a payroll greater than zero. Data for these entities are recognized at 100% regardless of the extent of Altarea Cogedim's ownership.

5.3. INNOVATION TO ENHANCE GREEN VALUE

To promote green value, Altarea Cogedim organizes its approach based on three fundamentals: comfort of use, location and durability for both projects and assets.



To maximize these three components of green value, Altarea Cogedim hones its focus on innovation by covering five cross-cutting subjects: environmental certification, health and comfort of use, energy performance, analysis of projects' life cycles and connections to public transportation.

5.3.1. ENVIRONMENTAL CERTIFICATION AS A PERFORMANCE DRIVER

To enhance the environmental performance of its new projects and existing property portfolio, Altarea Cogedim has selected environmental or qualitative certifications adapted to the type of project for all of its projects and assets.

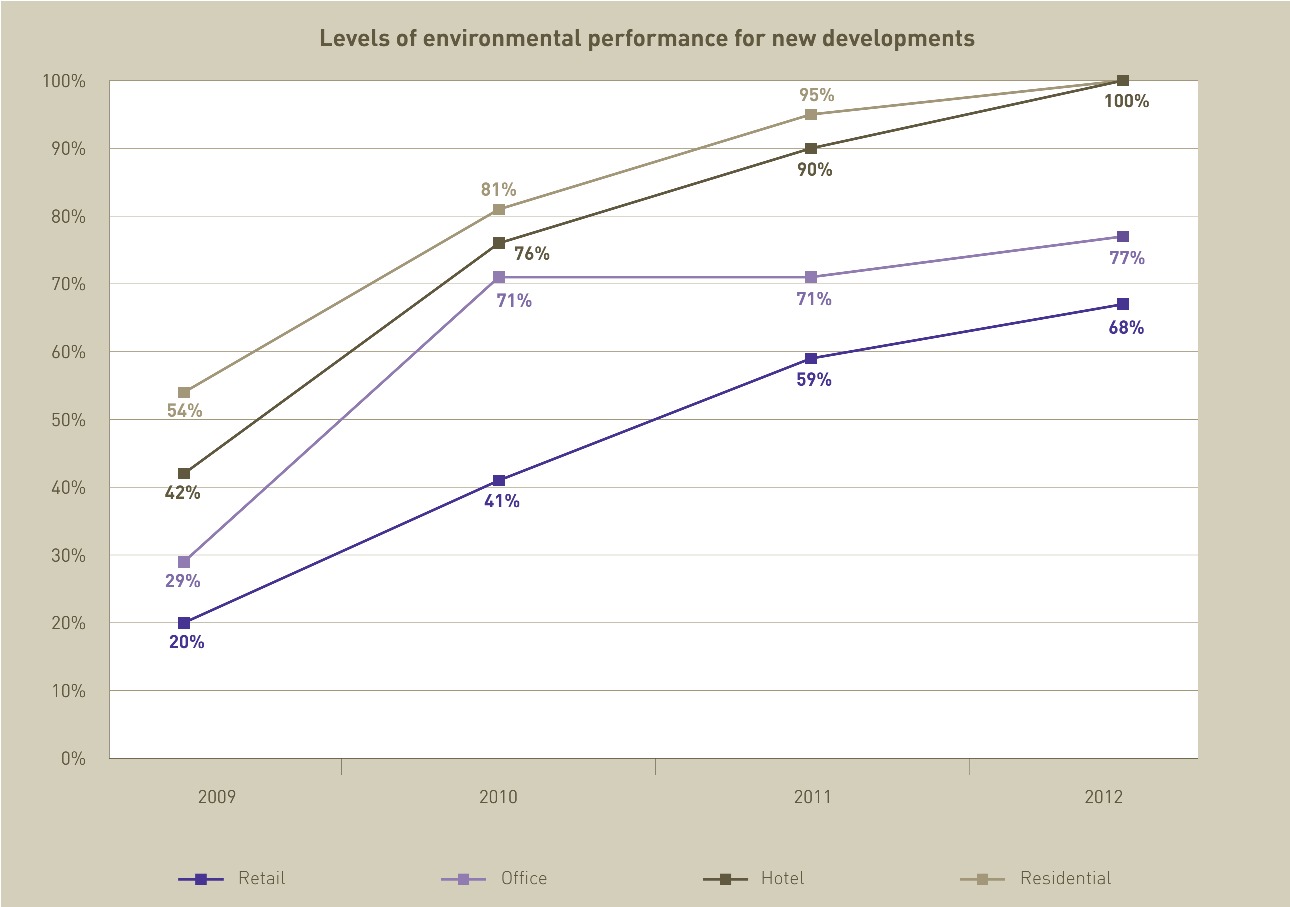
They are selected based on two predominant criteria:
- the relevance of applicable standards and assessment method;
- stakeholder expectations for each project category.

5.3.1.1. Environmental certification for new developments

The Group has introduced a systematic qualitative or environmental certification approach for its new projects:
- "Very Good" or higher BREEAM® environmental certification for new commercial developments;
- NF Bâtiment Tertiaire — Démarche HQE® environmental certification for new office and hotel development projects;
- NF Logement (residential) — Démarche HQE® environmental certification for new residential development projects in the Paris Region and most residential projects in other French regions;
- NF Logement qualitative certification for all residential production.

This standardized environmental performance objective may vary depending on the specific case: purchase of a project with a permanent building permit, services provided for an investor partner, technical impossibility, etc.

Altarea Cogedim has standardized its environmental performance objectives so that all stakeholders can assess the quality of Group production. As such, the "Environmental performance level" indicator covers all new projects.



Proportion of the surface area of shops, offices and hotels or number of residential properties certified or undergoing the environmental certification process for the standards NF Démarche HQE®, Habitat et Environnement or BREEAM® out of all development projects with a building permit (provisional or permanent), under construction or delivered in the reference year.

Since the progress-based Altagreen approach was implemented in 2009, the percentage of production with environmental certification has increased substantially for all property types as a result of both the target for environmental certification of new operations and removal of non-certified properties from the scope of the indicator.

The Group will maintain its objectives for residential, office and hotel properties in 2013. However, it will raise its target for new office developments, targeting minimum "Very Good" NF Démarche HQE® certification, as well as minimum "Very Good" BREEAM® certification (excluding Delegated Project Management).

5.3.1.2. Environmental certification for the property portfolio

In late 2012, assets in Altarea Cogedim's portfolio having earned construction environmental certification accounted for a net floor area of 765,640 ft² (71,130 m²).

	Standard	Profile														Regulatory energy consumption	Surface
		eco - construction			eco-management				comfort				health				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14		
OKABE Shopping center (Kremlin-Bicêtre 94)	NF Démarche HQE® Retail Construction	TP	B	B	P	TP	TP	P	P	P	B	B	B	B	B	124 kWhep / m² / year (CPEC - 26.4%)	Net floor area 44,430 m²
OKABE Business center (Kremlin-Bicêtre 94)	NF Démarche HQE® Office Construction	TP	B	TP	TP	TP	P	TP	P	P	P	TP	B	TP	B	96 kWhep / m² / year (CPEC - 24.7%)	Net floor area 26,700 m²

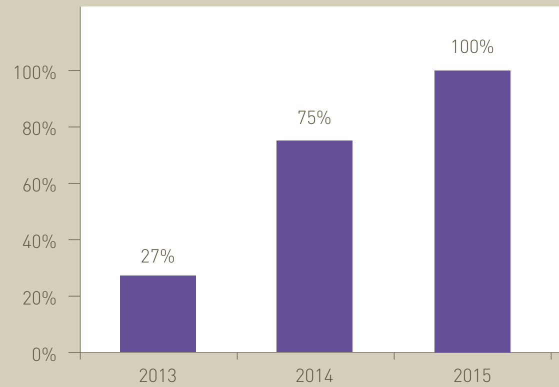
At the end of 2012, the Group's shopping center projects having obtained a building permit accounted for 2,025,940 ft² (188,216 m²). These projects, intended to be held in the portfolio, have all obtained NF Démarche HQE® environmental certification. Furthermore, 1,727,530 ft² (160,493 m²) have obtained dual NF Démarche HQE® and BREEAM certification.

Moreover, in 2012, Altarea Cogedim introduced a gradual environmental certification approach for its property assets in operation, choosing BREEAM® In-Use certification.

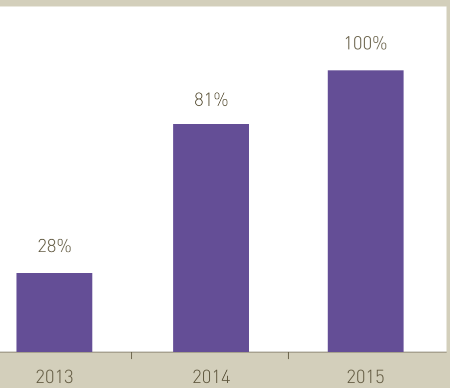
This approach complements implementation of the Environmental Management System for Operations by making for more structured and reliable non-financial reporting and guiding shopping center and operational management teams in their application of best practices and requirements for environmental certification.

In 2013, the Group will launch a "BREEAM® In Use" audit on 10 major assets in its property portfolio for a total of 3,771,610 ft² (350,394 m²) GLA or 66% of its portfolio in value terms. The Group undertakes to have 100% of assets in the scope of current reporting certified by the end of 2015.

Forecast of surface area with BREEAM® In-Use certification



Forecast of value of assets with BREEAM® In-Use certification



5.3.2. ANALYSIS OF PROJECT LIFE CYCLES

In addition to its carbon assessment, Altarea Cogedim has given considerable thought to a multi-criteria analysis of buildings' life cycles. Following two operations begun in 2010, the Group launched three complementary "HQE Performance" tests in 2012 on office projects – including the head office of Mercedes Benz in Montigny, certified BREEAM® "Excellent" and NF Démarche HQE® "Excellent" – and residential projects – Azenko in Montreuil with NF Démarche HQE® certification. This initiative gives Altarea Cogedim's teams greater insight into a building's total environmental impact throughout its life, from design to demolition and including operation, successive renovations and recyclability.

These tests, carried out in partnership with the Centre Scientifique et Technique du Bâtiment (CSTB) and the HQE® Association, make it possible to anticipate stricter multi-criteria energy and environmental regulations to be implemented in the future.

5.3.3. COMFORT OF USE AND HEALTH FEATURES

For its new projects, Altarea Cogedim complies with regulations in force regarding health and safety. For projects undergoing environmental certification, i.e., all commercial operations and the majority of its residential production, Altarea Cogedim exceeds regulatory requirements in terms of acoustic, visual, humidity and olfactory comfort, as well as air quality and living space.

To go even further in this approach, in 2012, the Group strengthened its approach to issues of health and comfort-of-use in its projects, hiring a professional to manage a pilot office property project and enhancing the health requirements included in service guidelines for residential properties ranging from entry-level to extremely high-end segments. This process of analysis and systematization for construction materials will make it possible to establish priorities for the approach spanning all production and focusing on key components with a significant impact on health.

5.3.3.1. Inside air quality and olfactory comfort

Altarea Cogedim is gradually implementing actions aimed at improving inside air quality for environmentally certified projects. For all of these operations, the Group identifies sources of pollution, both internal (VOCs and formaldehyde) and external (major roads, construction products, business conducted on premises, soil, etc.) and ensures that there are effective ventilation and adequate air flows for business activities on the premises to ensure healthy distribution of new air. It also works to control sources of unpleasant odors.

The Group has also teamed up with Medieco to set up a High Health Quality operation in its program in Le Rouret. Altarea Cogedim brings health considerations into this initiative that provides for a health analysis of the building permit, including the technical provisions specific to the project. The program will also evaluate the air quality inside the building at delivery, through measuring the concentration of Volatile Organic Compounds (VOCs) and aldehydes. Any recommendations will be communicated to future occupants.

When building the head office of Mercedes-Benz France, an operation boasting BREEAM® "Excellent" and NF Démarche HQE® "Excellent" certification, Altarea Cogedim wanted to observe even more stringent comfort criteria for the future user.

- Office space on the Mercedes-Benz France campus features air flow of 40m³/h/person and CO_2 sensors are installed in all densely occupied spaces. The reception area and conference room feature the same conditions.
- To ensure optimal aeration, laboratory studies were carried out prior to construction to determine the best position for office ventilation terminals.
- VOC and formaldehyde emissions are assessed for floor, wall and ceiling coverings in the head office.

5.3.3.2. Humidity

Constant temperature and levels of humidity throughout the year are essential factors for inside comfort. That is why Altarea Cogedim uses systems to maintain comfortable temperature and humidity levels in both summer and winter:

- in winter, a suitable overriding control ensures constant building temperature;
- in summer, protection from the sun and dissipation of excess heat are essential for comfortable temperature and humidity levels.

The Green One office building in the 18th arrondissement of Paris, boasting "Very Good" BREEAM® and "Excellent" NF Démarche HQE® certification, is equipped with a system to discontinue ventilation when the building is unoccupied, as well as a freeze protection system. To prevent uncomfortably strong air flows, air speed is maintained at 0.2 m/s in summer (compared to 0.1 m/s in winter). Finally, to prevent excess sunlight, suitable sun protections are installed depending on the building's orientation.

- Interior screen blinds for buildings facing East and West,
- Venetian blinds integrated into triple-glazed windows for Southern façades.

5.3.3.3. Acoustic comfort

Noise comes from a variety of sources. Altarea Cogedim's clients expect optimal acoustic comfort. Whether it comes from an external source (such as air traffic), collision of objects or mechanical vibrations (from equipment), noise is a source of discomfort that must be taken into account when designing a project. Altarea Cogedim goes further to offer its clients high acoustic performance, optimizing layout among different spaces in relation to internal noise disturbances. For example, the noise level of equipment is below 45 dB in open office space and below 40 dB in individual and shared offices.

5.3.3.4. Visual comfort

As natural light is fundamental, all residential and office projects built by Altarea Cogedim feature sunlight and outside views. In accordance with architectural and urban planning limitations, the Group optimizes the thickness of its buildings as well as the layout of living and working spaces to maximize useful or habitable surfaces with access to early-morning light, guaranteeing comfort for future users and limiting the use of artificial light.

For office properties, Altarea Cogedim adds dimmer switches for artificial light. Adjustable brightness depending on the level of natural light provides user comfort and reduces energy consumption.

5.3.3.5. Health Quality

Two major concerns affect the health quality of spaces: limitation of electromagnetic disturbances and creation of specific hygiene conditions. Creation of specific hygiene conditions includes identification of sensitive areas, as well as implementation of provisions to create optimal health conditions in accordance with the specific health environment of each project.

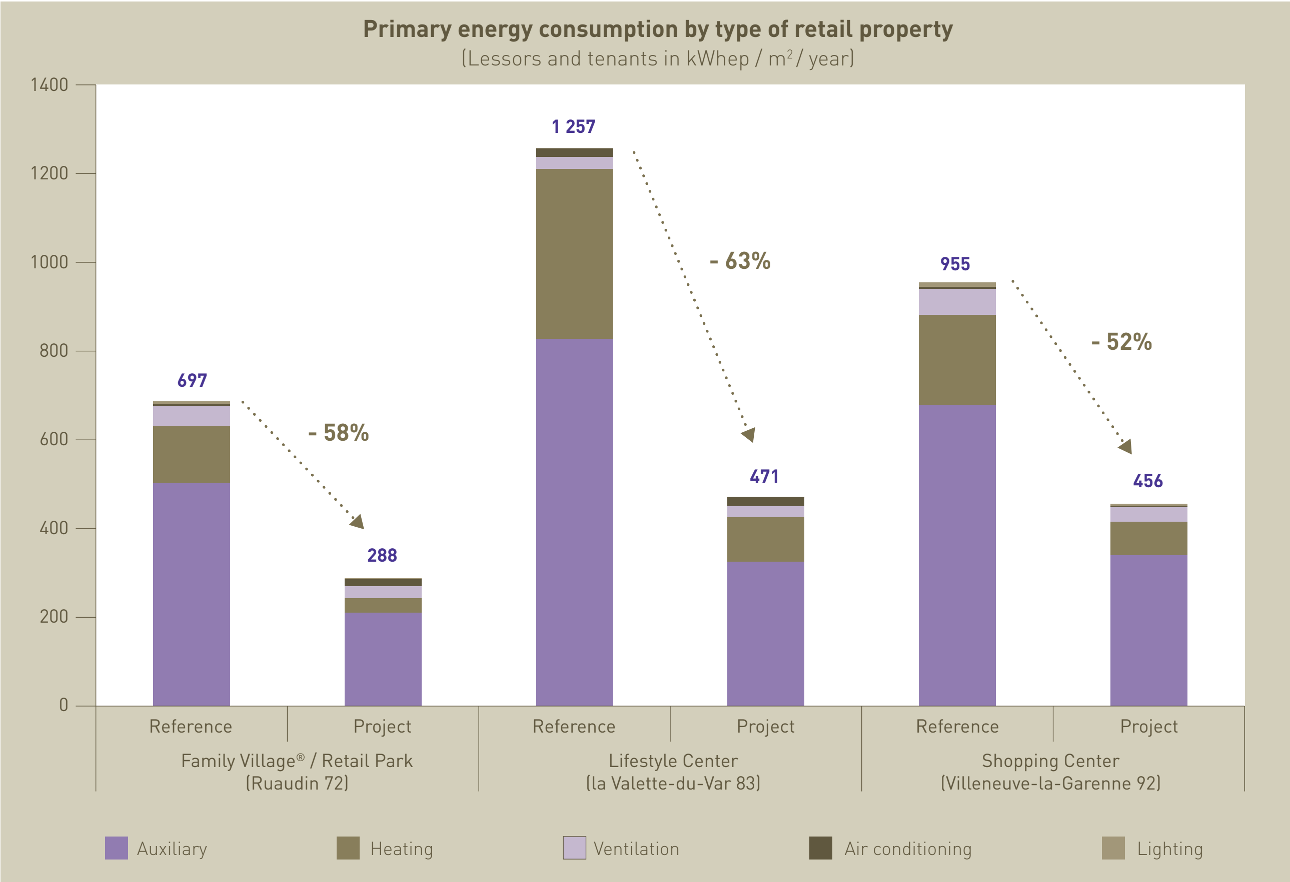
As part of assessment measures for the Network office project in Nanterre, which boasts "Excellent" BREEAM® and "Excellent" NF Démarche HQE® certification, Altarea Cogedim called on Bureau Veritas to identify "energy" sources surrounding the site (railway lines). "Telecoms" sources were identified in the initial survey of the area, and electromagnetic waves were measured upon completion of construction. Finally, construction materials were chosen with an eye to limiting fungal and bacterial growth.

5.3.4. IMPROVING ENERGY PERFORMANCE

5.3.4.1. Moving towards guaranteed energy performance for new developments

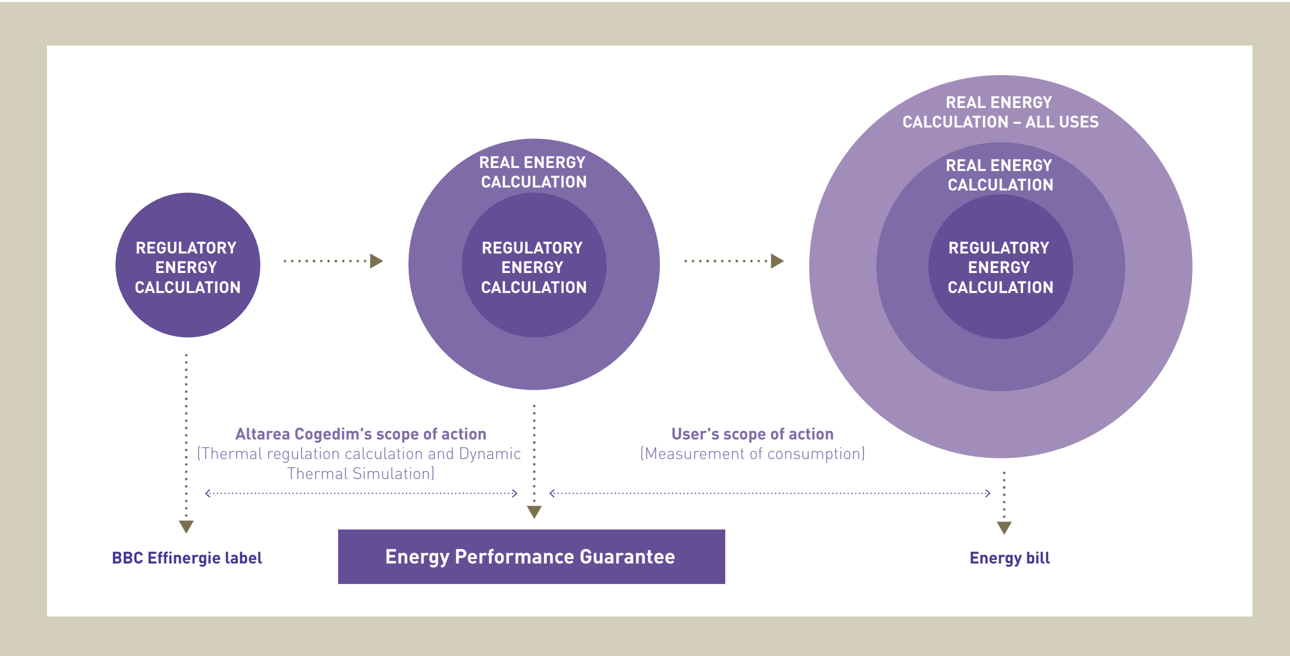
In 2010, the Group undertook to systematically ensure BBC® RT 2005 energy performance levels for all new developments, regardless of project type, in preparation of the gradual application of RT 2012 standards. One year after it became applicable for office buildings, the Group chose to systematically implement HPE (High Energy Performance) 2012 (2012 Thermal Regulation -10%) levels as a minimum for all new office projects. In 2013, Altarea Cogedim will carry out a precise analyze of the requirements instituted by this new regulation, which entered into force for other project types in January 2013. Comprehensive details on energy performance levels of new developments are available in Chapter 5.4.

Going further, to improve the performance of its development projects and carry out a precise assessment of actual future energy consumption, Altarea Cogedim conducts additional studies for less standard projects and large-scale projects. Advancing further with the regulatory calculation method used to assess only conventional performance, the Group now conducts dynamic thermal simulations for office, retail and hotel projects, and will soon be doing so for residential projects as well: these analyses are used to assess the building's future energy requirements by integrating the contribution of users into the current installed power capacity. These studies, presented in the graph below for commercial projects, make it possible for Altarea Cogedim to significantly reduce its projects' energy consumption compared with a building that simply complies with thermal regulations in force.



By carrying out these dynamic thermal simulations, incorporating an accurate picture of how each type of building will actually be used, Altarea Cogedim will also be able to move towards guaranteed energy performance for its new projects.

Simulating actual energy consumption

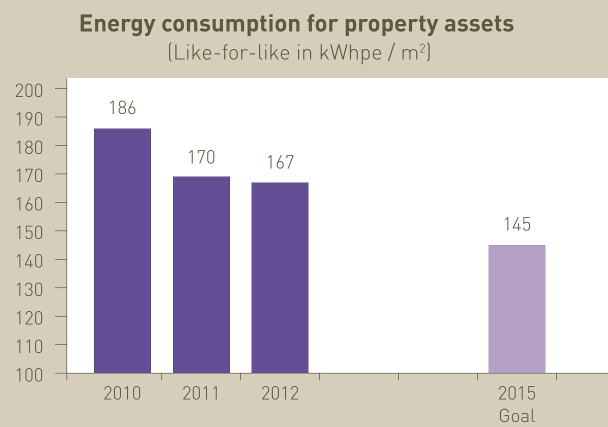


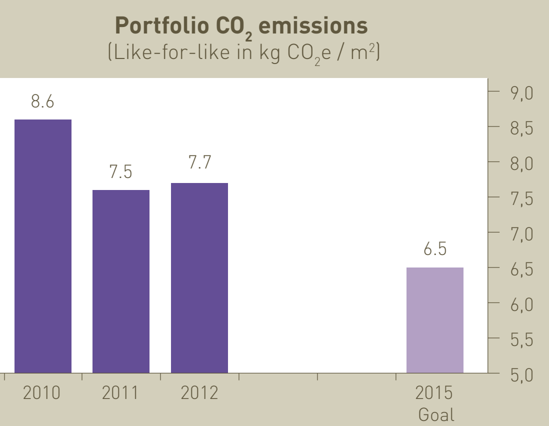
5.3.4.2. Improving energy performance for the property portfolio

Altarea Cogedim launched two complementary initiatives in 2012 to further reduce its assets' energy consumption and CO_2 emissions.

The first of these initiatives involved carrying out energy audits, thus making it possible to develop on-site assessments of energy consumed for each asset, particularly by analyzing the structure, technical facilities and operational management. Various scenarios and recommendations make it possible to draw up short-, medium- and long-term action plans ranging from energy management to optimization or renewal of technical facilities, as well as thermal recommendations for planned overall renovations of a given shopping center. This first initiative applies to Altarea Cogedim's complete property portfolio in 2012 and 2013.

At the same time, the Group began the development of an Environmental Management System for Operations, which will be extended to all commercial assets before the end of 2013. This system will allow for gradual improvement of environmental performance (and thus energy performance) of shopping centers by thorough implementation of best practices for operations and reporting.





By combining these two initiatives, Altarea Cogedim aims to continually improve its assets' environmental performance, and thus reach the goals set by the Group: a 22% reduction in energy consumption and a 24% reduction in greenhouse gas emissions per m² in the scope of reporting between 2010 and 2015.

These consolidated ratios include different types of assets, each with different energy consumption patterns:

- Shopping centers, which feature heated and air-conditioned covered malls, and a water-heating system for tenants' use, consume the greatest amount of energy,
- LifeStyle Centers, whose covered malls are not heated or air-conditioned, but which do feature water-heating systems for tenants' use, consume a moderate amount of energy,
- Finally, Retail Parks / Family Villages with open malls and without water-heating systems, are the assets with the lowest level of energy consumption.

At the end of 2012, the initial results of this approach, combined with somewhat favorable climate conditions, were a 10% reduction in energy consumption and CO_2 emissions on a reported basis compared with 2010. These initial results are in line with our reduction objectives by the end of 2015.

A comprehensive analysis of the environmental impact of our property portfolio is available in Chapter 5.4.

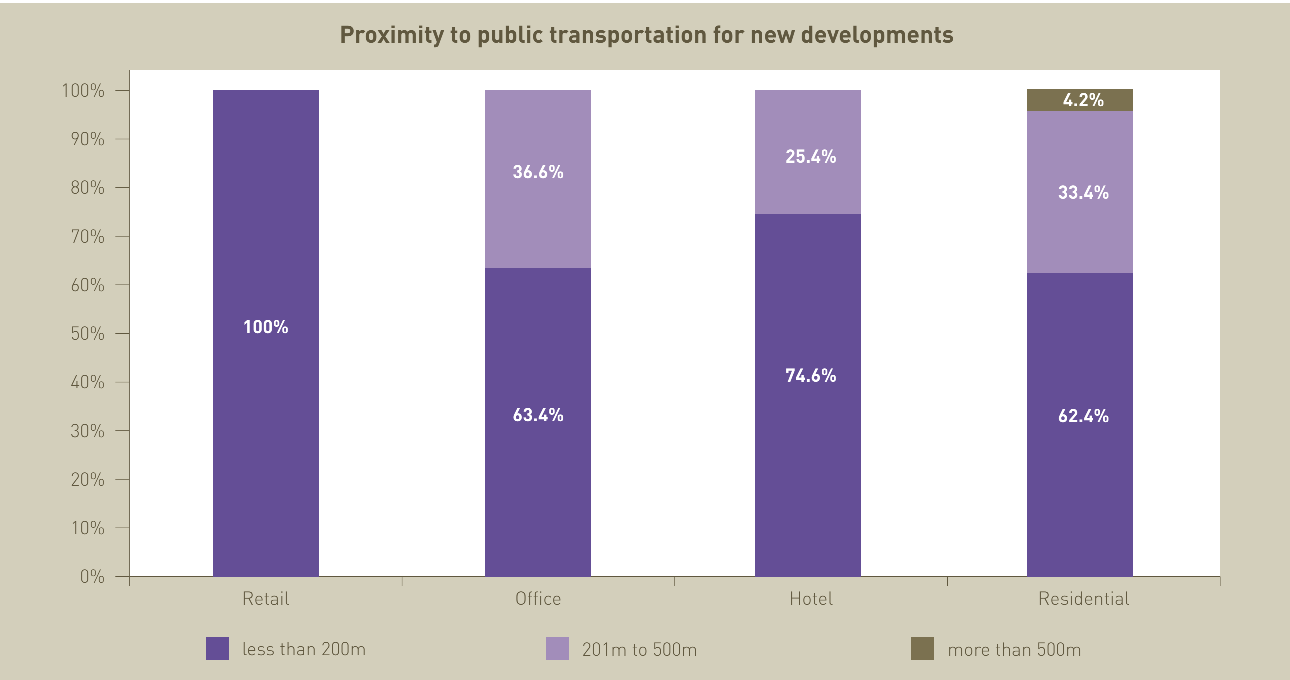
5.3.5. CONNECTIVITY AND ACCESSIBILITY

Benefiting from its position as a developer of retail, office, residential and hotel property, Altarea Cogedim can apply its firm beliefs in the importance of connecting various living spaces, providing easier access to environmentally-friendly forms of transportation.

Altarea Cogedim chose transparency regarding proximity to public transportation for all of its assets as well as its new developments, regardless of project type. Through this positioning, the Group advocates the sustainable use of its property and a sustainable lifestyle among its clients and users.

5.3.5.1. Connections to public transportation for the property development business

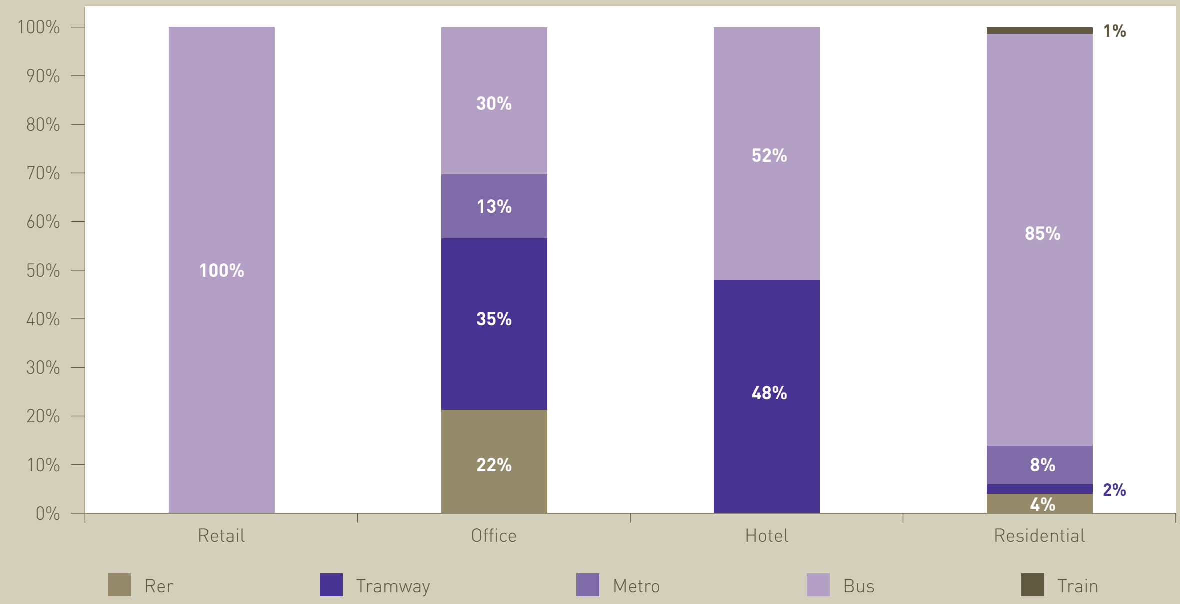
The Group systematically assesses the distance between its new projects and public transportation networks in an effort to offer clients economic and eco-friendly mobility.



Breakdown of the surface area of shops, offices and hotels or number of residential properties for operations with a building permit (provisional or permanent), under construction or delivered in 2012 by proximity to public transportation (trail, RER, metro, tramway, bus).

Altarea Cogedim works to develop projects connected to various living spaces. The Group's unique position as an actor in residential, office, retail and hotel properties gives us the chance to create spaces to live, work, relax and shop that potentially account for the majority of our customers' time. This particularity drives the Group to link these different spaces together, promoting environmentally-friendly travel that is accessible to all.

Breakdown of means of public transportation available within 500 meters of new developments



Breakdown of the surface area of shops, offices and hotels or number of residential properties for operations with a building permit (provisional or permanent), under construction or delivered in 2012 by type of public transportation available at a distance of less than 500 meters.

To go even further, the Group has strengthened its reporting guidelines to provide all stakeholders with information on means of transportation available close to its properties. This information applies to all operations included in the scope described in paragraph 5.2.3.3, i.e., all of Altarea Cogedim's new developments.

5.3.5.2. Connections to public transportation and visitor travel for property assets

Altarea Cogedim pursued the same approach as with its development business, strengthening its reporting on the connectivity of the shopping centers in its portfolio, as well as on customers' modes of transportation. It was thus able to calculate three indicators relative to connectivity within the portfolio.

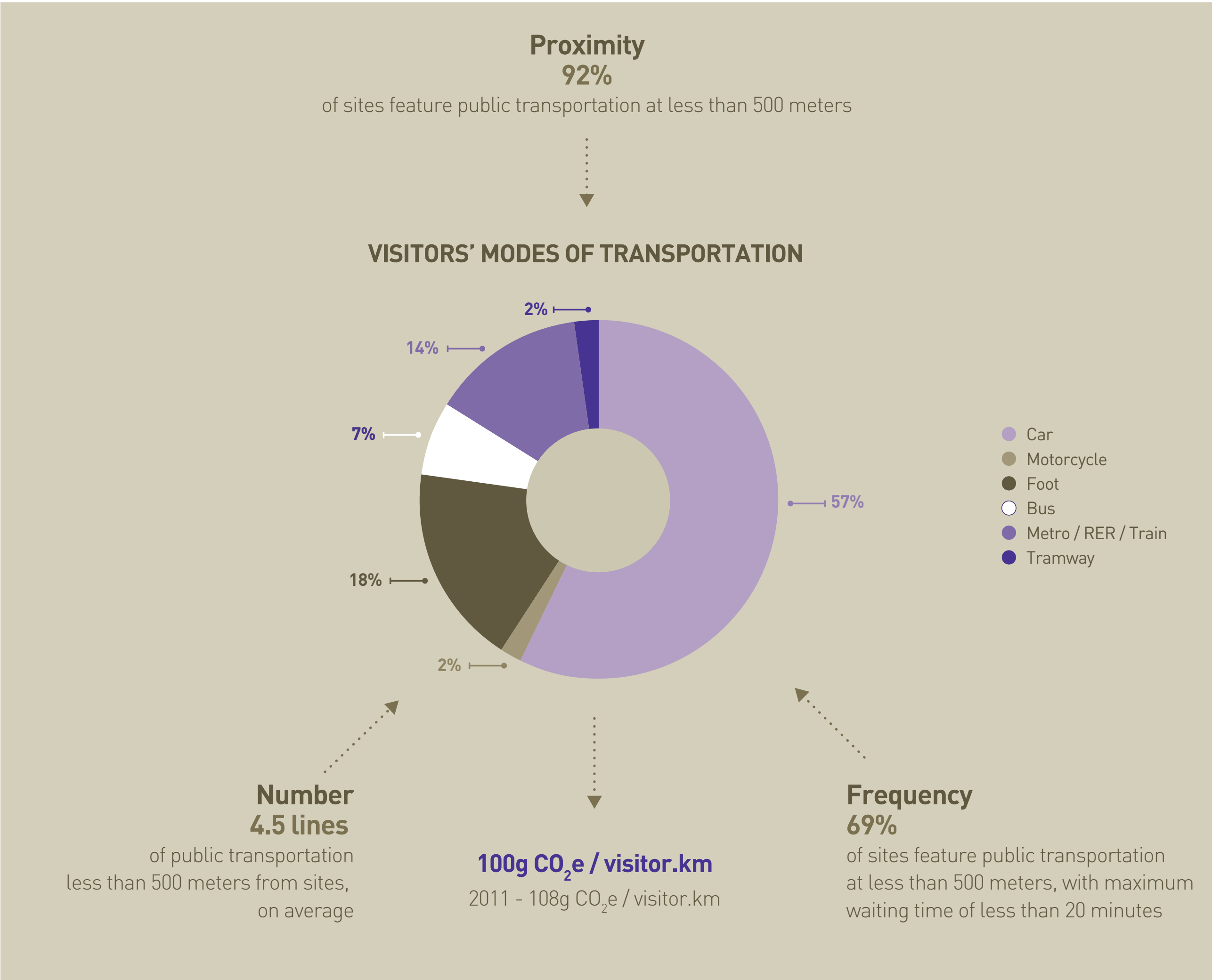
- Availability of public transportation -> average number of available lines per site at less than 500 meters
- Distance from public transportation -> percentage of sites less than 500 meters from at least one line
- Frequency of public transportation -> percentage of sites less than 500 meters from at least one line with waiting time under 20 minutes.

Moreover, the Group continues to evaluate visitors' means of transportation to its shopping centers, conducting on-site surveys for major assets.

The indicator used to track emissions resulting from travel to shopping centers, expressed in grams of CO_2e / visitor.km, dropped 7.4% between 2011 and 2012.

Thanks to this precise knowledge of connectivity and visitor travel to its property assets, Altarea Cogedim looks to offer more convenient access to its retail sites while at the same time reducing the environmental impact of such travel, particularly in terms of carbon emissions.

Connectivity and carbon footprint of customer travel to shopping centers



Calculations of proximity, frequency and number of lines are carried out for 100% of sites included in the scope of current reporting presented in Chapter 5.2.3.4.
The breakdown of visitors' modes of transportation is based on on-site customer surveys conducted for 81% of the total retail property portfolio in value terms.

5.3.6. MANAGING GREENHOUSE GAS EMISSIONS

In 2012, the Group acquired a customized IT tool offering both overall and detailed data on emissions related to its various activities. Altarea Cogedim can thus track changes in emissions over time and calculate associated economic vulnerability, allowing the Group to better manage and monitor its reduction initiatives.

5.3.6.1. Overall carbon impact of Altarea Cogedim's business

5.3.6.1.1. Total emissions

The Group's total emissions come to 685,500 tons of CO_2e. This figure includes both direct emissions and indirect emissions resulting from its business, and covers scopes 1, 2 and 3 of the GHG Protocol.

The methodology used to calculate these emissions is compatible with the Bilan Carbone® assessment, the GHG Protocol and the ISO 14064 standard.

The company also accounts for its emissions under Article 75 of Grenelle II, even though it is not subject to this regulation.

Calculation methodologies for each scope of activity are described in paragraph 5.7.1.1.

5.3.6.1.2. Breakdown by business

Altarea Cogedim's overall emissions consist of emissions related to the following activities:

- Corporate (head office and regional and European subsidiaries)
- Property investment (properties in operation)
- Property development (new developments)
- E-commerce (RueduCommerce)

Furthermore, a distinction was made between internal and external emissions, allowing for greater understanding of the Group's level of responsibility and different ways to reduce emissions.

"Internal" emissions are directly generated by the Group and its employees, e.g. employees' daily commute or energy used in common areas of shopping centers.

"External" emissions are indirectly generated by the Group's activities. They include emissions such as those related to construction work carried out by outside providers (for the development business), or those related to energy used in shops, and thus the responsibility of tenants (for the property investment business).

Overall emissions are equal to the sum of internal and external emissions.

This breakdown is different from the breakdown of emissions according to various scopes, in accordance with the GHG Protocol and Article 75 of the Grenelle Environment Round Table. This breakdown is presented in paragraph 5.7.2.1.2.

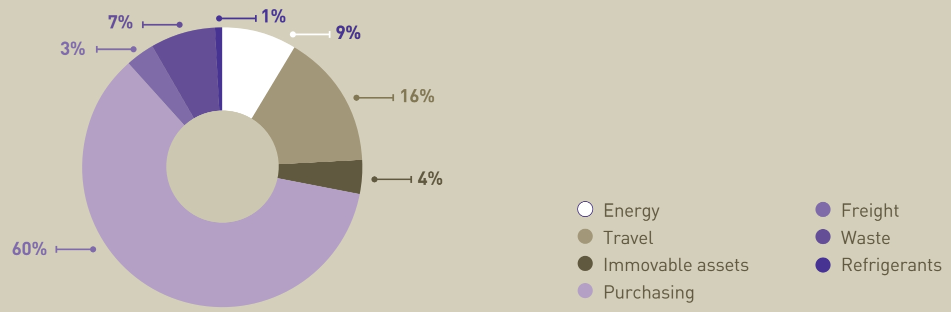
Breakdown of Altarea Cogedim's Bilan Carbone® assessment

The development business accounts for three quarters of the Group's emissions. However, 99% of these emissions are external, as they result from construction work carried out by construction companies and outside service providers. The property investment business accounts for 22% of overall emissions, of which 16% are internal as they are directly managed by Altarea Cogedim. Corporate and e-commerce activities each account for only 1% of overall emissions.

5.3.6.1.3. Breakdown by emission sources

Consolidated at Group level, the two items that generate the most emissions are purchasing and travel. These are due primarily to purchasing of construction materials and visitor travel to Group shopping centers, respectively.

Breakdown of Group emissions by source

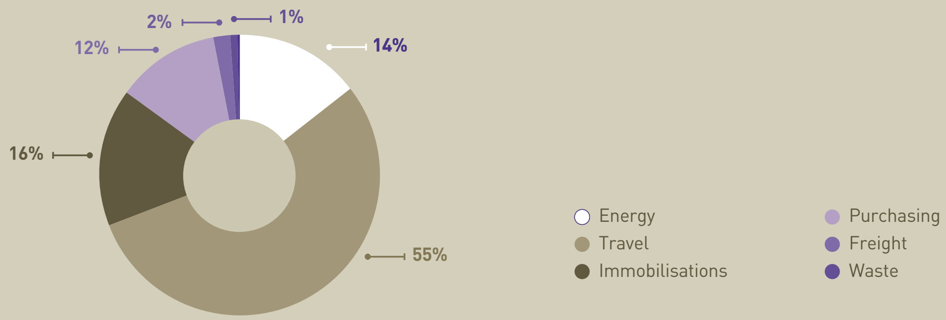


5.3.6.2. Our activities' specific carbon impact

5.3.6.2.1. Bilan Carbone® assessment of corporate activity

The Bilan Carbone® assessment carried out with respect to corporate activity accounts for emissions generated by the activity of Group employees over one year, both at the head office and at all regional and European subsidiaries.

Breakdown of corporate emissions by source



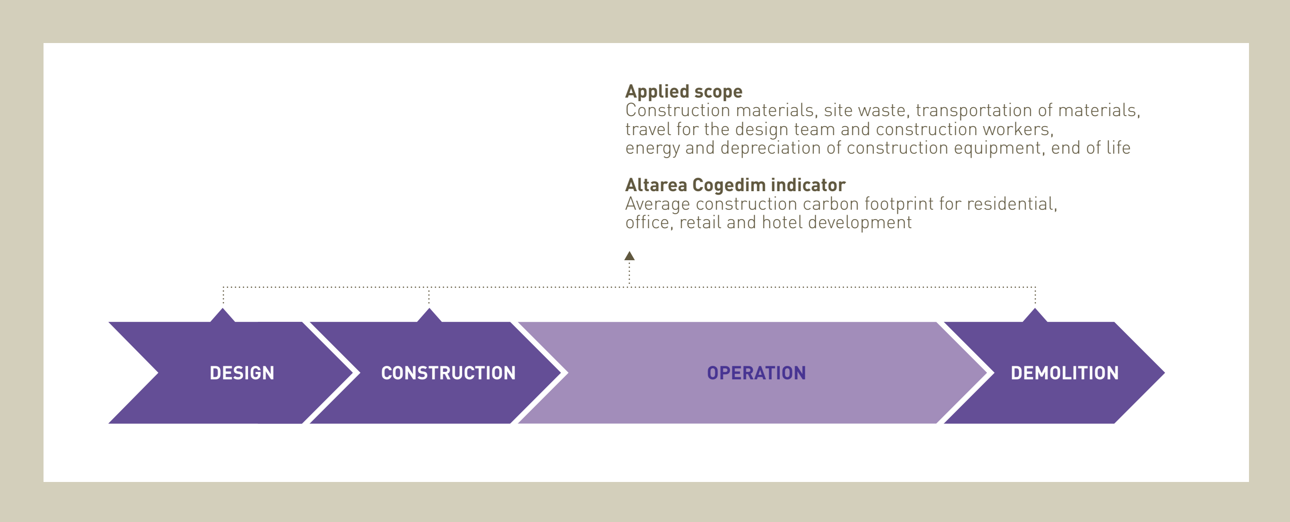
Travel accounts for 55% of emissions. This is primarily composed of employees' business travel. This explains why subsidiaries' emissions, which vary depending on available means of transportation to travel to the head office in Paris, differ considerably from one company to the next when compared to the number of employees concerned. Reduced emissions from the professional and executive vehicle fleet, combined with an increase in the percentage of video conferences are thus areas of potential to continue reducing corporate emissions.

5.3.6.2.2. Bilan Carbone® assessment of development activity (design, construction and end-of-life)

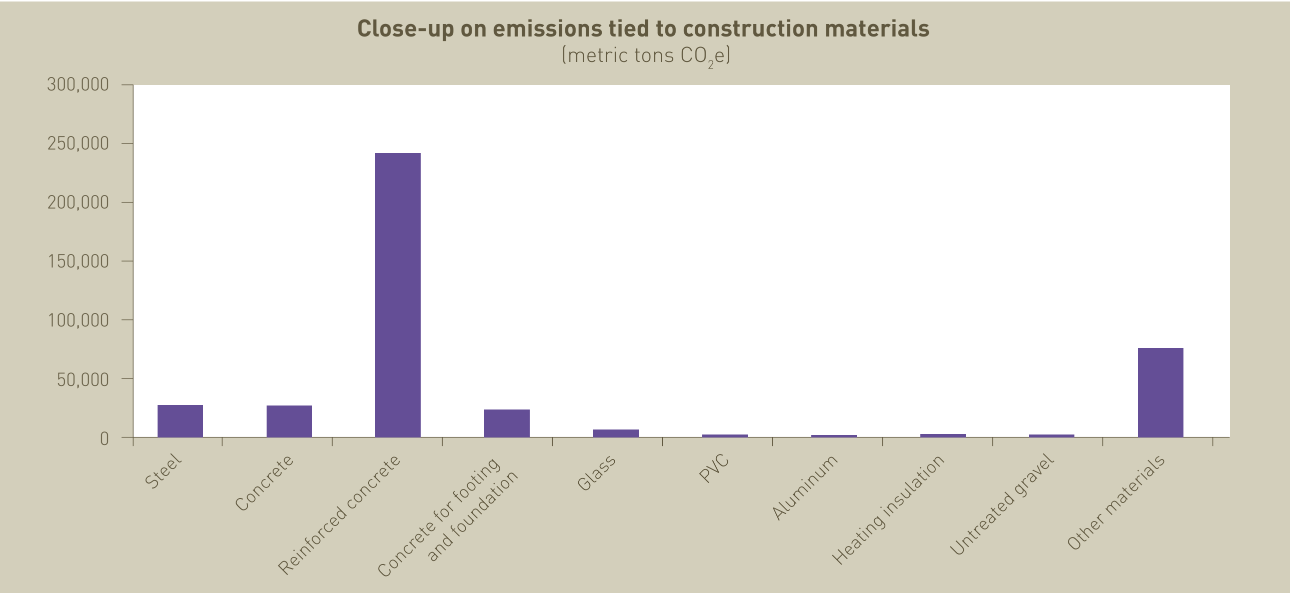
Altarea Cogedim conducts a considerable number of Bilan Carbone® construction assessments for its development operations: as of 2012, the procedure has even become systematic for retail, office and hotel developments covering surfaces greater than 107,500 ft² (10,000 m²).

These studies measure greenhouse gas emissions for the design, construction and end-of-life stages of an operation.
Among the advantages they offer is the ability to quantify emissions linked to a building's gray energy.

Quantifying the extended construction carbon footprint of new developments – accounting for gray energy

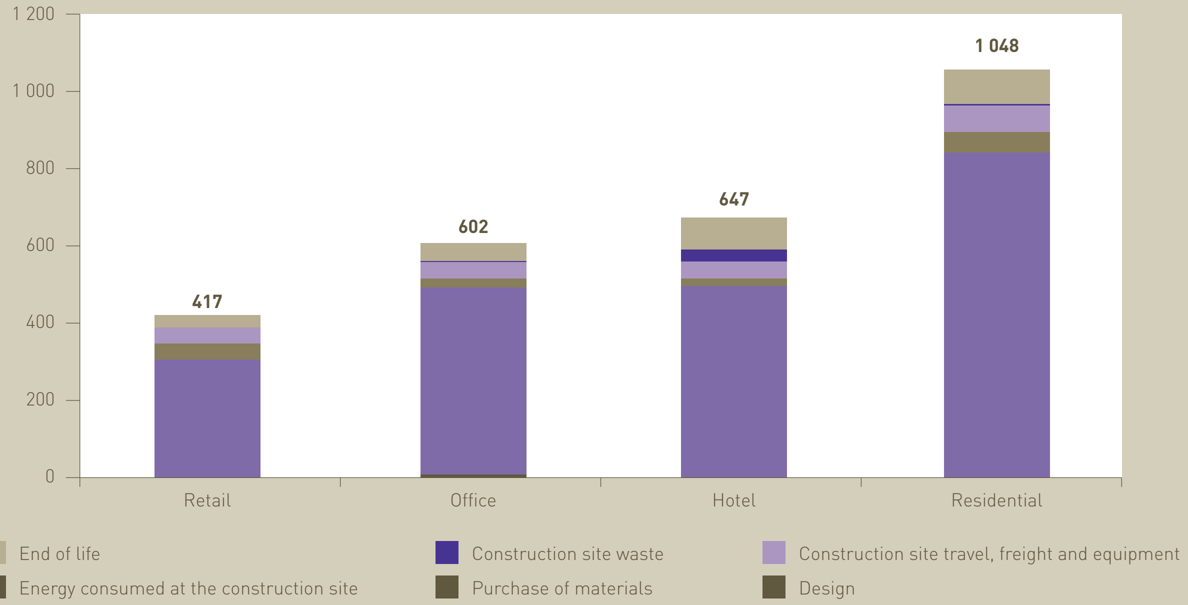


These Bilan Carbone® assessments help identify the items that generate the most emissions, allowing the Group to implement emission reduction initiatives. Comprehensive aggregation of this data shows that 79% of emissions from Group operations are due to purchasing of construction materials, and 8% are due to waste production during demolition. The design stage, on which the Group has a direct impact, is thus decisive for selecting construction materials and processes generating fewer emissions.



These studies also provide insight into the carbon footprint per m² of the various construction types used in Group projects. In 2013, Altarea Cogedim will strengthen its approach by carrying out additional Bilan Carbone® construction assessments on all housing ranges, as well as by pursuing the initiative launched in 2012 to implement systematic procedures for commercial operations with an eye to helping Altarea Cogedim employees move forward in the development of projects with a smaller carbon footprint.

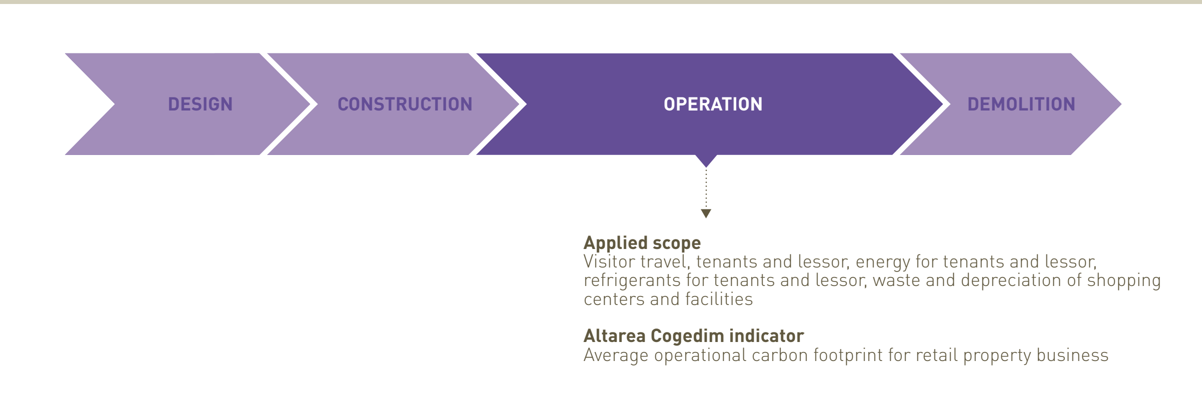
Bilan Carbone® development assessment (scope 1, 2, 3) by m² accord
(in $kgCO_2e/m^2$)



5.3.6.2.3. Property investment: Bilan Carbone® operations assessments

The Group has carried out Bilan Carbone® assessments to measure emissions resulting from operation of its shopping center portfolio as a whole. These studies supplement those described above, taking account of the operating phase of a building's life cycle.

Quantifying the extended operations carbon footprint of existing assets



We can see that 59% of emissions in the operating phase are due to transportation, primarily visitors traveling to shopping centers. That is why a shopping center's location and accessibility by public transportation are decisive factors for its carbon impact.

A shopping center outside of town or inaccessible by public transportation exhibits a ratio of total CO_2e emissions four times higher than a downtown shopping center or one connected to public transportation.

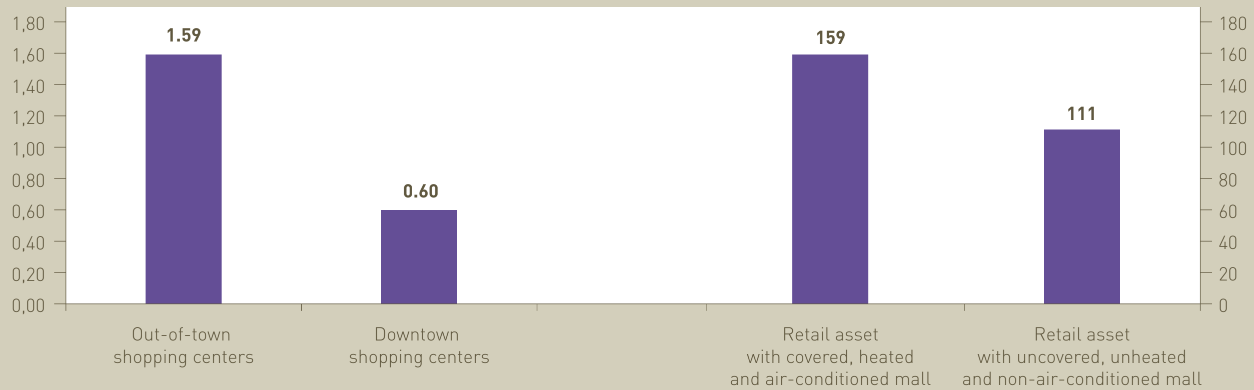
Following from this observation, the Group is aiming for ever greater connectivity by studying its assets' proximity to public transportation networks both in the design stage and the operating phase.

The impact of energy consumption, the second most important factor in the aggregated emission data for this operating phase (accounting for 22%), is also taken into account during the design stage through energy consumption labels, as well as during the operating phase through energy audits giving rise to action plans for energy reduction, among other initiatives.

Depending on the type of outdoor spaces of retail property assets, one can see a significant divergence in the Bilan Carbone® assessment per m². This analysis complements the analysis per visitor.

Total portfolio CO_2 emissions according to geographic location
($kgCO_2e$ / visitor)

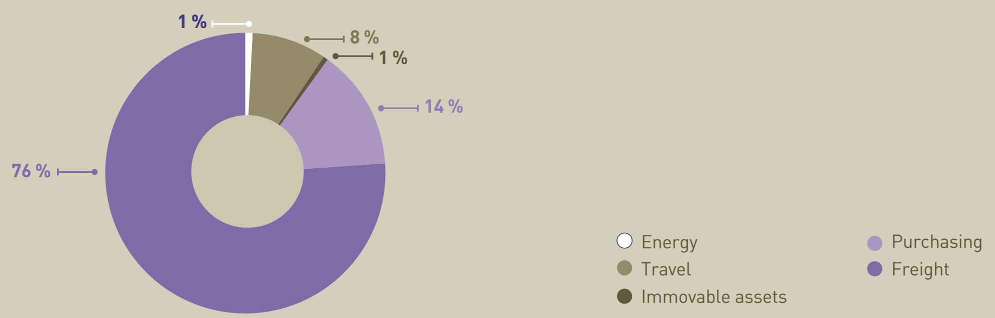
Total emissions / m² ratios according to type of mall
(kg CO_2e /m² floor area)



5.3.6.2.4. E-commerce: Bilan Carbone® business assessment

The Bilan Carbone® assessment carried out with respect to e-commerce activity takes account of emissions resulting from RueduCommerce's business, outside of product manufacturing.

Breakdown of e-commerce emissions by source



76% of emissions result from product shipments to customers via the company's logistics platform. As it is not easy to reduce these emissions, the Group is considering implementing a carbon offset system to limit this impact.

5.3.6.3. Anticipating and adapting to climate change

Altarea Cogedim has studied the risks to its business arising from climate change. These risks can take various forms, such as flooding or overheating, which lead to discomfort in summer. To date, the Group has yet to identify any major risks. Nonetheless, it is looking to anticipate climate change to be able to react, particularly by analyzing its carbon dependence.

By conducting a precise calculation of its businesses' greenhouse gas emissions, Altarea Cogedim intends to reduce them. More importantly, it wants to anticipate future developments to limit its economic vulnerability.

Indeed, the carbon emissions resulting from its business are closely tied to its vulnerability with respect to:

- Implementation of a carbon tax: the higher the Group's emissions, the greater the direct financial impact;
- An increase in the price of fossil fuels: the higher the Group's emissions, the more it will have to pay for the goods and services it requires to function owing to direct or indirect repercussions from its stakeholders.

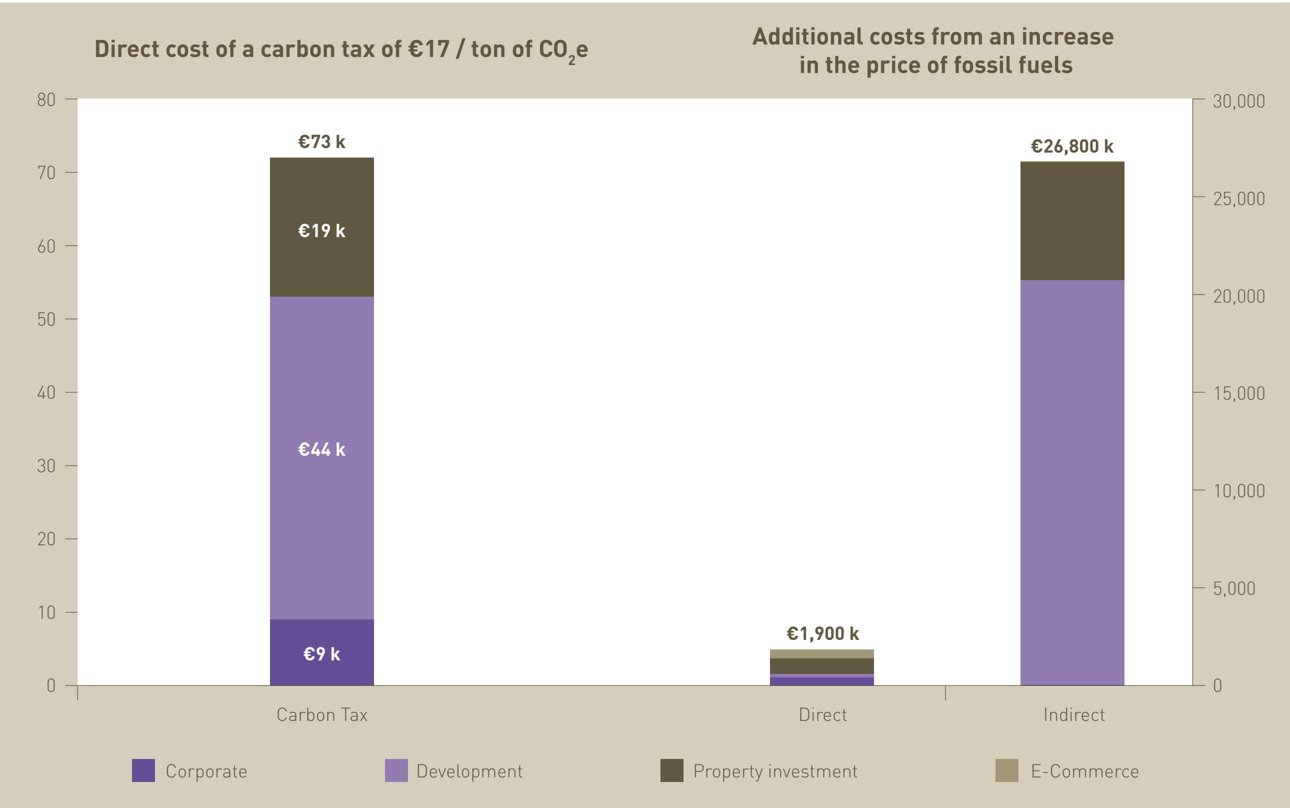
Using the studies described above, the Group calculated the additional costs it would have to bear in each of these cases.

Concerning the financial impact of a carbon tax, it concluded that that tax will only be applied in the case of direct consumption of fossil fuels (natural gas or heating oil for stationary sources and motor fuels for mobile sources).

The hypothesis used here is that a tax would represent €17/ton of CO_2e. This figure corresponds to the rate proposed when the tax was to be launched in January 2010.

For additional costs resulting from an increase in the price of fossil fuels, the Group concluded that the increase in the price of oil would have a direct effect on the price of natural gas (80%) and coal (90%).

The hypothesis used here is that the price of a barrel of oil would increase from $110 to $150.



With the above-mentioned hypotheses, the carbon tax would lead to direct costs of €73 thousand per year for Altarea Cogedim, and the increase in the price of fossil fuels would lead to direct costs of €28.7 million per year. 7% of this additional expense is "direct," i.e. generated by activities directly managed by the Group, the rest being generated by activities on which the Group depends. These "direct" and "indirect" costs relate to the "internal" and "external" scopes presented in paragraph 5.3.6.1.2.

5.4. CSR PERFORMANCES AND TRACKING

5.4.1. ENVIRONMENTAL PERFORMANCE

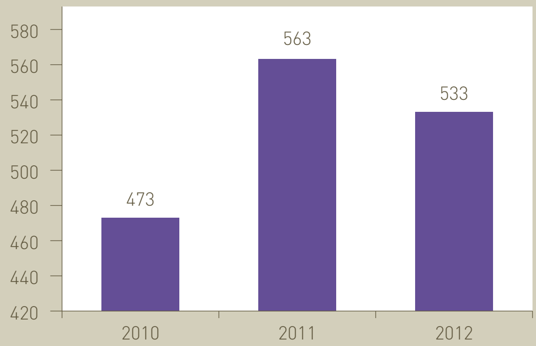
Altarea Cogedim's environmental approach is broken down into three distinct segments: i) a corporate level covering head office operations, ii) property development and iii) property investments. To promote improvements across all of its businesses, the Group has defined progress indicators covering all of its challenges in order to measure the company's environmental performance and gains.

5.4.1.1. Energy consumption

5.4.1.1.1. Corporate scope (head office operations)

Altarea Cogedim monitors annual energy consumption of its head office at 8 avenue Delcassé, Paris 8th arrondissement. As a tenant of these premises, all energy performance indicators are reported by the building owner.

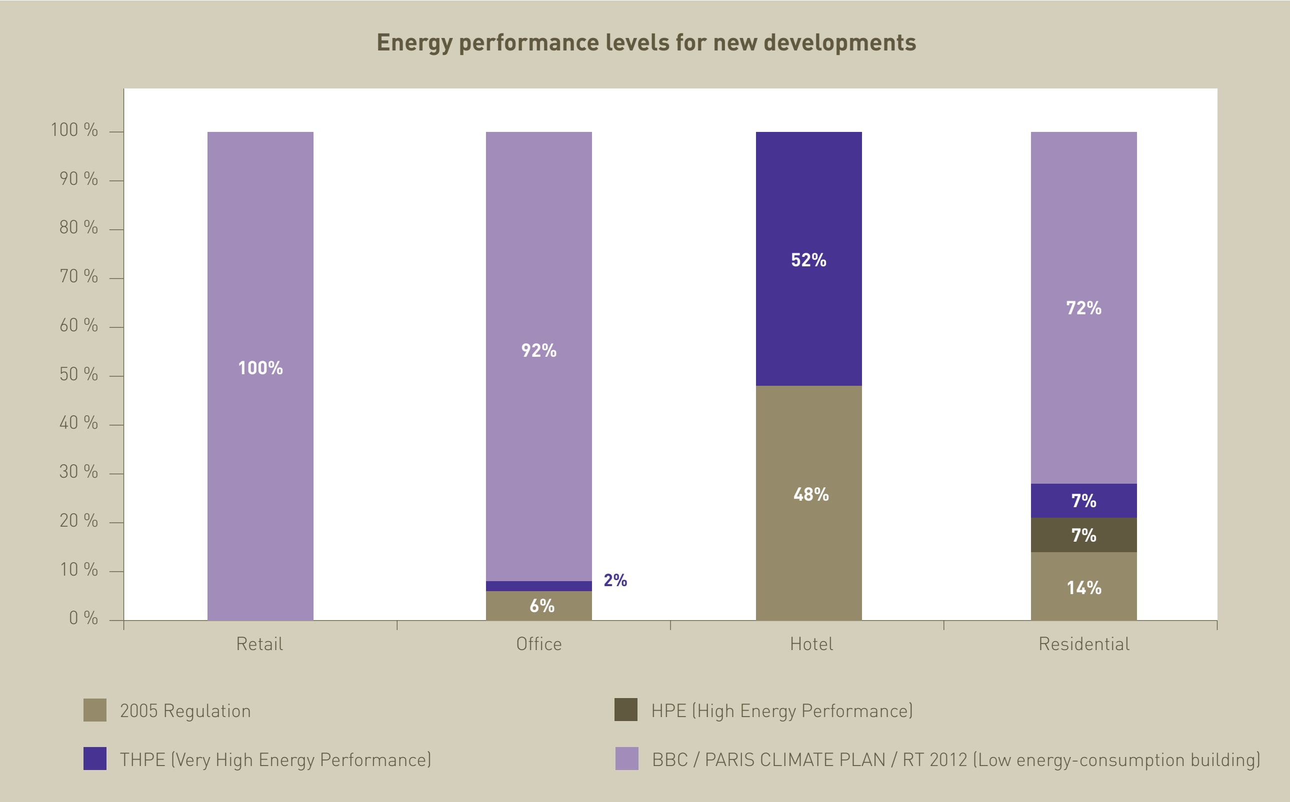
Head office primary energy consumption
(kWhep / useful m²)



Over the 2010 - 2012 period, primary energy consumption rose rose by 12.5%, reflecting in large part a more intense usage of the building consistent with the addition of new staff in 2011 and 2012. A marginal reduction was also noted between 2011 and 2012. This was the result of both the awareness-raising policy and slightly more favorable weather conditions.

5.4.1.1.2. Property development

To ensure energy performance transparency for its production, Altarea Cogedim reports on the energy performance of all of its retail, office, residential and hotel projects by energy performance level:
- 2005 thermal regulations - RT 2005 minimum;
- High Energy Performance (HPE)® – 2005 thermal regulation minimum +10%;
- Very High Energy Performance (THPE)® – RT 2005 thermal regulation minimum +20%;
- Low Energy Consumption certification (BBC®) / Climate Plan / RT 2012 thermal regulation — 2005 thermal regulation minimum +50% for commercial properties and 50 kWh p.e./m²/year adjusted for residential property; Climate Plan — 50 kWh p.e./m²/year for residential property; 2012 thermal regulation minimum.



Breakdown of surface area for retail, office and hotel property developments or the number of residential properties with a building permit (provisional or permanent) under construction or delivered in 2012 by energy performance level.

The integration of new properties meeting BBC® / Climate Plan / 2012 thermal regulations standards into the scope and the withdrawal of regulation-level HPE® and THPE® projects raised the average energy performance level of each type of product.

Since January 1, 2013, the Group has been subject to the new RT 2012 thermal regulation for all project types.

5.4.1.1.3. Property investment

In the current scope integrating assets under management, acquisitions and new assets entering into operation, we noted a 2.7% decline in primary energy consumption over the 2010 - 2012 period.

Energy savings were achieved mainly in the Family / Retail Park and Lifestyle Center asset classes. The marginal rise in energy consumption for the Shopping Center asset class, at current scope, reflects incorporation into the scope of analysis of an important energy-intensive shopping center (CAP 3000 in Saint-Laurent-du-Var) for which comprehensive renovations are planned.

Like-for-like, primary energy consumption declined 10% over 2010 – 2012, remaining on track for a 22% reduction by the end of 2015.

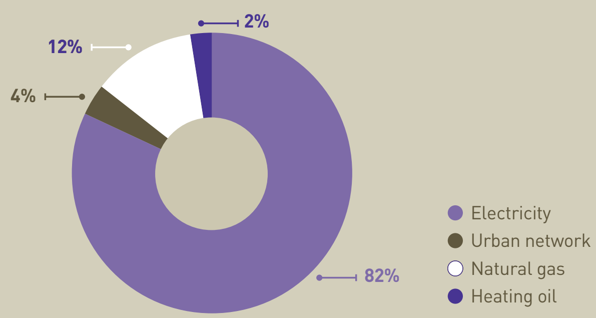
Over the period, we noted the impact of somewhat more favorable weather conditions, which considerably affected energy consumption for heating and air conditioning. The impact of weather conditions is specified in paragraph 5.7.1.4.

Energy consumption of asstes by type of retail property
(Current scope in kWhpe / m²)

Portfolio energy consumption by type of retail property
(Like-for-like in kWhpe / m²)

82% of the energy needs of the Group portfolio are supplied by electricity. Energy consumption breaks down into consumption by the common areas and by the private areas managed directly by Altarea Cogedim. This energy mix is also reflected in final energy which better represents Altarea Cogedim's choice in terms of energy supply.

Portfolio energy mix
(Current scope, final energy)



The breakdown of surface area by energy category is more favorable to the Family Village®, Retail Park and Lifestyle Center asset classes at the expense of shopping centers, which are inherently greater energy consumers due to their lighted, heated and air conditioned common areas.

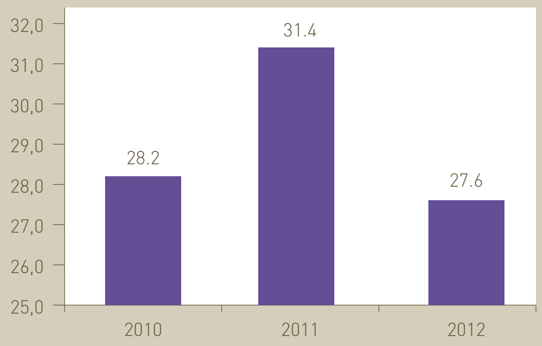
ECD ENERGY RANKING (Current scope)	kWhpe / m² / year	Number of sites	GLA surface	%
A	≤ 80	3	63,309 m²	11%
B	81 to 120	6	122,673 m²	22%
C	121 to 180	4	124,769 m²	22%
D	181 to 230	5	152,003 m²	27%
E	231 to 330	7	99,818 m²	18%
F	331 to 450	1	4,564 m²	1%
G	> 450	0	0 m²	0%
		26	**567 137 m²**	**100%**

5.4.1.2. CO_2 emissions

5.4.1.2.1. Corporate scope (head office operations)

CO_2 emissions linked to head office energy consumption is calculated using energy consumption data transmitted by the owner of Altarea Cogedim's head office based on CO_2 emissions factors for each energy supplier.

Head office CO_2 emissions
(kg CO_2e / useful m²)



For the 2010 - 2012 period, CO_2 emissions remained stable, reflecting the benefits of internal measures initiated with staff despite increased use of the building from the addition of new staff in 2011 and 2012.

Within the framework of the CO_2 emissions reduction plan for the fleet of company vehicles, The Group raised its targets in 2013 by establishing selection criteria of 135 g CO_2 per km. In 2012, CO_2 emissions of the vehicle fleet amounted to 138 g CO_2 per km, i.e., a 17.2% decline from 2008.

5.4.1.2.2. Property development

In connection with the management of CO_2 emissions linked to energy consumption of new property developments, the Group is subject to the new thermal regulation RT 2012 for all project categories. This new regulation encourages a more balanced energy mix. It penalizes electrical energy supply because electricity generates lower CO_2 emissions during off-peak periods but higher carbon emissions during peak periods.

Energy consumption profiles and associated CO_2 emissions vary significantly according to the project category where retail assets are very stable during daytime hours, while residential properties see significant fluctuations. Systematic use of dynamic thermal simulations (DTS), making it possible to calculate total energy needs of a project, contributes to a more effective and substantive work on the energy mix and the associated CO_2 emissions.

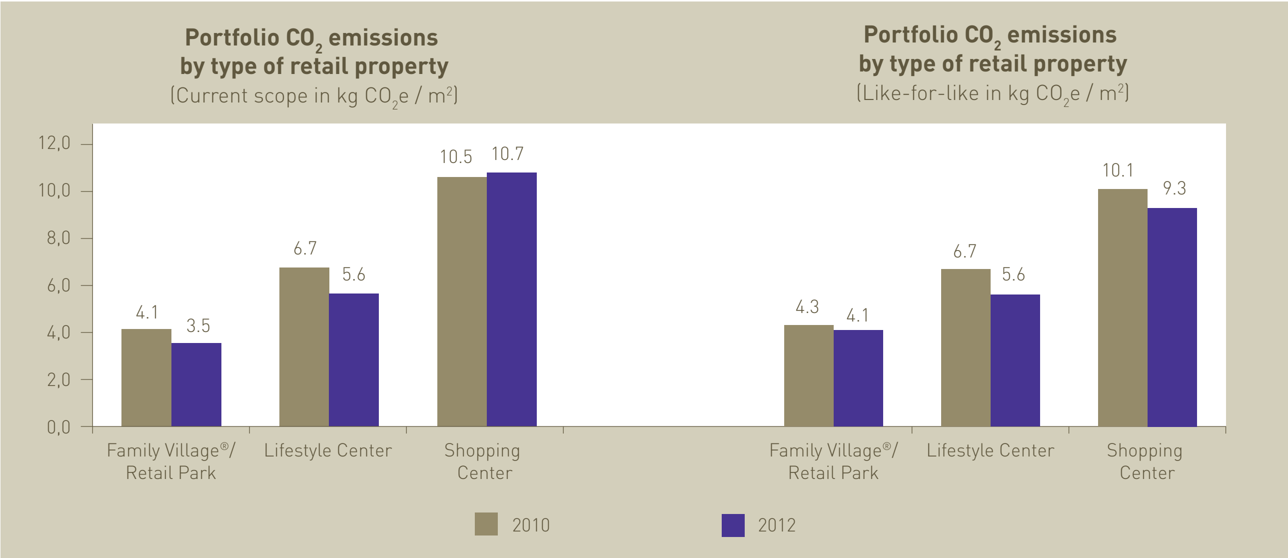
5.4.1.2.3. Property investment

In the current scope, which includes assets under management, new acquisitions and disposals, we noted that CO_2 emissions remained virtually stable over the 2010 / 2012 period. The breakdown between different asset classes highlights a significant reduction for Family Village / Retail Park (-14.6%) and Lifestyle Center properties (-16%) whereas the inclusion of a high-energy consumption property and CO_2 emitter in the scope of analysis increases CO_2 emissions for the shopping center asset class (+1.7%).

On a like-for-like basis, CO_2 emissions were reduced by 10% over the 2010 / 2012 period. This first result is a consequence of the energy optimization and oversight measures undertaken by the Group.

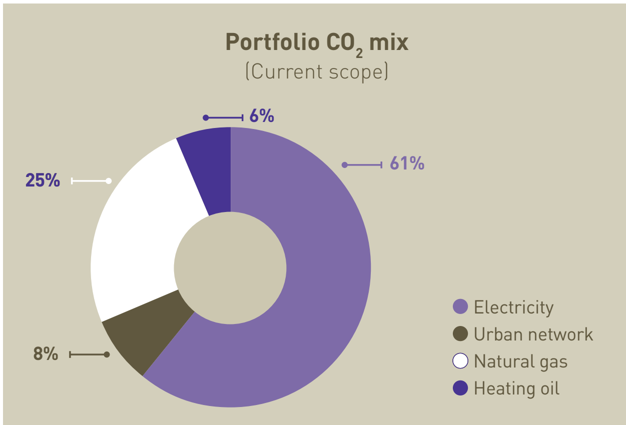
Over the period, we noted a somewhat favorable impact from weather conditions, reducing CO_2 emissions generated by heating and air conditioning (see paragraph 5.7.1.4).

These initial results put Altarea Cogedim on track to meet the goal of reducing portfolio CO_2 emissions by 24% by the end of 2015.



Although electricity produces lower emissions per kWh, it is nevertheless the energy source that contributes most to total emissions. Heating oil is only used as an energy source for less than 1% of total energy use but produces 6% of total emissions as it is a high greenhouse gas emitter. The Group benefits from its geographic location and its electric energy supply from nuclear power for a very low carbon rate per average kWh.

Weather conditions significantly impact the energy mix from one year to the next mainly to meet heating needs involving energies with high carbon rates.



The Shopping Center asset class, and to a lesser extent Lifestyle Centers, are the highest CO_2 emitters as they regularly use these less efficient energies to heat the common and private-use areas.

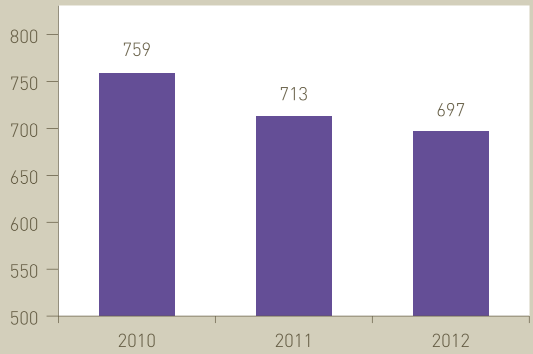
CO_2 RANKING (Current scope)	kgCO_2e / m² / year	Number of sites	GLA surface	%
A	≤ 10	15	385,427 m²	68%
B	11 to 15	7	136,379 m²	24%
C	16 to 25	3	26,534 m²	5%
D	26 to 35	1	18,797 m²	3%
E	36 to 55	0	0 m²	0%
F	56 to 80	0	0 m²	0%
G	> 80	0	0 m²	0%
		26	**567,137 m²**	**100%**

5.4.1.3. Water consumption

5.4.1.3.1. Corporate scope (head office operations)

Water consumption of the head office supply system is transmitted by the owner of Altarea Cogedim's headquarters. The building, destined exclusively for offices, allows for stable annual consumption even though there was a marginal improvement (- 8.2%) over the 2010 / 2012 period.

Head office water consumption
(liter / useful m²)



5.4.1.3.2. Property development

With respect to new retail developments, a very space-intensive type of project by its very nature, Altarea Cogedim incorporates into the design phase technical solutions that limit soil sealing and builds retention basins to reduce the rate of runoff into and saturation in capacity of local sewer systems. All of the Group's retail projects include rainwater collection systems for watering needs, cleaning floors and filling fire safety systems.

With respect to obtaining environmental certifications for its projects, Altarea Cogedim measures water consumption during the construction phase, using a charter for low-nuisance construction sites for all commercial projects (retail properties, offices and hotels) and a significant percentage of its residential projects.

All of the Group's commercial projects feature rainwater collection equipment for watering, washing floors and filling fire safety systems.

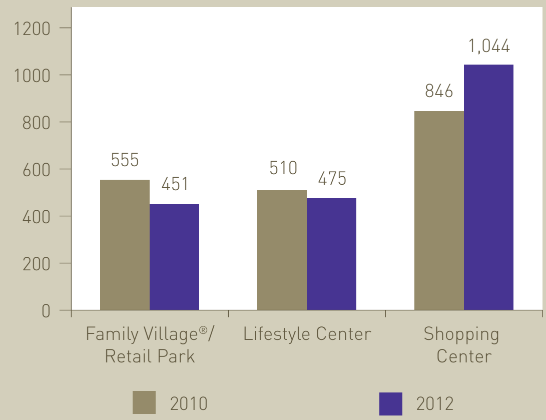
On top of this, all new developments include water-efficient equipment (plumbing fixtures, washroom facilities).

5.4.1.3.3. Property investment

In the current scope, which includes assets under management, new acquisitions and disposals, the Group registered a 13% increase in consumption from the local water supply. The breakdown between different asset classes highlights a significant reduction for Family Village® / Retail Park (-18.7%) and Lifestyle Center properties (-7%) whereas strengthening the testing of fire safety (sprinkler) systems, which was not always possible using only collected rainwater, significantly increased consumption for shopping centers (+23.5%).

On a like-for-like basis, Altarea Cogedim registered an 8% increase over the 2010 - 2012 period. As within the current scope, this increase is the result of strengthening fire safety tests at our shopping centers.

Water consumption of asstes by type of retail property
(Current scope in liters / m²)



5.4.1.4. Waste management

5.4.1.4.1. Corporate scope (head office operations)

Waste production by the head office is directly calculated and monitored by Altarea Cogedim's corporate services department. The building, comprised exclusively of offices, was able to maintain a virtually steady level of waste production over the 2010 - 2012 period, despite the addition of new staff in 2011 and 2012.

Mixed non-hazardous industrial waste accounts for 66% of Group waste, and paper and cardboard account for 34%.

5.4.1.4.2. Property development

For new property developments, within the framework of environmental certification targets (Habitat & Environnement, NF Démarche HQE®, BREEAM®, LEED), the Group systematically provides for equipment and areas for future users and operators to facilitate recycling for more effective waste management.

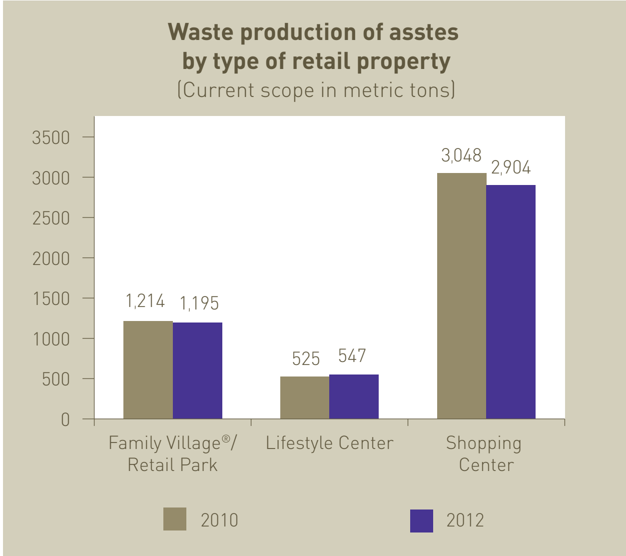
With respect to environmental certifications obtained for existing projects, the Group requires sorting and tracking of worksite waste by contractors, through a charter for low-nuisance construction sites applied to all commercial developments (retail properties, offices and hotels) and a significant percentage of its residential developments.

A medium-term enhancement initiative will require contractors hired for our development activity to respect a minimum rate of industrial waste transformation.

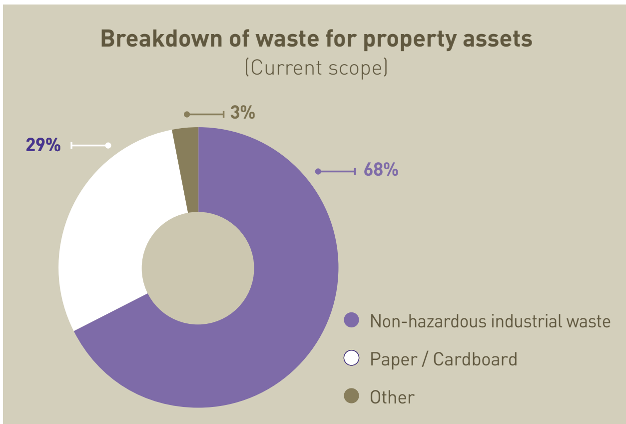
5.4.1.4.3. Property investment

In the current scope, the Group achieved a 3% decline in waste production. The breakdown between different asset classes indicated a small reduction for the Family Village® / Retail Park category (-1.6%) and Shopping Centers (-4.7%) versus an increase for Lifestyle Centers (+4.2%).

Like-for-like, Altarea Cogedim registered a 4.9% reduction in the volume of waste produced over the 2010 / 2012 period.



The breakdown of waste of our portfolio is 68% for mixed non-hazardous industrial waste, and 32% for cardboard and other waste primarily recovered as material or energy. Our efforts are focused on awareness-raising initiatives targeting tenants, responsible waste sorting practices and the selection of service providers responsible for recycling, recovering and ensuring the traceability of waste within the framework of new service agreements. As waste volumes are directly related to our tenants' levels of business activity, the Group focuses its efforts on regularly increasing the percentage of waste sorted with an eye to facilitating recovery and transformation.



5.4.1.5. Biodiversity

Mandatory in the context of urban planning authorization requests for large-size commercial projects, assessments of respect for and preservation of biodiversity are more in-depth for all new operations targeting BREEAM certification.

These studies, conducted by an environmental specialist, take into account local flora and fauna, which are integrated into project specifications sent to the contracting team during the scheduling phase.

The recommendations of these studies contribute to preserving the biodiversity of the existing site sometimes not yet built by re-introducing a great number of local species that were initially present in the area into the new development. These re-created bio-diverse land areas make it possible to preserve ecological corridors for small and large animal species.

For our property investment activity, respecting and preserving biodiversity in our commercial assets will be consolidated by gradual implementation of "BREEAM® In-Use" environmental certification. This operational certification, which includes a biodiversity component, will make it possible to carry out an audit and put in place an improvement plan for our portfolio on an asset-by-asset basis.

5.4.1.6. Provision for other environmental impacts

Altarea Cogedim's development, property investment and e-commerce activities are not subject to risk management requirements imposing scheduled investments to ensure continued regulatory compliance of its buildings or technical facilities. As such, no provision or specific guarantee has been implemented by Altarea Cogedim.

5.4.1.7. Measures to prevent, reduce or compensate for emissions into the air, water or soil with grave environmental consequences

Altarea Cogedim's activities do not generate massive amounts of emissions into the air, water or soil with grave environmental consequences. Accordingly, no specific treatment of this issue is included in the Group's Registration Document. Nonetheless, pollution assessments, primarily addressing soil pollution, are carried out with respect to development projects, as well as for assets in the portfolio.

5.4.1.8. Taking account of noise pollution and any other type of pollution specific to an activity

With respect to the development activity, a charter for low-nuisance construction sites serves to limit inconveniences resulting from construction activities carried out by construction companies. This charter, universally applied to commercial operations, will be gradually extended to include all residential production.

Altarea Cogedim's other activities do not generate significant noise pollution. Accordingly, this issue is not specifically addressed.

5.4.1.9. Resources devoted to preventing environmental risks and pollution

The sustainable development approach implemented by the Group makes it possible to reduce environmental risks related to its property investment and real estate development businesses. This approach, implemented by a dedicated sustainable development department with a specific budget, orients the company's continued effort to limit the environmental impact of its activities. Altarea Cogedim's sustainable development governance is described in paragraph 5.1.2.2.

Resources devoted to treating soil pollution are included in the operational budget for all new projects. Altarea Cogedim has not anticipated any specific treatment for any type of pollution other than those addressed above and in paragraph 5.4.3.2.

5.4.2. LABOR RELATIONS

5.4.2.1. Recruitment and staff management

5.4.2.1.1. Total workforce and break down by gender, age and geographical region

The major event in 2012 was the integration of RueduCommerce's total workforce, i.e., 356 employees at December 31. In response, the Group's workforce with open-ended employment contracts expanded by 40% from the prior year to reach 1,166 employees at December 31 on open-ended contracts. Adding fixed-term contracts at December 31, 2012, this figure rose to 1,232 employees, with women accounting for 56% and men 44%. Out of this total workforce, 60% are management employees.

This important milestone of more than 1,200 employees is not only the sum total of headcount of different companies but also the result of an ongoing focus at all levels of a proactive and targeted human resources policy. Indeed, the Group needs to create new jobs to support the sustainable development of its three business divisions. To that purpose, the Group hired 210 employees in 2012 on open-ended contracts.

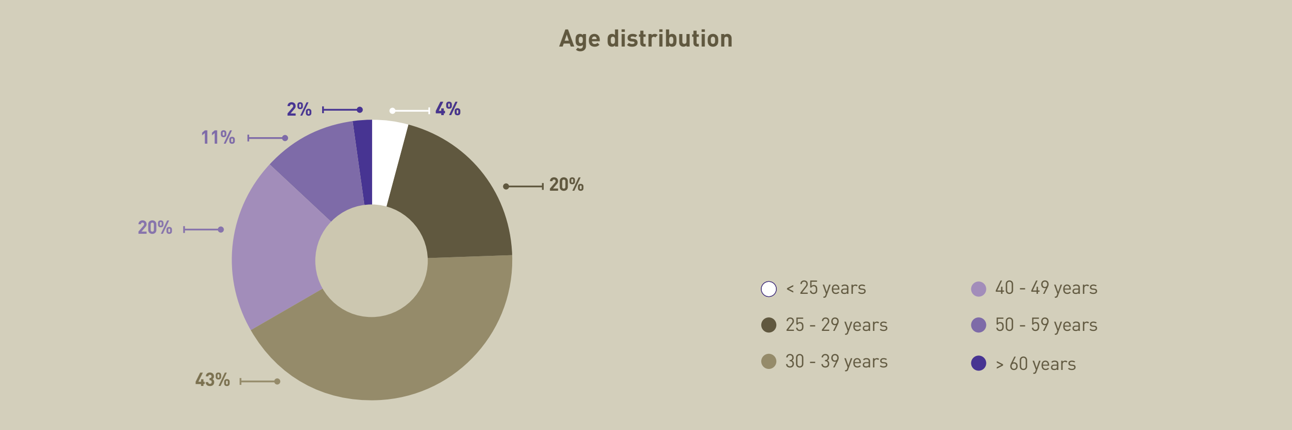
The major share represented by open-ended contracts in the total workforce of 95% confirms this commitment. As for fixed-term contracts, out of the 174 in the course of the year, mainly to meet a temporary increase in activity, 40 (or 23%) were successfully integrated in the Group through open-ended contracts.

The average age of employees is 38 and average seniority is 5.5 years.

96.5% of employees work in France, while those working outside France are based in Italy, Spain and Luxembourg.

Headcount by contract type (open-ended and fixed-term), gender and seniority at December 31, 2012

	Open-ended contract	Fixed-term contract	Total Group	Average age	Average seniority
Men	520	20	540	37.6	5.0
Women	646	46	692	37.7	6.0
Total	**1,166**	**66**	**1,232**	**37.7**	**5.5**



Headcount by gender and geographical region at December 31, 2012

	France	Italy	Spain	Luxembourg	Total
Men	526	12	1	1	540
Women	663	24	5	0	692
Total	**1,189**	**36**	**6**	**1**	**1,232**

5.4.2.1.2. New hires and dismissals

The recruitment policy has remained very proactive with new hires adapted to the evolution of each of our business lines. In total, the Group recruited 210 employees on open-ended contracts, equally divided between newly created positions and replacements and breaking down as follows:

- e-commerce: 59%
- residential: 21%
- retail: 15%
- cross-business functions: 4%
- offices: 1%

For recruitment through fixed-term contracts, 64% concerned RueduCommerce and reflected the seasonality of this business.

Recruitment by contract type and business line at December 31, 2012

	Online retail	Residential	Retail	Offices	Cross-business functions	Total
Open-ended contract	124	44	31	2	9	210
Fixed-term contract	76	18	21	3	1	119
Total	**200**	**62**	**52**	**5**	**10**	**329**

The attrition rate (excluding RueduCommerce) was 12.96% at 2012 year-end (number of departures/average headcount), i.e. in line with the 2010 level, excluding fixed-term contracts. Including departures for RueduCommerce, this rate was 19.61%.

In effect, in the e-commerce sector, the attrition rate is generally higher, reflecting the recent development of its activities and fluctuating levels for fixed-term contracts. The expiry of fixed-rate contracts constitutes the major reason for departures (46%), followed by resignations (28%).

14 dismissals were recorded, accounting for slightly less than 7% of total departures.

Breakdown of reasons for leaving

The positive momentum in the area of recruitment has continued with "Crescendo Days" organized for the integration of new employees at the Group level, which were repeated in 2012. The objective in this area is twofold: to better identify challenges facing the Group and promote the development of ties between employees of the different entities. 64 new staff members were provided with an opportunity to exchange with Group management at a plenary session held in the morning, followed by a visit to key sites showcasing our three business lines. In parallel, meetings are regularly organized for all new arrivals at RueduCommerce.

In September 2012, the first edition was held of the "Managers Committee" including the executive management of RueduCommerce: 100 managers of the Group participated in workshops that led to the development of very concrete propositions in response to organizational and strategic questions raised for each activity. These meetings held two or three times a year offer an ideal venue for sharing operational objectives and experiences as well as opportunities for interpersonal exchanges to promote synergies.

5.4.2.1.3. Organization of working hours

The Group's French employees (excluding RueduCommerce) are grouped together into two "Economic and Social Units" (ESU), similar to a works council but for groups made up of smaller legal entities, Altarea ESU and Cogedim ESU.

In accordance with the provisions of company agreements with respect to the 35 hour workweek, the organization of work in each of these units is based on two types of mechanisms that depend on the employee's status:
- a fixed annual amount in days for managers classified as "autonomous" executives;
- a collective number of hours per work week defined for managers not eligible for a fixed number of days and for non-management staff.

"RTT" days (days for recuperation of time worked) are granted under each mechanism.

For RueduCommerce, working hours are subject to two types of organization:
- a weekly contract for 37 hours conferring a right to one RTT day per month;
- a weekly contract for 36 hours conferring a right to one half day of RTT per month.

3.5% of the Group's total workforce are part-time employees. 56% of part-time employees work at a rate of 80% of full-time, 30% between 50% and 80% and 14% with a work rate of less than 50%.

Out of the 43 part-time employees, 39 are women.

The 1,232 employees included in the headcount at December 31 correspond to 1,220.41 FTE (full-time equivalent).

The theoretical number of working hours, excluding overtime, amounted to 1,866,239.

Only RueduCommerce makes use of overtime working hours in the Group (1,501 hours) to deal with demand from peaks in activity.

At the Group level, use of temporary personnel accounted for 35,091 hours recorded in the year or a rate of 1.88%.

5.4.2.1.4. Absenteeism

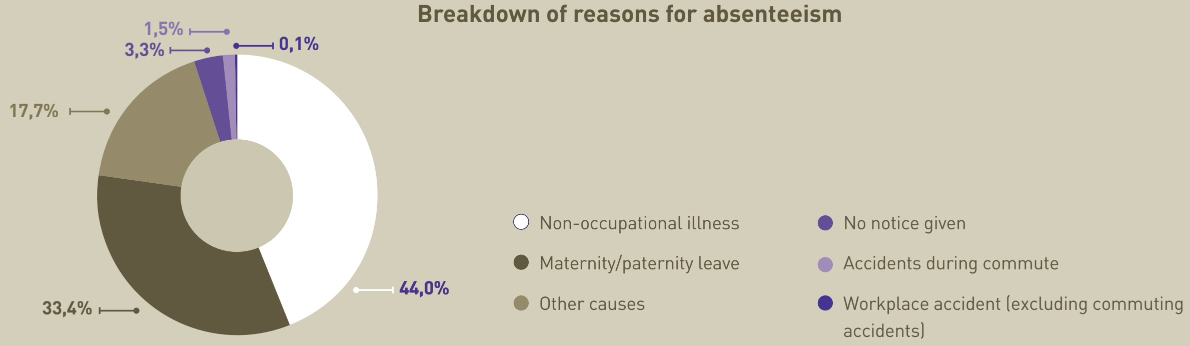
Absenteeism is subject to a thorough and detailed review based on an analysis of the causes by entity.

The total rate of absenteeism for employees on fixed-term and open-ended contracts combined was 6.5%. This rate was obtained by comparing the number of days absent (including maternity/paternity leave) with the theoretical number of days worked x 100.

Absences due to illness accounted to the majority of this figure (44%) followed by maternity/paternity leaves (33%).

Excluding maternity/paternity leave, the total rate of absenteeism for employees on fixed-term and open-ended contracts declined to 4.3%.

Breakdown of reasons for absenteeism



It may be noted that the Group has reported very few work-related accidents (0.15%) and no occupational illnesses.

5.4.2.1.5. Training policy

Remaining focused on the strategy of each business line, the Group's policy with respect to vocational training is to develop collective and individual staff expertise so that staff members can actively contribute to the development of their career paths.

To permit them to fully carry out their missions, support their plans for mobility or professional advancement, the Group makes investments surpassing the amounts required by law. It defines, through annual employee evaluation meetings, the focus of priorities for training plans that are adopted through:

- a range of actions targeted on business line expertise;
- the common platform for cross-functional collective training that notably promotes the sharing of experience within the Group.

All plans incorporate a concrete, operational pedagogical approach provided by expert instructors and coordinators-coaches of carefully selected training partners.

In 2012, these measures focused on several areas: business line tools, digital development and new technologies and negotiation skills, as well as management. In effect, at key steps in their professional development, the company is committed to providing significant support to managers who, at certain stages in their career, have a need for renewed resources in terms of motivating their team.

In conjunction with this active and structured training program, a series of in-house conferences entitled "*Les Jeudi d'Alterego*" (Alterego Thursdays) is organized to present the Group's in-progress or future developments. In 2012, these conferences were opened up to outside participants and partners such as Habitat et Humanisme. Actions of this type will be renewed in 2013 along with the full range of internal communications initiatives through three main channels, an intranet (ALTEREGO.net), a quarterly magazine (*ALTEREGO, le mag*) and Group seminars and conferences.

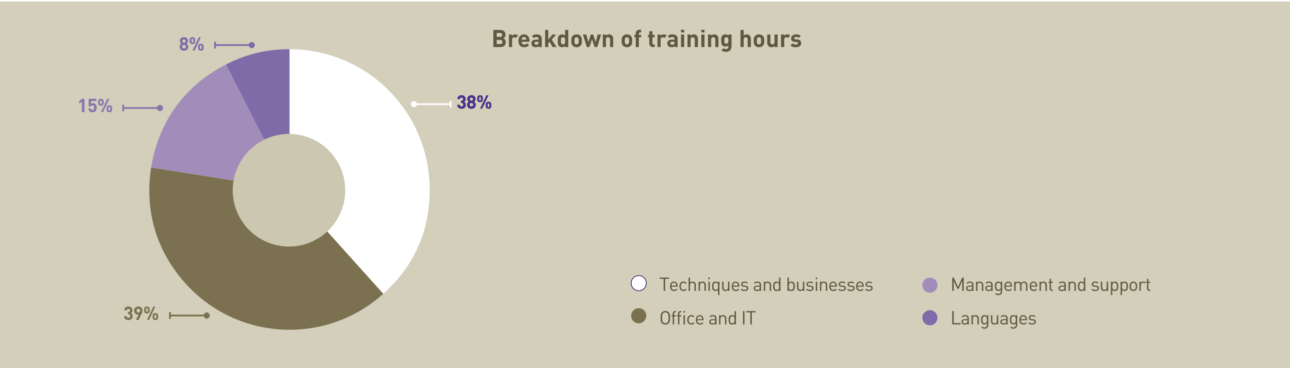
In 2012, Altarea Cogedim launched an awareness-raising campaign to inform and orient employees as to the Group's sustainable development initiatives regarding its different environmental and social commitments, as well as its main progress indicators. This campaign took the form of internal guidelines and a poster campaign to encourage employees to improve the environmental performance of the Group's portfolio and projects.

In 2012, investments devoted to training at the Group level represented 1.85% of payroll (€1.4 million), virtually unchanged in relation to 2011.

5.4.2.1.6. Total training hours

In 2012, 11,220 hours of training were given in the Group across all employed segments (in France, Italy and Spain) with 939 training sessions.

The average number of training hours for the entire workforce stood at nearly 9 hours, i.e., more than a full day of training per employee. For France, 26% of training hours were provided under the France's statutory individual training credit scheme (*droit individuel à la formation* or DIF).



Women accounted for 60% of the recipients of training hours and men 40%.

Managers accounted for 62% of training hours and non-management staff 38% which is consistent with the composition of the workforce.

5.4.2.1.7. Promotions and mobility

In 2012, 881 annual employee appraisals (600 in 2011) were conducted, analyzed and processed, covering more than 81% of the workforce. Managers were provided with a brief evaluation report for the purpose of prioritizing individual training measures to be taken. This systematic review process, which contributes to internal mobility and promotions, was intensified in 2012. In this period, 203 employees of the Group benefited from internal mobility and/or promotions or 17% of employees on open-ended contracts at December 31, 2012.

5.4.2.1.8. Ensuring employee health and safety

Four annual Health, Safety and Working Conditions Committee (CHSCT) meetings were organized in each Economic and Social Unit (ESU), in addition to RueduCommerce, and addressed subjects relating to occupational health and safety.

Actions were implemented to promote safe working conditions and ensure employee health and well-being:

- annual prevention measures in the area of occupational health promoting awareness on the dangers of tobacco and alcohol;
- annual visit of the head office by members of Health, Safety and Working Conditions Committee (CHSCT) to verify the ergonomics of workstations, particularly to prevent back-related disorders by circulating an internal memo to all staff;
- 183 hours of training for 18 RueduCommerce employees, covering actions such as those carried out by Work Safety Wardens, First-Aid Responders and Evacuation Responders;
- ongoing awareness-raising initiatives focusing on precautions and individual protective equipment for worksite personnel within the framework of Delegated Project Management;
- updating of the uniform "Professional Risk Assessment" document.

As our activity does not present a significant risk for employee health and safety, no collective agreement was concluded in this field in 2012.

It should be noted that in 2012, there were no occupational illnesses reported within the Group. For occupational accidents excluding commuting accidents, the frequency rate was 3.38 while the severity rate was 0.01.

5.4.2.1.9. Sharing success with employees

For three years, broad-based efforts, particularly through business line benchmarks, were undertaken to ensure the coherence of pay scales and reinforce mobility between the three different business activities. Today this process is nearing completion.

Annual employee appraisals conducted at the end of each year make it possible to analyze positions by category, which can lead to adjustments to eliminate wage disparities.

The average gross salary in the period (excluding variable compensation) amounted to 50.521€. The variable portion represented 13.45% of total compensation.

In light of the integration of RueduCommerce's workforce in 2012, it is not possible to produce a meaningful comparative analysis on compensation trends. The issuance of this analysis is planned in 2013.

For the Economic and Social Units (ESU) of Altarea and Cogedim, the gross amount of the profit sharing bonus of €300 for each employee with more than three months of seniority was renewed and paid in November 2012.

As for RueduCommerce teams, having met the objective assigned of an increase in sales of at least 10% over 2011, each employee received an exceptional bonus in January 2013 equivalent to one month's fixed salary (not including variable component, and based on actual hours worked).

5.4.2.1.10. Promoting diversity

The Group has always considered professional equality between men and women as a factor contributing to mutual enrichment and social cohesion.

Women thus account for 56% of the total workforce and slightly more than 42% of company management staff while 46% of women are managers.

With respect to recruitment on open-ended contracts, the situation for men and woman is identical.

This rate of performance is also being reached for mobility and promotions, with women accounting for nearly 49% of employees having benefited from internal transfers and or promotions.

Finally, women represent 63% of employees receiving training. Every year, the number of women in the Management Committee increases (24% in 2012, 18% in 2011).

Group commitments in this area have been formally defined in an equal opportunity employment action plan implemented in 2012 in each Group entity in France.

Concrete measures were implemented and commitments made for action in three key areas: access to training, reconciling professional life and family responsibilities, and professional advancement.

Information on these subjects is distributed to all managers through "HR meetings" that for the last three years have been held between February and March. In 2012, 18 meetings bringing together 86 managers provided real opportunities for exchange and sharing information, notably about priorities with respect to professional training and all labor-related and legal developments in their areas of activity.

At December 31, 2012, there were four employees with a recognized handicap, i.e., 0.32% of the total workforce.

Use of suppliers from the ESAT network in France (i.e. companies devoted to developing integration of disabled employees) continued by the head office for the organization of cocktail events and by RueduCommerce through an annual maintenance contracts covering a range of services.

In 2013, several priorities have been set:
- Undertake a more systematic study on the use of employees with disabilities in support functions, as temporary personnel, fixed-term and even open-ended contracts;
- Expand the use of ESAT;
- Conclude for the head office a subcontracting agreement with ESAT;
- Pursue internal awareness-raising initiatives.

The Group ensures strict compliance with the principle of equal opportunity employment and measures against wage discrimination. Compensation is accordingly set according to objective criteria based on academic background, professional experience, and market practice in line with the principle of wage equality for men and women with equal qualifications.

The mentoring approach, in accordance with the action plan for the employment of seniors, has continued with the expertise of eight mentors put to the service of trainees, apprentices or new hires.

Later stage career interviews provided to older employees have resulted in the implementation of training programs, skill assessments and requests for recognition of experiential learning.

The Group also encourages the integration of young workers into the company. In this spirit, 52 trainees and 36 young workers in work-study programs were welcomed in 2012, and for which eight were retained on open-ended contracts during the year.

For the second consecutive year, the Group participated in the real estate industry forum organized by the Palladio Foundation and Business Immo.

Finally at December 31, the Group's workforce was comprised of employees representing 27 different nationalities.

Altarea Cogedim has no business activity in countries where social laws do not comply with ILO conventions, and has never been accused of discrimination.

5.4.2.1.11. Dialogue with employee representatives

All employees are covered by a collective bargaining agreement. Employees are grouped into three legal sub-entities or "Economic and Social Units", i.e. Altarea ESU, Cogedim ESU and RueduCommerce, comprised of 49 representatives in total. Monthly meetings are held to provide opportunities for open and constructive exchange. Four annual Health, Safety and Working Conditions Committee (CHSCT) meetings were held for each entity to address occupational health and safety issues.

Three collective agreements were signed within the Group in 2012:
- The action plan for professional gender equality within Altarea ESU,
- The action plan for professional gender equality within Cogedim ESU,
- Modification of the Collective Bargaining Agreement "Distance Selling Companies" - Article 30 (specified in Chapter 5.5.2.6 relating to RueduCommerce)

Because of the size of the entities in Italy and Spain, formal mechanisms of employee representation are not required under local regulations. Direct dialogue is promoted between employees, the deputy CEO and the head of human resources.

Employees and their beneficiaries benefit from comprehensive and quality supplemental social coverage for healthcare and personal protection insurance.

The Group is committed to compliance with the eight fundamental conventions of the International Labor Organization and ensures they are applied across its operations, in particular:
- respect for freedom of association and the right to collective bargaining,

- elimination of discrimination in respect of employment and occupation (ILO),
- elimination of forced or compulsory labor,
- effective abolition of child labor.

The Group is present only in countries (France, Spain and Italy) having ratified these fundamental conventions and transposed them into national law.

The Group has not undertaken any complementary action in favor of human rights.

In 2010, the Group took concrete measures in implementing its approach for ethical business conduct by adopting a charter, available on its intranet and attached to the employment contracts of new hires. This charter sets out the reciprocal rights and obligations of employees and the company, and emphasizes the principle of complying with laws and regulations.

The first update of this charter was completed in the second half of 2012 for implementation in early 2013.

As for RueduCommerce, this company has no establishment or site outside of France.

5.4.3. SOCIETAL RESPONSIBILITY

5.4.3.1. Group purchasing policy

5.4.3.1.1. Group purchasing for corporate operations

For the past four years, Altarea Cogedim has focused on bringing down costs for different company operating expenses: travel, mail service management, vehicle fleet, paper, press subscription services, etc.

PROPERTY RENTAL

Parking places were reduced (7% fewer since 2009) at the head office and Matignon parking lot, where the Group rents additional spaces.

At the same time, the Group is pursuing this program to encourage employees to use public transport instead of systematically taking their car to work.

TRAVEL

A videoconferencing system at the head office and all subsidiaries in the greater Paris region and in other regions in France has been gradually installed over the last three years. The installation of this system is now complete and widely used, reducing travel and lost time.

Employees are encouraged to use the train (second class) in priority for trips under three hours.

For longer distances, a car-sharing system has been successfully implemented: 3 low CO_2 emission company cars have been made available to staff who need to travel alone or with others for business purposes. A fourth hybrid vehicle will be added to this fleet and available for use in 2013 through a reservation system.

POSTAGE

Altarea Cogedim a uses the "*Lettre verte*" (green letter) from the French Post Office both for its economic and environmental benefits. Through this service, La Poste undertakes to reduce pollution levels in exchange for a slightly longer delivery time.

SUPPLY SOURCING MANAGEMENT

Nearly 50% of the products listed and ordered for the company are fair trade. Since 2010, paper photocopies at the head office have gone completely green with 50% recycled and the other 50% originating from sustainably managed forests. Company letterhead is printed on 100% recycled paper.

PRESS SUBSCRIPTIONS

An approach was implemented to digitize media, favoring online subscriptions.

5.4.3.1.2. Property development sourcing

In its property development activity, the Group calls on external contractors for virtually all of its construction work, accounting for an annual purchasing volume of hundreds of millions of euros. This is the Group's single largest purchasing item. Priority is given to companies capable of effectively managing and minimizing the impact of construction projects in terms of noise and visual pollution, as well as waste management. Group selection criteria evaluate companies according to their ability to respect projects' environmental certification requirements and the sustainable development approach as well as their capacity to innovate. Furthermore, all contracts concluded for a construction project systematically include provisions to combat undeclared employment, infringement and child labor in compliance with national and international labor laws.

To go even further in this area, through the housing development projects Passage des Arts, Villa Henri Matisse in Vitry-sur-Seine or Manhattan in Saint-Ouen, Altarea Cogedim has incorporated social responsibility provisions in the contracts with contractors requiring a minimum number of hours (5% of work hours at the site) to social job placement initiatives.

This provision may be implemented in the following manners:

- Recruiting candidates directly at the work site through fixed-term term or open-ended contracts. These recruitments may be car-

ried out by the prime contractor or its subcontractors in the case of contracts with general contractors.
- Use of local temporary personnel companies specialized in this area in relation with local municipal social services.
- Use of local companies specialized in this area working with local municipal social services that may also assume responsibility for all or part of a project lot (masonry work for a electricity transformer installation, paint work for the common parts of the basement areas, etc.) or tasks relating to the worksite organization (site security services, cleaning, etc.).

In 2013, Altarea Cogedim will strengthen this approach through the systematic application of a sustainable development charter signed by all construction project partners that includes a section to promote positive impacts on local employment, contractual requirements for reducing worksite nuisances and an eco-construction section in favor of the use of materials with low environmental impacts while encouraging sustainable, renewable and local sourcing.

5.4.3.1.3. Purchasing policy for the property investment and e-commerce activities

RueduCommerce's purchases are limited to "high-tech" products; products sold via the *Galerie Marchande*, which is directly managed by partner retailers, are therefore excluded. As such, the purchasing volume for this activity is significantly lower than that of the development activity.

Purchases for the property investment activity are limited to the different maintenance and management contracts concluded for commercial assets. The account for a substantially smaller percentage than the purchasing volume for the development and e-commerce activities.

The purchasing policy for the property investment and e-commerce activities is thus limited to legal obligations under EU law.

5.4.3.2. Consumer health and safety (property investment)

5.4.3.2.1. Consumer health

With respect to its property investment activity, Altarea Cogedim complies with regulation in force in terms of health and safety.

ASBESTOS

Asbestos represents a health risk for exposed persons, including customers of portfolio shopping centers.

In accordance with the provisions of the French Health Code (*Code de la Santé*), Altarea Cogedim performs an asbestos assessment of all assets with building permits predating July 1, 1997. Furthermore, in compliance with applicable regulation, Technical Asbestos Reports (*Dossiers Techniques Amiante* or DTA) for each of these properties are produced and kept up-to-date.

In cases where asbestos materials present are found to be in a proper state of conservation and able to be maintained in the properties, regular visual controls are performed on these materials.

The removal of all such materials is performed by specially authorized contractors. Their elimination is also carried out according to specifically authorized and certified channels.

TERMITES

The presence of termites, wood-boring insects, or mold in buildings can have serious consequences on their structure leading to material damage and risk to shopping center users.

Application of orders issued by local authorities (prefect) relating to termites is monitored in cities where the Group's shopping centers are located. Controls of parasites are performed when portfolio assets are sold or acquired. In light of their inherent characteristics, no such insects have been detected.

RADON

In light of the commercial nature of the assets of Altarea Cogedim's portfolio, shopping centers are not concerned by the order of July 22, 2004 on the management of radon-related risks.

LEGIONELLA BACTERIA (COOLING TOWERS)

The primary source of legionella bacteria is at the level of the cooling towers used in certain shopping centers.

To address this risk, regular monthly controls are performed by Altarea Cogedim using selected service providers. Measures are also taken in the system of distribution of hot water for sanitary use Maintenance and repair procedures have also been established with service providers.

To reduce this risk, recently built properties are equipped with adiabatic dry coolers or dry coolers that do not fall under the ICPE 2921 category (Balticare or Jacir equipment lines).

ICPE CLASSIFICATION

The status of portfolio assets with compliance with French regulations governing installations classified for environmental protection (*Installations Classées à Protection de l'Environnement* or ICPE) is up-to-date.

Accordingly, Altarea Cogedim ensures that certifications or authorizations required for the operation of the relevant activities exist for all sites concerned by the ICPE classification.

Management of ICPE compliance limits the environmental impacts and nuisances to users and local residents of assets.

SUBSURFACE POLLUTION

The presence of pollutants in the ground represents a health risk to persons frequenting a Group shopping center.

Accordingly, when a site has a potential risk of subsurface contamination resulting from previous activities carried out at the site (service stations), Altarea Cogedim possesses the historical and documentary studies and/or pollution analysis reports.

According to the results of these studies, Altarea Cogedim takes appropriate actions with respect to issues identified.

TRANSFORMERS (RISK OF PCB CONTAMINATION)

PCBs, prohibited in France since 1987, constitute an important source of impacts on living organisms and the environment.

The entire Altarea Cogedim portfolio is completely free of transformers using PCBs such as dielectric fluids.

AIR QUALITY

When shopping centers are equipped with combustion equipment, gas boilers for heating the building, these installations are subject to regular maintenance and oversight by qualified and certified service providers.

In consequence, atmospheric emissions from the different assets are measured to ensure they comply with regulatory standards.

WATER MANAGEMENT

Water management at its shopping centers entails a number of challenges for Altarea Cogedim, including health.

Altarea Cogedim guarantees the sanitary quality of the water supply for customers of portfolio assets. This water originates from local water suppliers subject to strict and regular controls and analysis.

5.4.3.2.2. Consumer safety

ENSURING THE SAFETY OF PERSONS

Ensuring the safety of users of Altarea Cogedim's portfolio of shopping center assets is a priority for the Group.

Shopping centers are equipped with fire detection devices connected to safety control centers where qualified persons are present at all times during business hours. These installations are subject to regular maintenance and controls performed by specially authorized service providers. The safety register is the cornerstone of oversight procedures for safety installations.

The proper functioning of the safety organization of sites is verified and validated by regular safety commission inspections.

In addition, to ensure protection of sites, buildings are equipped with at least one fire fighting system consisting of fire hydrants, fire-hose stations and extinguishers. Certain shopping centers are also equipped with sprinkler systems for automatic extinction of possible fires. These fire protection systems are also subject to regular maintenance and controlled by authorized service providers.

Altarea Cogedim also ensures the safety of users of elevators, escalators and pedestrian conveyors located in the shopping centers by carrying out regulatory controls and maintenance.

NATURAL AND TECHNOLOGICAL RISKS (ERNT STATEMENT)

The assessment of the situation of shopping centers in areas exposed to natural risks (flooding, ground movement, etc.) and/or technological risks is carried out by completing a specific document for evaluating natural and technological risks (*Evaluation des Risques Naturels Technologiques* - ERNT)

All recommendations of action plans for natural or technological risks are taken into account in the construction of new shopping centers.

ACCESSIBILITY FOR PERSONS WITH REDUCED MOBILITY (PRM)

To promote optimal accessibility for all customers of its portfolio properties, Altarea Cogedim performs accessibility assessments of shopping centers with building permits filed before January 1, 2007.

And to improve reduced mobility access, Altarea Cogedim takes into account the technical constraints of each property of its portfolio to propose ways to optimize accessibility to common areas.

5.4.3.3. Promoting local development

Altarea Cogedim works with regional authorities on projects directly impacting local development. And in addition to all the consultation-based approaches focusing on its different projects, Altarea Cogedim is committed to contributing to the development of employment by developing partnerships with local authorities and the multiple stakeholders involved in job promotion and social integration.

While projects for the creation of shopping centers contribute to local job creation (as the case in particular in Villeneuve-la-Garenne with the signature of a local employment commitment included with the leases), the large construction projects for residential programs also contribute, by including the appropriate social integration provisions, for access or a return to active employment for persons encountering social or professional difficulties.

This is the case for example for the program developed by Cogedim in the eco-district of the Docks of Saint-Ouen (92) that includes 4,800 housing units, as well as offices, shops, infrastructure equipment and a 30-acre (12-hectare) landscaped park only 5 miles (8 km) from the La Défense business district.

The real estate program of Cogedim involves the construction of 6 buildings overlooking a landscaped garden with 334 housing units (2/3 as open units and 1/3 for social housing), a gym facility and 4 ground-floor shops. Cogedim has in this way become a signatory of two social integration clauses representing a combined total of 15,000 hours of social integration programs in favor of persons seeking employment or pursuing a pathway of professional integration.

In the first case, the social integration clause with the public housing agency provides, within the framework of work contracts with contractors, an employment target for persons in integration programs of a minimum of 6% of hours worked for the completion of this property project representing the equivalent of 7,000 integration program hours during the construction phase.

In the second case, the social integration clause with the City of Saint-Ouen lays out a general framework for cooperation between integration organizations and enterprises, in liaison with the municipal government team responsible for implementing the local plan for integration and employment (PLIE). In this way it provides for the:

- formalization in project specifications for contracts of provisions for promoting the employment of persons experiencing particular difficulties in integration;
- reserving contracts or portions of contracts to specifically adapted or work-based support establishments.
- the performances of enterprises in terms of professional integration for distressed population groups constitutes one of the selection criteria for a contract.

Within this framework, the employment objective with City of Saint-Ouen for persons pursuing integration programs is 8,096 hours.

5.4.3.4. A targeted sponsoring strategy

For nearly six years Altarea Cogedim has partnered with the association Habitat et Humanisme recognized for its active and innovative contributions in developing responses to meet the housing needs for disadvantaged persons. This commitment has been formalized by two triennial agreements whose implementation was thoroughly respected and coordinated by a bipartite Steering Committee at December 31, 2012, representing an overall financial investment of €2.25 million over the past five years, largely allocated as follows:

- contribution to the financing of five boarding houses (with 2 currently operating, 2 under construction, and 1 under development);
- financing for the last five years of three Habitat et Humanisme management positions for the greater Paris Region: 2 persons tasked with identifying, evaluating and acquiring properties and 1 rental property manager;
- 12 awareness-raising initiatives of Habitat et Humanisme targeting the general public in Group shopping centers and on the internet to develop donations and encourage the recruitment of volunteers.

The Group has pursued actions now going beyond the scope of these two conventions with a positive phenomenon of spin-off initiatives:

- regular contacts and consultations between the decentralized structures of the two partners in Lyon, Marseille, Nice and Nantes;
- development of expertise-sharing sponsorship initiatives with 4 Group employees offering their professional time to resolve technical, project organization and legal issues encountered by Habitat et Humanisme. In 2013, the number of Group participants rose to six with the addition of two new volunteer managers;
- initiatives within Group subsidiaries allowing for additional financial contributions to be made to Habitat et Humanisme: €40,000 in connection with the RueduCommerce initiative at the end of 2012 providing for payment of a donation of 1 euro centime per order, the payment starting in February 2013 of €1,000 per satisfaction survey completed by associations of co-owners of new buildings delivered;
- the inclusion within a company savings plan of a housing support fund including Habitat et Humanisme collecting a portion of amounts invested to finance its initiatives.

5.5. CSR POLICY OF RUEDUCOMMERCE

RueduCommerce joined Altarea Cogedim group in early 2012. As a publicly traded company, RueduCommerce is subject to the same obligations with respect to non-financial reporting as is Altarea Cogedim or Altareit. Non-financial consolidation of the Group's various activities does not make it possible to present RueduCommerce's issues separately. For this joint publication, we have decided to present the specific characteristics of RueduCommerce in a separate chapter for the purpose of improved legibility. However, as issues covered on an overall basis at the Group level render the extra-financial items for RueduCommerce inseparable from those of other companies of Altarea Cogedim, these issues are addressed in the Group CSR section.

The different standards for Altarea Cogedim's statutory and sustainability reporting will gradually be extended and completed by issues relating to RueduCommerce in order to ensure unified and comprehensive Group-wide reporting.

5.5.1. ENVIRONMENTAL PERFORMANCE

Environmental actions of RueduCommerce are spearheaded by two internal correspondents responsible for organizing events covering specific issues: an organic breakfast meeting, an exhibition, a meeting with an association, a bimonthly newsletter, etc.

To reduce the environmental footprint of its offices, RueduCommerce has undertaken to adopt an approach based on achieving electrical energy efficiency in the use of information technology, waste management and reduced paper consumption. To support its staff in adopting best practices, an informational poster campaign has been organized at all company sites.

For several years, RueduCommerce had allocated an annual budget of €60,000 for its environmental commitments. This budget, destined to offset the company's annual carbon footprint, was established in 2008 after the completion of the first *Bilan Carbone®* assessment.

RueduCommerce has decided to focus its efforts on three distinct issues: plant life, animal life and people.

For several years, an initial portion of this budget has been allocated to supporting the Zimbabwean association for the protection of rhinoceros, while the two other budget allocations have been granted to associations selected by votes of RueduCommerce employees.

5.5.2. LABOR RELATIONS

5.5.2.1. Recruitment and staff management

At 31 December 2012, RueduCommerce had 356 employees, 89% on open-ended contracts and 37% management staff. The average age of employees is 32 and average seniority is three years.

A significant portion of its work force is concentrated in the Paris region (Saint-Ouen site) that by itself accounts for 83% of total staff. Its other sites are located in Aix-en-Provence, Lyon and Saint-Quentin-Fallavier.

In 2012, most new hires were recruited to address two major needs: growth in the online marketplace (*Galerie Marchande*) and modernization of the information system. Indeed, 200 employees joined RueduCommerce in 2012: 124 on open-ended contracts representing various specialized qualifications (computer engineers, project heads, webmasters, web designers, etc.) and 76 on fixed-term contracts to ensure a quality response in meeting customer demand during peak seasons such as Christmas or the periods of clearance sales. Out of the total number of 124 recruitments on open-ended contracts, 27 were initially hired on fixed-term contracts.

The attrition rate is 38.5%. The expiry of fixed-term contracts accounted for 55% of employee attrition. For those on open-ended contracts, resignations accounted for 62% of this number and dismissals 7.7%.

The theoretical number of working hours amounted to 482,708. On top of this, there were 1,501 hours of overtime to meet the needs during periods of higher business volume. Temporary personnel who worked 23,087 hours also enabled RueduCommerce to adapt its workforce to fluctuations in seasonal demand of its activity.

Part-time employees account for 2.5% of RueduCommerce's total workforce. To facilitate the organization of staff working hours, RueduCommerce has never refused a request to work on a part-time basis.

The rate of absenteeism is 10% with sick leave and part-time for medical reasons the main causes accounting for nearly 43% of causes for absence. It may be noted that the RueduCommerce has reported very few work-related accidents (2) and no occupational illnesses.

5.5.2.2. Building skills and expertise

The development and implementation of RueduCommerce's training plan is based on annual employee appraisals (209 appraisals conducted in 2012 or 85% of total staff). Major training priorities include security, business expertise, internal software applications and management skills.

RueduCommerce has allocated 2.2% of payroll to professional training of its employees.

Nearly 2,873 hours of training were provided including 26% under the France's statutory individual training credit scheme (DIF).

5.5.2.3. Ensuring employee health and safety

Specific actions taken by RueduCommerce to promote an improved working environment included:

- retrofitting the elevator of the Saint-Ouen site;
- producing a book covering all security issues (security protocols per site);
- producing a tool for the reporting of occupational accidents.

In addition, members of the Health, Safety and Working Conditions Committee (CHSCT) requested an audit to evaluate working conditions at the Saint-Quentin-Fallavier site. The study is in progress with an expert in ergonomics for the improvement of staff working conditions.

5.5.2.4. Sharing success with employees

In addition to fixed-compensation, the majority of RueduCommerce employees receive performance-based variable compensation linked to individual and group objectives.

In 2008, the company concluded a statutory profit sharing agreement (*accord de participation*).

Every year, RueduCommerce conducts mandatory negotiations (*négociations annuelles obligatoires*) entailing in particular the renegotiation of the comprehensive system of compensation with employee representatives.

Average gross salary over the period (excluding variable compensation) amounted to €31,370. The variable portion represented 19.7% of total compensation.

5.5.2.5. Promoting diversity

The principle of equal opportunity employment is an integral part of RueduCommerce's DNA.

At December 31, 2012, RueduCommerce had 356 employees (fixed-term and open-ended contracts), with women accounting for 49% of this total and men 51%. Out of the 200 newly hired employees 101 were women and 99 men.

Four out of the ten members of the Executive Committee are women. The portion of women receiving training in 2012 was 56%.

Based in Saint-Ouen, the company actively contributes to developing employment in the Seine-Saint-Denis region.

In addition, the diversity of the company's professional activities allows it to recruit profiles from a range of backgrounds and educational qualifications from high school graduates to advanced degrees.

In 2012, RueduCommerce also welcomed 28 young workers through work-study programs and traineeships. Six of these were recruited as employees including four on open-ended contracts and two on fixed term contracts.

5.5.2.6. Dialogue with employee representatives

Elections of employee representatives were carried out in 2010. The breakdown of employee representatives is as follows: 5 members of the Works Council, 3 members of the Health, Safety and Working Conditions Committee, 5 employee delegates, 1 appointed union delegate (CFDT).

100% of employees are covered by the collective bargaining agreement for distance selling activities (No. 3333). Four annual Health, Safety and Working Conditions Committee (CHSCT) meetings were held to address occupational health and safety issues.

The four major subjects addressed in the 2012 negotiations included:

- application of provisions of the Collective Bargaining Agreement (Article 30) for the implementation of semiannual payments;
- the proposed audit of working conditions for the Saint-Quentin-Fallavier site;
- the project of bringing the premises of the Saint-Ouen site into compliance;
- the proposed audit on the organization of working hours (planned in 2013).

Application of provisions of the Collective Bargaining Agreement for "Distance Selling Enterprises" - Article 30

In connection with the implementation of a staff retention bonus, on a semiannual basis in June and December, RueduCommerce pays 5.56% of gross annual compensation to all employees of the company starting with one year of seniority as of the first day of the month of payment, i.e. June 1 or December 1.

Agreement with respect to equal pay during maternity leave or adoption leave

The Collective Bargaining agreement No. 3333 "Distance Selling Enterprises" provides for maintaining the compensation of salaried management employees during the legal period of the maternity leave. Because RueduCommerce is committed to the principle of equal treatment among employees, it has been agreed that the non-management categories of workers, office employees and supervisory staff may also be eligible for an indemnity equal to the wages that these salaried employees would have received if they continued to work.

5.5.3. SOCIETAL RESPONSIBILITY

Commercial relations between suppliers/merchants and RueduCommerce are formally defined by the following documents:

- uniform agreement for the distribution of goods and services;
- specific declaration of activity;
- general terms and conditions of the merchant partner.

Through these contractual documents, the supplier/merchant undertakes to:

- meet obligations of product conformity with respect to applicable regulations (EC conformity, etc.);
- comply with environmental standards (waste collection, etc.);
- comply with working condition obligations for staff (undeclared work, the legal subcontracting of workers, etc.);
- comply with all applicable national and EC regulations specifically relating to Internet marketing activities.

RueduCommerce is aware that most of our suppliers adhere to the application of an environmental policy set forth in their respective Group charters, for example "Environmental Management System" of Canon France or the "Planet First" green management policy of Samsung.

Between now and the end of 2013, RueduCommerce intends to enhance the uniform agreement for the distribution of goods and services between the company and suppliers in order to strengthen the commitment of the latter in implementing the company's CSR approach (adding items and existing clauses, adding amendments to the agreement, etc.) in the areas of compliance with laws governing employment and labor, tax and the environment, human rights as well as health and safety rules and combating undeclared work.

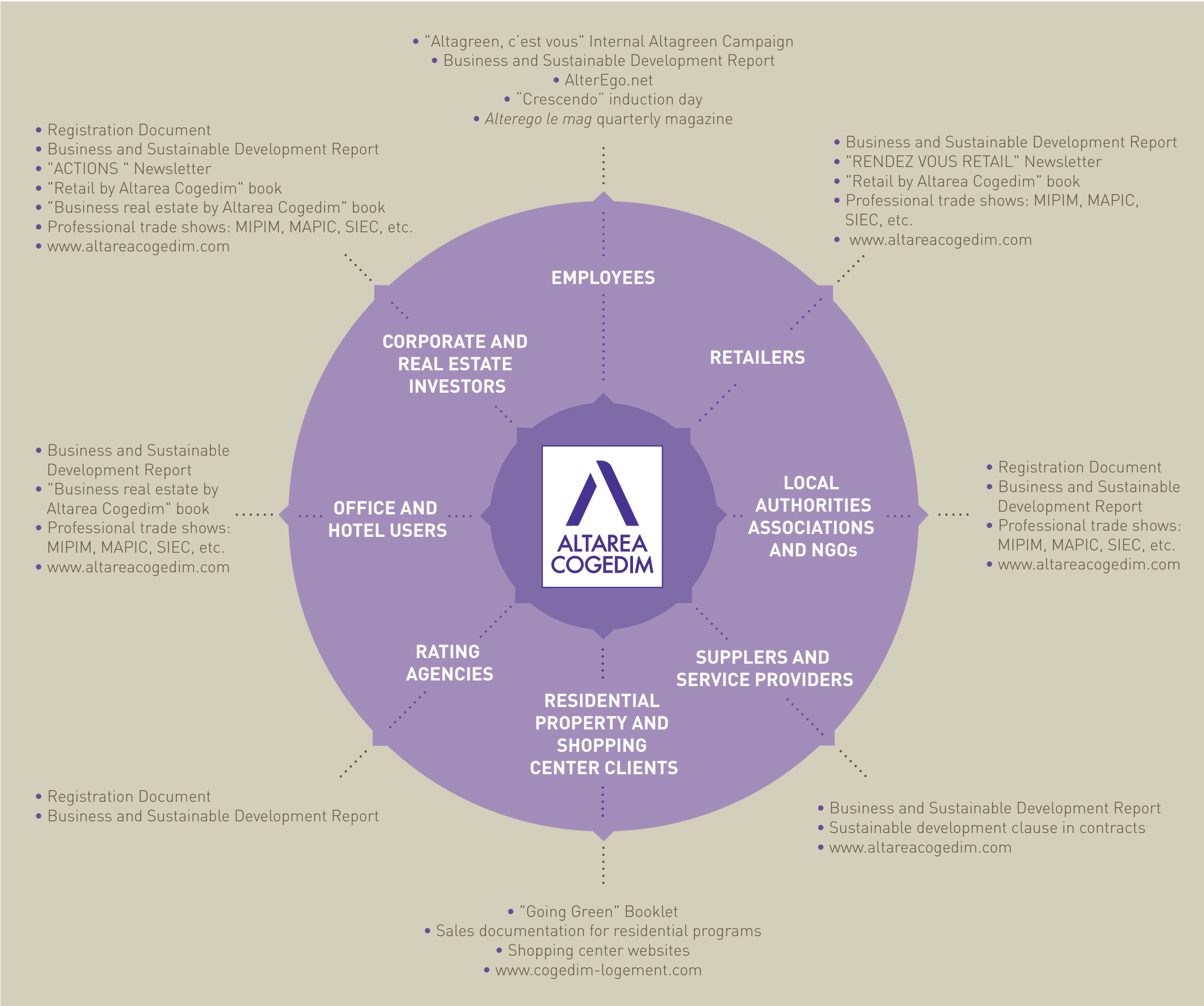
5.6. RELATIONS WITH STAKEHOLDERS

5.6.1. STAKEHOLDER EXPECTATIONS

The real estate sector affects a broad number of stakeholders, which have been applying increasing pressure on real estate companies in France since the publication of the Grenelle environmental standards. Altarea Cogedim's stakeholders include above all its employees as well as financial and extra-financial rating partners, national and international investors, residential property and shopping center customers, office users, shopping center stores and hotels, elected officials and local governments, suppliers, service providers and all construction partners.

The Group's growth, the broadening of its shareholder base and the scope of its development projects have resulted in more stringent requirements for transparency, accuracy and comparability for extra-financial information from all its stakeholders. These stakeholders seek to be able to assess the actual performance of new projects, existing property assets as well as the company's performance in the area of labor relations. This provides many opportunities to demonstrate the relevance of the sustainable development approach adopted by Altarea Cogedim.

5.6.2. MAPPING OF ALTAREA COGEDIM'S RELATIONS WITH ITS STAKEHOLDERS (PROPERTY INVESTMENT AND DEVELOPMENT)



5.6.3. A PARTNERSHIP-BASED APPROACH

5.6.3.1. Development of green leases

To anticipate regulatory requirements that will apply to its retail assets, Altarea Cogedim intends to work more closely with all tenants on developing environmentally-friendly practices. The ultimate goal is to extend environmental reporting to tenants' environmental data and to improve sites' environmental performance through mutual collaboration. As a result, the Group standardized the application of green leases for new and renewed leases in 2010 as from the very first square meter.

Green leases make up an official framework that applies to both owner and tenants: they require each party to periodically exchange environmental and energy information and call for the establishment of an environmental committee comprised of the owner, tenant and all stakeholders at each site.

At December 31, 2012, 545, or 39.1% of the Group's 1,395 leases were green leases.

Over the period from 2010 to 2012 the coverage rate for green leases has maintained a positive trend for meeting the 65% target for the portfolio between now and the end of 2015.

5.6.3.2. Participation in industry organizations

Altarea Cogedim participates in outside committees and working groups, notably for the purpose of anticipating regulatory trends in the area of sustainable development, and exchanging best practices in the sector.

Accordingly, in the area of sustainable development, the Group actively participates in the following organizations:

- CNCC (*Conseil National des Centres Commerciaux*), the French industry federation of shopping centers;
- FSIF (*Fédération des Sociétés Immobilières et Foncières*), the French property real estate association;
- C3D (*Collèges des Directeurs du Développement Durable*), the French sustainable development officers' group;
- Association HQE;
- France GBC (Membership as of 2013).

5.6.4. CLASSIFICATION OF RATING AGENCIES

Through its activity as property developer and its size as a property investment company, Altarea Cogedim has been ranked since 2009 in both these categories in the survey conducted by Novethic, the leading French SRI and CSR research organization.

In 2011, the Group ranked first among property developers and third for investment companies. In 2012, the Group's rankings advanced to share the first place in property investment category and second place for developers.

The Group actively participates in the GRESB (Global Real Estate Sustainability Benchmark) survey program, the most important worldwide classification for evaluating the CSR strategies of Groups and real estate funds. Altarea Cogedim's score based on its 2011 publication was 55%, up 4% from 2010. With this score, the Group is once again classified within the benchmark's highest performing Green Star quadrant.

Worldwide, the Group ranks 87th out of 463 Groups and property investment funds (up from 79th out of 339 in 2010).

5.6.5. STAKEHOLDER VIEWS

In 2012, the Group surveyed engineering students on their views of its 2011 Sustainable Development Report. In the midterm exam of the course on the environment at the engineering school, ESTP (*Ecole Spéciale des Travaux Publics, du Bâtiment et de l'Industrie*), students were given the assignment of analyzing the report based on a critique on the content, the form and providing suggestions for improvements.

This approach provided outside feedback on the CSR approaches presented by Altarea Cogedim in its annual publication. This feedback is all the more pertinent as it originates from the sector and a group comprising potential future employees of the Group.

5.7. METHODOLOGY AND TABLE OF INDICATORS

5.7.1. METHODOLOGY AND INFORMATION ON THE CALCULATION OF INDICATORS

5.7.1.1. Methodology to calculate Group GHG emissions

GHG emissions of the Group represent total emissions from the different operating segments:

- corporate
- property development
- property investment
- online retail

For each activity, scopes 1 to 3 of the Bilan Carbone® Assessment and the GHG Protocol are taken into account. Scopes 1 and 2 include energy and travel, and scope 3 includes travel, fixes assets, purchasing, transportation, waste and refrigerants. These items are generic and are not specified for each activity in the paragraphs below.

5.7.1.1.1. Greenhouse gas emissions from the corporate scope

GHG emissions from the corporate scope were calculated according to the "carbon assessment" (*Bilan Carbone*®) method. This calculation takes into account the activities of Group employees over a one-year period at the head office and French regional and Italian subsidiaries.

Items taken into account are the following: energy, employee commutes, employees' professional travel, travel by visitors coming to the head office and subsidiaries offices, fixes assets, commercial purchases and shipping related to such purchases, product waste and refrigerants.

5.7.1.1.2. Greenhouse gas emissions from the property development scope

GHG emissions from the property development scope are calculated according to *Bilan Carbone*® assessments for the different classes of buildings (retail, offices, hotels, residential) developed by the Group. These include the full cycle from design, construction to the building's future end-of-life phase.

Items taken into account are the following: design, energy, travel by Altarea Cogedim employees, travel by people outside the company, fixed assets, purchasing and shipping of materials, construction site waste, refrigerants and end-of-life of buildings.

These *Bilan Carbone*® assessments are based on a representative sample of the Group's property development activity then extrapolated on a prorated basis for the total constructed area according to each building category and the specific characteristics of projects to reach a figure for gas emissions corresponding to 100% of the development activity.

5.7.1.1.3. Greenhouse gas emissions from the property investment scope

GHG emissions from the property investment scope were calculated on the basis of *Bilan Carbone*® assessments performed for 25% of the Group's retail property assets. This calculation takes into account total activity of the shopping center under consideration over a one-year period generated by the Group, lessor, and store tenants of the shopping center, and by visitors that also produce GHG emissions by their trips to the site.

Items taken into account are the following: energy used by the lessor (Altarea Cogedim), energy used by tenants, commutes for the lessor (Altarea Cogedim employees working on site), travel by the lessor's professionals, commutes for tenants, travel by visitors (customers) to shopping centers, lessor's fixed assets, tenants' waste, lessor's refrigerants, tenants' refrigerants.

The impact of products sold in shopping centers, as well as that of product shipping is not taken into account as information is not available and the Group is unable to take action to reduce such impact.

These *Bilan Carbone*® assessments constitute a representative sample of the Group's property investment activity and are extrapolated on a prorated basis for total data of the portfolio (gross lettable area, net floor area or number of visitors according to the item) to reach a figure for gas emissions corresponding to 100% of the property investment activity over one year.

5.7.1.1.4. Greenhouse gas emissions from the e-commerce scope

GHG emissions for the e-commerce scope are calculated using the *Bilan Carbone*® method. For this purpose, RueduCommerce's activities in its offices and logistics warehouse over a one-year period were taken into account.

Items taken into account are the following: energy, commutes for RueduCommerce employees, customer travel, fixed assets, purchases, shipping of products sold and waste.

Shipping of products sold was also taken into account for those products transiting through the RueduCommerce's own logistics platform. Shipping for products sent directly by the merchants were not taken into account as this is not directly managed by the company.

The impact of products sold has not been taken into account as information is not available and the Group is unable to take action to reduce such impact.

5.7.1.2. Environmental indicators for property development (new developments)

5.7.1.2.1. Environmental performance levels of new developments

The objective of this indicator is to show the percentage of the area having been certified out of the total surface area developed within the defined scope. This serves to demonstrate the value of a broad-based application of an environmental approach for a significant percentage of the production.

Calculation formula = Surface area or number of residential properties certified or undergoing certification / Total surface area or total number of residential properties

Surface area or number of residential properties certified or undergoing certification: net floor area in m² or number of residential properties with NF Démarche HQE®, Habitat et Environnement, BREEAM® or LEED environmental certifications or registered with accredited establishments to apply for these certifications.

Total surface area or total number of residential properties: total surface area in m² of net floor area or total number of residential properties included in the scope.

5.7.1.2.2. Energy performance levels of new developments

This indicator shows the breakdown of new development projects by energy label. The energy classes applied are those that measure an improvement on the regulatory calculation (thermal regulation RT 2005) or on a dynamic thermal simulation if the regulatory calculation does not apply (HPE® – 10%, THPE® – 20%, BBC® – 50% or 50 kWh p.e./year/m² adjusted for residential property, Climate Plan – 50 kWh p.e./year/m² for residential property or thermal regulation RT 2012).

Calculation formula = Surface area or number of residential properties with the minimal regulation level or HPE, THPE or BBC and Climate Plan certification / Total surface area or total number of residential properties

Surface area or number of residential properties with the minimal thermal regulation level or HPE®, THPE® or BBC® and Climate Plan / thermal regulation RT 2012 energy performance level: net floor area in m² or number of residential properties with or applying for an HPE®, THPE®, BBC® and Climate Plan / thermal regulation RT 2012 and surface area or number of residential properties with an HPE®, THPE® or BBC® and Climate Plan / RT 2012 energy performance level based on the thermal regulation minimum or a dynamic thermal simulation.

Total surface area or total number of residential properties: total surface area in m² of net floor area or total number of residential properties included in the scope.

5.7.1.2.3. Distance of new developments to public transportation

This indicator shows the overall distance of new development projects to public transportation and transportation alternatives for property users that generate less GHG emissions.

Calculation formula = Surface area or number of residential properties by category of distance to public transportation / Total surface area or total number of residential properties

Surface area or number of residential properties by category of distance to public transportation: surface area in m² of net floor area or total number of residential properties located between 0 and 200m, between 201m and 500m or more than 500m from a bus stop or metro, tramway, RER suburban train or train station.

For Residential and Office buildings, Shopping Centers and Lifestyle Centers, the distance computed is that between the entrance to the building and the nearest bus stop or metro, tramway, RER suburban train or main-line train station.

For Family Villages® and Retail Parks, the distance computed is that between the entrance to the parking lot and the nearest bus stop or metro, tramway, RER suburban train or main-line train station.

Total surface area or total number of residential properties: total surface area in m² of net floor area or total number of residential properties included in the scope.

5.7.1.3. Environmental indicators for property investment (existing portfolio assets)

Generally, the Group reports its energy consumption data for both final energy and primary energy but emphasizes primary energy, which better represents the total environmental impact.

Emissions factors used to calculate greenhouse gas emissions related to energy are those laid out in the Decree of September 15, 2006 relative to energy efficiency assessments for existing buildings for sale in mainland France:

- Electricity: 0.084 kg CO_2e/ kWh
- Gas: 0.234 kg CO_2e/ kWh
- Urban network: depending on site
- Heating oil: 0.300 kg CO_2e/ kWh

These factors take into account both production and combustion of each energy source. They remained unchanged between 2010 and 2012.

Please note that these emissions factors, although regulatory, are relatively high and therefore have unfavorable effects.

5.7.1.3.1. Specific characteristics of Retail Parks, Family Villages® and Lifestyle Centers

Details on calculations for the following ratios:

- energy consumption of Lifestyle Centers (in kWh/m²/year);
- energy consumption of Family Villages® and Retail Parks (in kWh/m²/year);
- CO_2 emissions of Lifestyle Centers (in kg $C0_2$e/m²/year);
- CO_2 emissions of Family Villages® and Retail Parks (in kg $C0_2$e/m²/year).

Given the special characteristics of these types of assets (Lifestyle Centers, Family Village® and Retail Parks), which have no heated, covered and air-conditioned common areas, and to comply with EPRA recommendations, the Group has significantly changed its calculation formula compared to that used in 2010. Altarea Cogedim now uses a ratio with a denominator equal to the outdoor pedestrian surface area plus the GLA supplied by energy included in the numerator. This is done to make these sites directly comparable with shopping centers. The outdoor pedestrian surface area is considered an "undeveloped" area, and therefore no precise surveys have been taken. As all of these retail development projects are recent and relatively similar, Altarea Cogedim calculates outdoor pedestrian surface area as follows:

Outdoor pedestrian surface area = Net floor area x 15%*

** The 15% value represents the average outside surface area as a percentage of the total net floor area of Altarea Cogedim Family Village® and Lifestyle Center projects.*

For Lifestyle Centers, the ratio is calculated using the outdoor pedestrian surface area plus the GLA used as a basis for energy measured in the numerator. This method presents no risk of overlap as the outdoor pedestrian surface area and the mall surface area are never included in the GLA.

For Family Villages® or Retail Parks, the ratio is calculated using only the outdoor pedestrian surface area because, for this type of retail asset, the lessor does not supply any of the energy for the GLA.

5.7.1.4. Comparison of energy consumption on a constant climate basis

To take account of the impact of climate in the analysis of changes in energy consumption and CO_2 emissions for the portfolio, UDDs (Unified Degree Days) provided by Météo France were used to explain these results.

The weather station chosen was the one located at Paris Montsouris, the most reliable station in Paris.

Climat change between 2010 and 2012

	2010	2012	Variations 2010-2012
Hot UDDs	2,631	2,275	-14%
Cold UDDs	370	340	-8%

"Hot" UDDs, which represent a temperature deficit under 18°C, make it possible to compare extreme temperatures during winter months from one year to the next. These UDDs dropped between 2010 and 2012, meaning that the winter of 2012 was not as cold as the winter of 2010.

"Cold" UDDs, which represent a surplus temperature above 18°C, make it possible to compare extreme temperatures during summer months from one year to the next. These UDDs dropped between 2010 and 2012, meaning that the summer of 2012 was not as hot as the summer of 2010.

5.7.2. PERFORMANCE INDICATORS

5.7.2.1. Environmental indicators

5.7.2.1.1. Energy

CORPORATE – Energy consumption and ratios for the head office

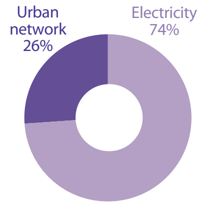
GRI Codes:
Total energy consumption: GRI EN 3 & 4
Total energy consumption per m² and per employee: GRI CRE 1

Definition: Final (FE) and primary (PE) energy consumption of Altarea Cogedim's head office

Denominator: Calculations on the basis of 8,248 m² and 549 FTE for 2012

	2010 PE	2011 PE	2012 PE	Change 2010-2012	2012 FE
Total consumption *(GWh)*	3.90	4.64	4.39	+12.5%	2.02
RATIOS					
Total consumption per m² *(kWh / m²)*			533	-	245
Total consumption per FTE equivalent *(kWh / FTE)*			8,001	-	3,681

2012 energy mix FE



PROPERTY DEVELOPMENT – Breakdown by energy performance level of new developments

GRI code: GRI EN 6

Definition: Breakdown of the surface area of shops, offices and hotels or number of residential properties for operations with a building permit (provisional or permanent), under construction or delivered in 2012 by level of energy performance

2012	Regulatory	High Energy Performance (HPE)	Very High Energy Performance (THPE)	Low Consumption Building (BBC)
Retail *(m²)*	0.0%	0.0%	0.0%	100.0%
Office *(m²)*	6.0%	0.0%	2.4%	91.7%
Hotel *(m²)*	48.1%	0.0%	51.9%	0.0%
Total commercial (retail, office, hotel) *(m²)*	**7.2%**	**0.0%**	**5.3%**	**87.5%**
Total surface area *(m²)*	42,288	0	30,810	511,814
Residential *(No.)*	**14%**	**6.8%**	**7.2%**	**72%**
Residential units *(No.)*	2,122	1,036	1,102	10,929

PROPERTY INVESTMENT – Energy consumption and ratios for existing assets

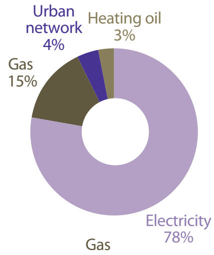
GRI codes:
Total energy consumption: GRI EN 3 & 4
Total energy consumption per m²: GRI CRE 1

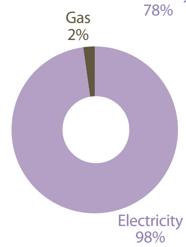
Definition: Final (FE) and primary (PE) energy consumption of the portfolio managed by Altarea Cogedim in the current and constant reporting scope, in total and per m² of surface area over which this energy is distributed.
These surfaces may be common areas, outside pedestrian areas or Gross Leasable Area (GLA).

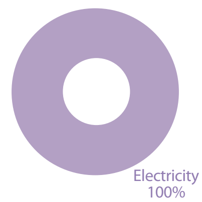
Scope under consideration: Current reporting scope (567,137 m² GLA for 2012) and constant scope (448,140 m² GLA for 2010 - 2012)

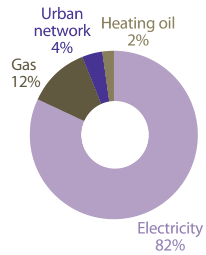
		2010 PE	2011 PE	2012 PE	Change 2010-2012	2012 FE	Surfaces under consideration
Shopping centers	Total energy consumption *(GWh)*	48.5	61.5	59.5	+22.7%	26.7	- Common area - GLA
	Total energy consumption per m² *(kWh/m²)*	199	196	200	+0.5%	90	
	Percentage of scope of ownership	**47%**	**54%**	**53%**	**+12.6%**	**53%**	
Lifestyle Centers	Total consumption *(GWh)*	14.3	12.9	13.5	-5.9%	5.3	- Outside pedestrian area - GLA
	Total consumption per m² *(kWh/m²)*	188	170	165	-12.6%	65	
	Percentage of scope of ownership	**22%**	**18%**	**20%**	**-6.5%**	**20%**	
Family Village® and Retail Parks	Total consumption *(GWh)*	4.1	4.4	3.9	-5.1%	1.5	- Outside pedestrian area
	Total consumption per m² *(kWh/m²)*	127	116	109	-14.6%	42	
	Percentage of scope of ownership	**20%**	**17%**	**17%**	**-13.1%**	**17%**	
CURRENT SCOPE OF REPORTING	Total consumption *(GWh)*	66.9	78.7	76.8	+14.9%	33.5	- Common area - Outside pedestrian area - GLA
	Total consumption per m² *(kWh/m²)*	190	185	185	-2.7%	81	
	Percentage of scope of ownership	**89%**	**90%**	**91%**	**+2.1%**	**91%**	
CONSTANT SCOPE OF REPORTING	Total consumption *(GWh)*	50.9	46.6	47.8	-6.1%	20.5	- Common area - Outside pedestrian area - GLA
	Total consumption per m² *(kWh/m²)*	186	170	167	-10.0%	72	
	Percentage of scope of ownership			**61%**			

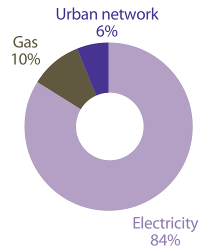
2012 Energy mix FE











5.7.2.1.2. GHG emissions

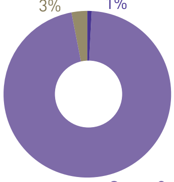
ALTAREA COGEDIM – GHG emissions and Group ratios

GRI codes:
Direct and indirect GHG emissions: GRI EN 16 and EN 17

Definition: Total GHG emissions linked to Altarea Cogedim Group activities

ARTICLE 75 and GHG PROTOCOL *	tons CO_2e	scope 1	scope 2	scope 3
Altarea	190,974	2%	2%	95%
Cogedim	484,924	4%	0%	96%
RueduCommerce	9,655	1%	2%	97%
Altarea Cogedim	**685,553**	**3%**	**1%**	**96%**

** Scope 1 does not take account of electricity line losses (combustion); in accordance with Article 75 of the Grenelle 2 Law, such losses are included in scope 2. This difference between Grenelle 2 and the GHG Protocol accounts for a divergence of less than 1% between the two scopes.*



CORPORATE – GHG emissions and ratios for the head office

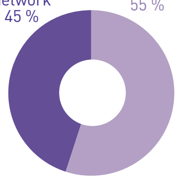
GRI codes:
Direct and indirect GHG emissions: GRI EN 16 and EN 17
Total GHG emissions per m²: GRI CRE 3

Definition: Total GHG emissions linked to energy consumptions at the head office of Altarea Cogedim

Denominator: Calculations established on the basis of 8,248 m² and 549 FTE for 2012

	2010	2011	2012	Change 2010-2012
Total GHG emission (tons CO_2e)	232	259	227	-2.2%
RATIOS				
Total emissions per m² *(kg CO_2e / m²)*			28	-
Total emissions per FTE *(kg CO_2e / FTE)*			413	-

2012 Breakdown by energy type



Breakdown of direct and indirect emissions

scope 2
100%

PROPERTY INVESTMENT – GHG emissions and ratios for existing assets

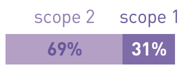
GRI codes:
Direct and indirect GHG emissions: GRI EN 16
Total GHG emissions per m²: GRI CRE 3

Definition : Total GHG emissions linked to energy consumption of the portfolio managed by Altarea Cogedim in the current and constant reporting scope, in total and per m² of surface area over which this energy is distributed.
These surfaces may be common areas, outside pedestrian areas and/or Gross Leasable Area (GLA).

Scope under consideration: Reporting scope (567,137 m² GLA for 2012) and constant scope (448,140 m² GLA for 2010 - 2012)

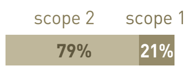
		2010	2011	2012	Change 2010-2012	Surfaces under consideration
Shopping centers	Total GHG emissions *(tons $CO_2 e$)*	2,572	3,161	3,194	+24.2%	- Common areas - GLA
	Total GHG emissions per m² *(kg $CO_2 e$ / m²)*	10.5	10.1	10.7	+1.7%	
	Percentage of scope of ownership	**47%**	**54%**	**53%**	**+12.6%**	
Life style Center	Total GHG emissions *(tons $CO_2 e$)*	509	453	460	-9.6%	- Outside pedestrian area - GLA
	GHG emissions per m² *(kg $CO_2 e$ / m²)*	6.7	6.0	5.6	-16.0%	
	Percentage of scope of ownership	**22%**	**18%**	**20%**	**-6.5%**	
Family Village® and Retail Parks	Total GHG emissions *(tons $CO_2 e$)*	132	143	126	-5.1%	- Outside pedestrian area
	Total GHG emissions per m² *(kg $CO_2 e$ / m²)*	4.1	3.8	3.5	-14.6%	
	Percentage of scope of ownership	**20%**	**17%**	**17%**	**-13.1%**	
CURRENT SCOPE OF REPORTING	Total GHG emissions *(tons $CO_2 e$)*	3,214	3,757	3,779	+17.6%	- Common areas - Outside pedestrian area - GLA
	Total GHG emissions per m² *(kg $CO_2 e$ / m²)*	9.1	8.8	9.1	-0.3%	
	Percentage of scope of ownership	**89%**	**90%**	**91%**	**+2.1%**	

Breakdown of direct and indirect emissions

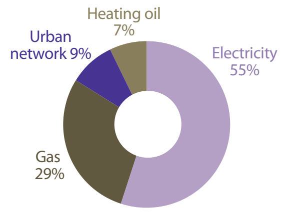


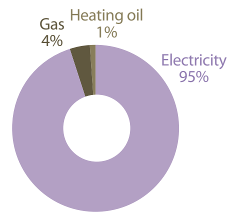
		2010	2011	2012	Change 2010-2012	Surfaces under consideration
CONSTANT SCOPE OF REPORTING	Total GHG emissions *(tons $CO_2 e$)*	2,352	2,065	2,209	-6.1%	- Common areas - Outside pedestrian area - GLA
	Total GHG emissions per m² *(kg $CO_2 e$ / m²)*	8.6	7.5	7.7	-10.0%	
	Percentage of scope of ownership		**61%**			

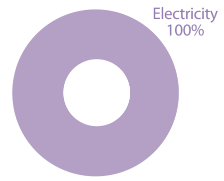
Breakdown of direct and indirect emissions

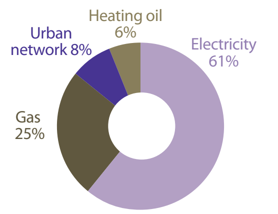


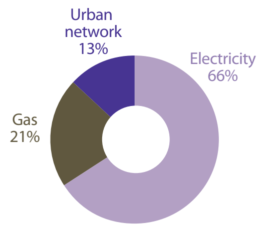
Breakdown according to energy type in 2012











5.7.2.1.3. Water and Waste

CORPORATE – Water consumption and waste production for the head office

GRI codes:
Total water consumption: GRI EN 8 and Total waste generated: GRI EN 22
Total water consumption per m² and per employee: GRI CRE 2

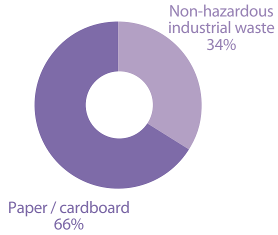
Definition: Water consumption, total and per m²; total waste generated at the head office of Altarea Cogedim

Denominator: Calculations established on the basis of 8,248 m² and on the basis of 549 FTE for 2012

WATER	2010	2011	2012	Change 2010-2012
Water consumption *(m³)*	6,263	5,880	5,750	-8.2%
RATIOS				
Water consumption per m² *(L / m²)*			697	-
Water consumption per employee *(L / FTE)*			10,474	-

WASTE	2010	2011	2012	Change 2010-2012
Waste generated *(m³)*	535	594	547	+2.2%
RATIOS				
Waste generated per m² *(L / m²)*			66	-
Waste generated per FTE *(L / FTE)*			996	-

Breakdown by type of waste



PROPERTY INVESTMENT – Water consumption and waste production for existing assets

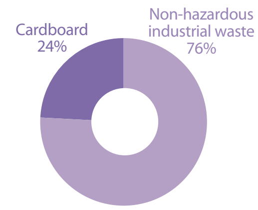
GRI codes:
Total water consumption: GRI EN 8 and Total waste generated: EN 22
Total water consumption per m² and per employee: GRI CRE 2

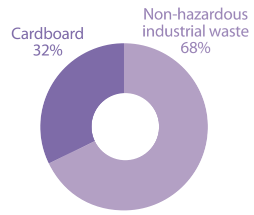
Definition: Water consumption in common areas and waste generated by the portfolio managed by Altarea Cogedim in the current and constant reporting scope, in total and per m² of surface area over which this impact is generated for water
These surfaces may be common areas or outside pedestrian areas

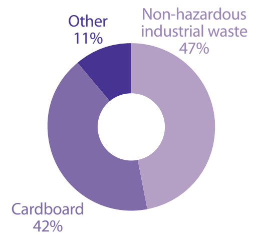
Scope under consideration: Reporting scope (567,137 m² GLA for 2012) and constant scope (448,140 m² GLA for 2010 - 2012)

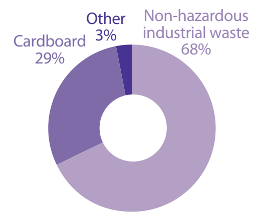
		2010	2011	2012	Change 2010-2012	Surfaces under consideration (water)
Shopping centers	Water consumption *(m³)*	63,185	87,644	88,389	+39.9%	- Common areas
	Water consumption per m² *(m³/m²)*	0.85	0.98	1.04	+23.5%	
	Waste generated *(metric tons)*	3,048	3,484	2,904	-4.7%	
	Percentage of overall scope	**47%**	**54%**	**53%**	**+12.6%**	
Life style Center	Water consumption *(m³)*	10,193	8,198	9,428	-7.5%	- Outside pedestrian area
	Water consumption per m² *(m³/m²)*	0.51	0.41	0.47	-7.0%	
	Waste generated *(metric tons)*	525	583	547	+4.2%	
	Percentage of overall scope	**22%**	**18%**	**20%**	**-6.5%**	
Family Village® and Retail Parks	Water consumption *(m³)*	17,718	14,548	16,008	-9.7%	- Outside pedestrian area
	Water consumption per m² *(m³/m²)*	0.55	0.39	0.45	-18.7%	
	Waste generated *(metric tons)*	1,214	1,370	1,195	-1.6%	
	Percentage of overall scope	**20%**	**17%**	**17%**	**-13.1%**	
CURRENT SCOPE OF REPORTING	Water consumption *(m³)*	91,096	110,389	113,825	+25%	- Common areas - Outside pedestrian area
	Water consumption per m² *(m³/m²)*	0.72	0.75	0.81	+13%	
	Waste generated *(metric tons)*	4,788	5,436	4,646	-3%	
	Percentage of overall scope	**89%**	**90%**	**91%**	**+2.1%**	
CONSTANT SCOPE OF REPORTING	Water consumption *(m³)*	65,646	62,990	71,272	+8.6%	- Common areas - Outside pedestrian area
	Water consumption per m² *(m³/m²)*	0.66	0.64	0.72	+8.0%	
	Waste generated *(metric tons)*	3,590	3,671	3,413	-4.9%	
	Percentage of overall scope		**61%**			

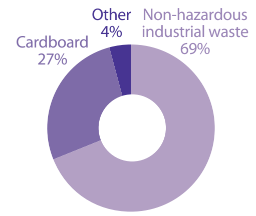
Breakdown of waste











5.7.2.2. Human resources indicators

Recruitment and staff management

Scope under consideration: Group employees with open-ended and fixed-term contracts (France, Italy, Spain, Luxembourg) at 12/31/12.

GRI CODE	ITEM	Indicator	Unit	Altarea Cogedim	Altareit	RueduCommerce
				2012		
LA 1	Total workforce	Number of employees	No.	1,232	913	356
	Breakdown by contract	Number of employees with open-ended contracts	No.	1,166	860	318
		Number of employees with fixed-term contracts	No.	66	53	38
	Breakdown by gender	Percentage of female employees	%	56.2%	53.8%	49.2%
		Percentage of male employees	%	43.8%	46.2%	50.8%
	Breakdown by age group	Percentage of employees under the age of 30	%	21.8%	25.3%	41.9%
		Percentage of employees aged 30 to 50	%	65.1%	61.6%	55.9%
		Percentage of employees over the age of 50	%	13.1%	13.1%	2.3%
	Breakdown by country	Percentage of employees in France	%	96.5%	99.9%	100.0%
		Percentage of employees in Italy	%	2.9%	0.0%	0.0%
		Percentage of employees in Spain	%	0.5%	0.0%	0.0%
		Percentage of employees in Luxembourg	%	0.1%	0.1%	0.0%
	Breakdown by level of responsibility	Percentage of management-level employees	%	60.3%	59.0%	37.1%
		Percentage of non-management-level employees	%	39.7%	41.0%	62.9%
LA 2	New hires	New hires (open-ended contracts) over the period	No.	210	172	124
		New hires (fixed-term contracts) over the period	No.	119	97	76
		Percentage of new hires at management level	%	41.0%	40.5%	30.5%
		Percentage of new hires at non-management level	%	58.0%	59.5%	69.5%
	Departures	Number of dismissals	No.	14	11	4
		Departure rate: Number of departures over the period / average headcount	%	19.6%	21.8%	38.5%
		Departure rate - management level	%	12.6%	13.8%	21.2%
		Departure rate - non-management level	%	30.6%	33.9%	48.2%
	Reasons for departure	Departure during trial period	%	7.9%	8.0%	9.4%
		Departure at end of fixed-term contract	%	45.9%	44.7%	54.7%
		Employee-initiated early termination of fixed-term contract	%	0.9%	1.1%	0.0%
		Resignations	%	28.4%	31.4%	28.2%
		Dismissals	%	6.1%	5.9%	3.4%
		Retirement or early retirement	%	0.4%	0.0%	0.0%
		Voluntary departure for unemployment (*rupture conventionnelle*)	%	10.5%	9.0%	4.3%
LA 1	Organization working time	Headcount (open-ended + fixed term contracts) as FTE (Full-Time Equivalent)	No.	1,220.4	908.0	354.5
		Average age	years	37.7	36.9	31.9
		Average seniority in the Group	years	5.5	5.4	3.4
		Percentage of full-time employees	%	96.5%	97.4%	97.5%
		Percentage of full-time employees with open-ended contract	%	94.6%	94.2%	89.1%
		Percentage of full-time employees with fixed-term contract	%	5.4%	5.9%	11.0%
		Percentage of part-time employees	%	3.5%	2.6%	2.5%
		Percentage of part-time employees with open-ended contract	%	95.4%	95.8%	100.0%
		Percentage of part-time employees with fixed-term contract	%	4.7%	4.2%	0.0%
		Number of hours worked	hours	1,866,239	1,375,323	482,708
		Number of hours worked by temps	hours	35,091	29,587	23,087
		Number of overtime hours worked	hours	1,501	1,501	1,501
LA 7	Absenteeism*	Overall rate of absenteeism	%	6.5%	6.0%	10.0%
		Rate of management staff absenteeism	%	4.5%	3.7%	4.9%
		Rate of non-management staff absenteeism	%	9.6%	9.4%	12.8%
		Overall rate of absenteeism excluding maternity/paternity leave	%	4.3%	4.3%	7.4%
	Causes	Absence due to workplace accident	%	0.2%	0.2%	0.1%
		Absence due to work-related illness	%	0.0%	0.0%	0.0%

** all absences excluding vacation leave and "RTTs" (days for recuperation of time worked)*

Building skills and expertise

				Altarea Cogedim	Altareit	RueduCommerce
GRI CODE	**ITEM**	**Indicator**	**Unit**		**2012**	
LA 10	Budget	Total training expenses	€ thousands	1,369	972	252
		Average training expenses per employee trained	€ thousands	2.17	2.16	2.74
		Investment rate for training	%	1.85%	1.80%	2.21%
	Hours of training	Average number of hours per employee participating in at least one training program	No.	17.8	19.0	31.2
		Average number of hours for management staff	No.	18.8	19.6	32.1
		Average number of hours for non-management staff	No.	16.4	18.1	30.5
	Types of training*	Percentage of hours for "technical and occupational" training	%	38.5%	36.0%	65.3%
		Percentage of hours for "office and IT" training	%	39.1%	45.9%	16.7%
		Percentage of hours for "management and support" training	%	15.0%	14.3%	12.2%
		Percentage of hours for "language" training	%	7.5%	3.8%	5.8%
	Promotions	Number of employees promoted over the period	58	132	100	39
		Percentage of employees promoted over the period	%	11.3%	11.6%	12.9%
LA 11	Mobility	Number of employees benefiting from one or more forms of mobility over the period (geographic and/or professional and/or inter-departmental/inter-Group mobility)	No.	71	61	23
		Percentage of employees benefiting from one or more forms of mobility over the period	%	6.1%	7.1%	7.6%

** Including internal training*

Ensuring employee health and safety

				Altarea Cogedim	Altareit	RueduCommerce
GRI CODE	**ITEM**	**Indicator**	**Unit**		**2012**	
LA 9	Collective agreements signed	Number of Health, Safety and Working Conditions Committee (CHSCT) meetings (DP+Works Committee)	No.	12	8	4
		Collective agreements signed regarding workplace health and safety	No.	0	0	0
LA 7	Workplace accidents	Rate of frequency of workplace accidents	%	3.38%	3.02%	4.59%
		Rate of seriousness of workplace accidents	%	0.01%	0.01%	0.02%
		Number of declared (and acknowledged) work-related illnesses aver the year	No.	0	0	0
		Rate of frequency of workplace accidents for subcontractors	%	0.00	0.00	0.00
		Rate of seriousness of workplace accidents for subcontractors	%	0.00	0.00	0.00

Sharing success with employees

GRI CODE	ITEM	Indicator	Unit	Altarea Cogedim 2012	Altareit 2012	RueduCommerce 2012
LA 14	Fixed compensation*	Average gross annual employee compensation - excluding variable compensation and employer payroll taxes	€	50,521	46,965	31,370
		Average gross annual non-management staff compensation - excluding variable compensation and employer payroll taxes	€	30,153	28,929	24,968
		Average gross annual management staff compensation - excluding variable compensation and employer payroll taxes	€	64,417	60,226	38,454
	Variable compensation*	Percentage of variable compensation in management-level employee compensation (%)	%	14.6%	17.5%	20.9%

**excluding Cogedim Management Board for 2012*

Promoting diversity

GRI CODE	ITEM	Indicator	Unit	Altarea Cogedim 2012	Altareit 2012	RueduCommerce 2012
LA 13	Gender equality	Percentage of women in the total headcount	%	56.2%	53.8%	49.2%
		Percentage of women in management staff	%	42.5%	40.3%	32.6%
		Percentage of female employees at management level	%	45.7%	44.2%	24.6%
		Percentage of female employees at non-management	%	54.3%	55.8%	75.4%
		Percentage of women among members of the extended steering committee	%	23.6%	18.6%	27.3%
		Percentage of departures concerning women	%	55.9%	53.2%	54.7%
	Disabilities	Number of employees claiming a disability	No.	4	2	1
	Combating discrimination	Number of interns over the period	No.	52	47	18
		Number of work-study contracts	No.	36	28	13

Dialogue with employee representatives

GRI CODE	ITEM	Indicator	Unit	Altarea Cogedim 2012	Altareit 2012	RueduCommerce 2012
LA 6	Organization of social dialogue	Number of staff representatives (steering committee + works council)	No.	49	36	14
LA 4	Collective bargaining agreements	Proportion of employees covered by a collective bargaining agreement (%)	%	99.9%	99.9%	100%

5.8. CROSS-REFERENCE TABLE

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
PROFILE					
	1. Strategy and analysis				
1.1	Statement from the organization's most senior decision maker (e.g., CEO, chairman, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	6.2	Art. R. 225-105	5.1.1	146
1.2	Description of key impacts, risks, and opportunities.		Art. R. 225-105	6.8 / 8.3	243 / 280
	2. Organizational profile				
2.1	Name of organization.	6.2		6.2.1	225
2.2	Primary brands, products, and /or services.			1 / 2.1	6 / 18
2.3	Organization's operating structure, including main divisions, operating companies, subsidiaries, and joint ventures.			3.5 / 6.9 / 7.8	70 / 251 / 269
2.4	Location of organization's headquarters.			6.2.1	225
2.5	Number of countries in which the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.			1 / 2.1	16 / 20
2.6	Nature of ownership and legal form.			6.2.1	225
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).			1 / 2.1 / 6.7	6 / 18 / 243
2.8	**Scale of the reporting organization, including:**				
	• number of employees;			5.4.2	184
	• number of operations;			2.1	18
	• net sales (for private-sector organizations) or net revenues (for public-sector organizations);			2.2 / 3.6 / 4.1	34 / 79 / 122
	• total capitalization breakdown by debt and equity (for private-sector organizations);			2.3 / 3.4 / 3.5 / 3.7	39 / 67 / 70 / 81
	• quantity of products and services provided.			1 / 2.1	6 / 18
2.9	**Significant changes during the reporting period regarding size, structure, or ownership, including:**				
	• the location of or changes in operations, including facility openings, closings, and expansions;			2.1	18
	• changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private-sector organizations).			6.2.2	229
2.10	Awards received in the reporting period.			5.6.4	198
	3. Report parameters				
3.1	Reporting period (e.g., fiscal year, calendar year) for information provided.			5.2.3 / 6.2.1	156 / 226
3.2	Date of most recent report, if any.			NA	
3.3	Reporting cycle (annual, biennial, etc.).			5.2.3 / 6.2.1	156 / 226
3.4	Contact for questions regarding the report and its content.			5.1.2	149
3.5	**Process for defining report content, including:**				
	• determining materiality;			5.1.2	147
	• prioritizing topics in the report;			5.1 / 5.2 / 5.3	146 / 153 / 160
	• identifying stakeholders expected to use the report.			5.6	197
3.6	Report boundary (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).		3.c.2.	5.2.3	156
3.7	Specific limitations (if any) on the scope or boundary of the report.			5.1.2 / 5.2.3	151 / 156
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other situations that might significantly impact comparability from period to period or between organizations.			5.2.3	156

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
3.9	Data-measurement techniques and bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of indicators and other information in the report.			5.2.3 / 5.7.1	156 / 199
3.10	Explanation of the effect of any restatements of information provided in previous reports, and the reasons for those restatements (e.g., mergers and acquisitions, change in reporting period, nature of business, measurement method).			5.7.1	199
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.			NA	
3.12	Table identifying the location of the required disclosures in the report.			5.8	211
3.13	Policy and current practice with regard to seeking external assurance for the report.	7.5.3		5.9	220
	4. Governance, commitments, and engagement				
4.1	Governance structure of the organization, including committees under the highest governance body (board of directors or similar), responsible for specific tasks such as setting strategy or organizational oversight.			7.1 / 8.2 / 8.4	254 / 273 / 292
4.2	Indicate whether the chairman of the highest governance body is also an executive officer (and, if so, his duties in the organization's management structure and the reasons for this arrangement).			7.1.1	254
4.3	For organizations with a unitary board structure, state the number and gender of independent and/or nonexecutive members.	6.2		8.2	273
4.4	Mechanisms for employees and shareholders to provide recommendations or instructions to the highest governance body.			8.6	293
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements) and the organization's performance (including social and environmental performance).		1.a.3.	7.2	262
4.6	Processes in place for the highest governance body to ensure that conflicts of interest are avoided.			7.3 / 7.4	268
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees,including any consideration of gender and other indicators of diversity.	6.2		8.2.2 / 8.2.8	273 / 276
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.		Art. R. 225-105	5.1.3	152
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence to or compliance with internationally agreed standards, codes of conduct, and principles.	6.2	Art. R. 225-105	5.1.2 / 8.3	149 / 280
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.			NA	

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	6.2	3.b.2.	6.8 / 8.3	243 / 280
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.		3.b.2.	8.1	272
4.13	**Membership in associations (e.g., industry associations) and/or national or international advocacy groups in which the organization:** • has positions in governance bodies; • participates in projects or committees; • provides funding beyond routine membership dues; • views its participation as strategic.		3.b.2.	5.6.3	198
4.14	List of stakeholder groups engaged by the organization (at organizational and project levels).	6.2 5.3 5.3.2 5.3.3	3.b.1. and 3.c.2.	5.6	197
4.15	Basis for identification and selection of stakeholders with whom to engage.		3.b.1.	5.6	197
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.		3.b.1.	5.6.3	198
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		3.b.1.	5.6.5	198
ECONOMY					
	Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	6.8 6.8.3 6.8.7 6.8.9	3.a.2. and 3.b.2.	2.2 / 2.3 / 3.2 / 3.3 / 3.4	34 / 39 / 45 / 46 / 47
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	6.5.5	2.a.4. and 2.d.2.	6.8	244
EC3	Coverage of the organization's defined-benefit-plan obligations.		1.a.3.	ND	
EC4	Significant subsidies and financial assistance received from government.			ND	
	Market presence				
EC5	Range of ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation.	6.4.4 6.8	1.a.3.	ND	
EC6	Policy, practices, and proportion of spending on local suppliers at significant locations of operation.	6.6.6 6.8 6.8.5 6.8.7	3.a.2.	5.4.3 / 5.5.3	190 / 196
EC7	Procedures for local hiring and proportion of senior management and all direct employees, contracters, and subcontracters hired from the local community at locations of significant operation.	6.8 6.8.5 6.8.7	1.a.2.	5.4.2 / 5.5.2	184 / 194
	Indirect economic effects				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9	3.a.1.	ND	

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
EC9	Understanding and describing significant indirect economic effects, including the extent of tthose effects.	6.3.9 6.6.6 6.6.7 6.7.8 6.8 6.8.5 6.8.6 6.8.7 6.8.9	3.a.1.	ND	
ENVIRONMENT					
	Materials				
EN1	Materials used by weight, value, or volume.	6.5 6.5.4	2.c.2.	ND	
EN2	Percentage of materials used that are from recycled or reused materials.		2.c.2.	5.4.3	190
	Energy				
EN3	Direct energy consumption, by primary energy source.	6.5 6.5.4	2.c.3.	5.7.2	202
EN4	Indirect energy consumption, by primary source.		2.c.3.	5.7.2	202
CRE1	Building energy intensity.		2.c.3.	5.7.2	203
EN5	Energy saved through energy efficiency.		2.c.3.	5.7.2	203
EN6	Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of those initiatives.		2.c.3.	5.3.4	164
EN7	Initiatives to reduce indirect energy consumption, and reductions achieved.		2.c.3.	5.3.4	164
	Water				
EN8	Total water withdrawal, by source.	6.5 6.5.4	2.c.2.	5.7.2	206
EN9	Water sources significantly affected by water withdrawal.		2.c.2.	ND	
EN10	Percentage and total volume of water recycled and reused.		2.c.1.	ND	
CRE2	Intensity of water use.		2.c.1.	5.7.2	206
	Biodiversity				
EN11	Location and size of land owned, leased, or managed, in or near protected areas and areas of high biodiversity value outside protected areas.	6.5 6.5.6	2.e.1.	ND	
EN12	Description of significant effects of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		2.e.1.	5.4.1	184
EN13	Protected or restored habitats.		2.e.1.	ND	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		2.e.1.	5.4.1	184
EN15	Number of IUCN Red List species and national-conservation-list species with habitats in areas affected by operations, by level of extinction risk.		2.e.1.	ND	
	Emissions, effluents, and waste				
EN16	Total direct or indirect greenhouse-gas emissions by weight (tons CO_2 equivalent).	6.5 6.5.5	2.d.1.	5.7.2	204
EN17	Other relevant indirect greenhouse gas emissions by weight (tons CO_2 equivalent).		2.d.1.	5.7.2	204
CRE3	Greenhouse-gas intensity from buildings.		2.d.1.	5.7.2	205
CRE4	Greenhouse-gas-emissions intensity from new-construction and redevelopment activity.		2.d.1.	5.3.6	173
EN18	Initiatives to reduce greenhouse-gas emissions, and reductions achieved.		2.d.2.	5.3.4 / 5.3.6	166 / 170

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
EN19	Emissions of ozone-depleting substances by weight.		2.d.1.	ND	
EN20	NO, SO, and other significant air emissions by type and weight.		2.d.1.	ND	
EN21	Total water discharge by quality and destination.		2.c.2.	ND	
EN22	Total weight of waste by type and disposal method.	6.5 6.5.3	2.b.1.	5.4.1 / 5.7.2	183 / 206
EN23	Total number and volume of significant spills.		2.b.1.	NA	
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		2.b.1.	NA	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	6.5 6.5.4 6.5.6	2.e.1.	ND	
CRE5	Land and other assets remediated and in need of remediaton for the existing or intended land use, according to applicable legal designations.		2.c.4.	5.4.1 / 5.4.3	184 / 192
	Products and services				
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	6.5 6.5.4 6.6.6 6.7.5	2.b.2.	5.3	160
EN27	Percentage of products sold and their packaging materials that are recycled or reused, by category.	6.5 6.5.4 6.7.5	2.b.2.	NA	
	Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	6.5	2.a.4.	ND	
	Transport				
EN29	Significant environmental impacts from transporting products and other goods and materials used for the organization's operations, and from transporting members of the workforce.	6.5 6.5.4 6.6.6	2.c.3.	5.3.6	170
	General remarks				
EN30	Total environmental-protection expenditures and investments, by type.	6.5	2.a.3.	ND	
LABOR PRACTICES AND DECENT WORKING CONDITIONS					
	Employment				
LA1	Total workforce by employment type, employment contract, and region, by gender.	6.4 6.4.3	1.a.1.	5.4.2 / 5.7.2	184 / 208
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.		1.a.2.	5.4.2 / 5.7.2	185 / 208
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant operating activities.	6.4 6.4.3 6.4.4	1.a.3.	ND	
LA15	Return to work and retention rates after parental leave, by gender.	6.4 6.4.3		ND	
	Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	6.4 6.4.3 6.4.4 6.4.5 6.3.10	1.c.2. and 1.g.1.	5.4.2 / 5.7.2	184 / 210
LA5	Minimum notice period regarding operating changes, including whether specified in collective agreements.	6.4 6.4.3 6.4.4 6.4.5	1.c.1. and 1.g.1.	ND	

Nº GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
	Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management/worker health and safety committees that help monitor and advise on occupational health and safety programs.	6.4 6.4.6	1.d.1.	5.4.2 / 5.7.2	188 / 209
LA7	Rates of injury, occupational illnesses, lost days, and absenteeism, and number of work-related fatalities, by region and gender.		1.b.2 and 1.d.3.	5.4.2 / 5.7.2	188 / 209
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	6.4 6.4.6	1.d.2.	ND	
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist employees, their families, and community members regarding serious illnesses.	6.4 6.4.6 6.8 6.8.3 6.8.4 6.8.8	1.d.1.	ND	
LA9	Health and safety topics covered in formal agreements with trade unions.	6.4 6.4.6	1.d.2.	5.4.2	188
	Training and education				
LA10	Average hours of training per year per employee by gender, and by employee category.	6.4 6.4.7	1.e.2.	5.4.2 / 5.7.2	187 / 209
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing the final phase of their careers.	6.4 6.4.7 6.8.5	1.e.1.	5.4.2	187
LA12	Percentage of employees receiving regular performance and career-development reviews, by gender.	6.4 6.4.7	1.e.1.	5.4.2	188
	Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority-group membership, and other indicators of diversity.	6.3.7 6.3.10 6.4 6.4.3	1.f.1, 1.f.2., 1.f.3 and 1.g.2.	5.4.2 / 5.7.2 / 7.1	189 / 210 / 254
	Equal pay for men and women				
LA14	Ratio of basic salary and renumeration of women to men by employee category, by significant location of operation.	6.3.7 6.3.10 6.4 6.4.3 6.4.4	1.f.1 and 1.g.2.	ND	
HUMAN RIGHTS					
	Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human-rights concerns or that have undergone human-rights screening.	6.3 6.3.3 6.3.5 6.6.6	3.d. 3.	5.4.2	190
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human-rights screening, and actions taken.	6.3 6.3.3 6.3.5 6.4.3 6.6.6	3.c.1. and 3.d. 3.	ND	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	6.3 6.3.5	3.d. 3.	ND	

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
	Nondiscrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	6.3 6.3.6 6.3.7 6.3.10 6.4.3	1.f.3., 1.g.2. and 3.d. 3.	5.4.2	189
	Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be voilated or at significant risk, and actions taken to support these rights.	6.3 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.3 6.4.5	1.g.1., 3.c.1. and 3.d. 3.	ND	
	Banning of child labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10	1.g.3., 1.g.4., 3.c.1. and 3.d. 3.	5.4.2	189
	Abolition of forced or compulsory labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10	1.g.3., 3.c.1. and 3.d. 3.	NA	
	Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	6.3 6.3.5 6.4.3 6.6.6	1.g.3, 1.g.4. and 3.d. 3.	NA	
	Rights of indigenous populations				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	6.3 6.3.6 6.3.7 6.3.8 6.6.7	3.d. 3.	NA	
	Evaluation				
HR10	Percentage and total number of operations that have been subject to human-rights reviews and/or impact assessments.	6.3 6.3.4	3.d. 3.	NA	
	Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	6.3 6.3.6	3.d. 3.	NA	
SOCIAL / COMMUNAL					
	Local communities				
SO1	Percentage of operations with implemented local-community engagement, impact assessments, and development programs.	6.3.9 6.8 6.8.5 6.8.7 6.6.7	3.b.1.	5.4.3	192

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	6.3.9 6.8 6.8.5 6.8.7 6.6.7	3.b.1.	5.4.3	192
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	6.3.9 6.8 6.8.5 6.8.7 6.6.7	3.b.1.	ND	
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, by project.	6.3.9 6.8 6.8.5 6.8.7 6.6.7	3.b.1.	ND	
	Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	6.6 6.6.3	3.d.1.	ND	
SO3	Percentage of employees trained in organization's anticorruption policies and procedures.		3.d.1.	5.1.3	152
SO4	Actions taken in response to incidents of corruption.		3.d.1.	5.1.3	152
	Public policy				
SO5	Public-policy positions and participation in public-policy development and lobbying.	6.6 6.6.4 6.8.3	3.b.1.	ND	
SO6	Total value of in-kind and cash contributions to political parties, politicians, and related institutions, by country.		3.d.1.	ND	
	Anticompetitive behavior				
SO7	Total number of legal actions for anticompetitive behavior, antitrust, and monopoly practices, and their outcomes.	6.6 6.6.5 6.6.7	3.d.1.	ND	
	Compliance				
SO8	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations.	6.6 6.6.7 6.8.7	3.d.1.	ND	
PRODUCT RESPONSIBILITY					
	Consumer health and safety				
PR1	Life-cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	6.3.9 6.6.6 6.7 6.7.4 6.7.5	3.d.2.	5.3.3 / 5.4.3	163 / 192
PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		3.d.2.	ND	
	Product and service labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9	3.d.2.	NA	
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation, and redevelopment.		2.a.1.	5.3.1 / 5.4.1	160 / 177
PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		3.d.2.	ND	

N° GRI 3.1. CRESS	Description	ISO 26000	Article 225 of Grenelle II	Chapter	Page
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	6.7 6.7.4 6.7.5 6.7.6 6.7.8 6.7.9	3.d.2.	ND	
	Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	6.7 6.7.3 6.7.6 6.7.9	3.d.2.	ND	
PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.		3.d.2.	ND	
	Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	6.7 6.7.7	3.d.2.	ND	
	Compliance				
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	6.7 6.7.6	3.d.2.	ND	

5.9. INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY INFORMATION AND GRI STATEMENT

Altarea Cogedim

Fiscal year ended December 31, 2012

Independent verifier's certification of presence and limited assurance report on social, environmental, and governance information

To the attention of executive management,

Pursuant to your request and in our capacity as independent auditor of Altarea Cogedim, we hereby present our report on the consolidated social, environmental, and governance information presented in the management report issued for the year ended December 31, 2012, in accordance with the provisions of Article L. 225-102-1 of the Commercial Code. We have also verified that the sustainable-development report meets the level B+ requirements of the GRI 3.1 CRESS (Construction and Real Estate Sector Supplement) reporting framework.

Management responsibility

The management is responsible for the preparation of the management report, including consolidated social, environmental, and governance information as provided for in Article R. 225-105-1 of the Commercial Code (hereinafter "Information"). This information is presented in accordance with the Company's guidelines (hereinafter the "Guidelines"), which are available at the Company's headquarters and summarized in the management report.

Independence and quality control

Our independence is defined by regulatory requirements, our profession's code of ethics, and the provisions of Article L. 822-11 of the Commercial Code. In addition, we maintain a comprehensive system of quality control that covers documented policies and procedures designed to ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Independent auditor's responsibility

It is our responsibility to:
- attest that the required information is presented in the management report or, if it is not, to explain the omission in application of paragraph 3 of Article R. 225-105 of the Commercial Code and Decree no. 2012-557 of April 24, 2012 (certification of presence);
- provide limited assurance that the information has been fairly presented, in all material aspects, in accordance with the Guidelines (limited-assurance report).

1. Certification of presence

We have performed the audit in accordance with the professional standards applicable in France:

- we have compared the information reported in the management report with that listed in Article R. 225-105-1 of the Commercial Code;
- we have verified that the information covers the Group structure of consolidated operations, namely, the Company and its subsidiaries within the meaning of Article L. 233-1, and the entities controlled within the meaning of Article L. 233-3 of the Commercial Code, with restrictions specified in the note on methodology on page 199 of the management report;
- where any consolidated information is omitted, we have verified that appropriate explanations were provided in accordance with Decree no. 2012-557 of April 24, 2012.

On the basis of our audit, we hereby attest that the required disclosures are presented in the management report.

2. Limited-assurance report

Nature and scope of work

We performed our audit in accordance with ISAE 3000 (International Standard on Assurance Engagements) and the professional standards applicable in France. We have implemented the following procedures to obtain limited assurance that the information contains no material irregularities that might bring into question its truth and fairness, in all material aspects, in accordance with the Guidelines. A higher level of assurance would have required a more extensive audit. We have also verified that the level B+ requirements of the GRI 3.1 CRESS (Construction and Real Estate Sector Supplement) reporting framework were satisfied.

We performed the following:

- We assessed the appropriateness of the Guidelines as regards their relevance, thoroughness, neutrality, clarity, and reliability, taking into consideration where applicable the industry's best practices.
- We verified that the Group had implemented a procedure for the collection, compilation, processing, and control of information, to ensure that it is consistent and complete; we examined the internal-control and risk-management procedures for the preparation of information; and we conducted interviews with those persons responsible for social and environmental reporting.
- We selected the consolidated information to be tested [1] and determined the nature and scope of the tests, taking into consideration their significance with respect to the social and environmental consequences related to the Group's business activity and to its governance commitments.
  - As regards the consolidated quantitative information we deem to be the most important:

    at the level of the consolidating entity and the controlled entities, we have implemented analytical and verification procedures, based on surveys, and the calculation and consolidation of this information;

    at the level of the sites selected,[2] on the basis of their contribution to the consolidated performance indicators, we conducted interviews to verify that the procedures were applied correctly and that the detail tests were carried out on the basis of sampling; these tests consist of verifying the calculations made and reconciling the data with the supporting documents.
  - Concerning the qualitative consolidated information that we deemed the most important, we conducted interviews and reviewed the related documentary sources in order to corroborate the evaluation and assess its truth and fairness.
- As regards other reported consolidated information, we assessed its truth, fairness, and consistency in relation to our knowledge of the Company and, where appropriate, through interviews and the consultation of documentary sources.
- Lastly, we assessed the relevance of the explanations given where information was lacking.

(1) ***Environmental information:*** *organization of the Company to account for environmental issues and certification procedures relating to the environment, energy consumption, and measures taken to reduce energy use and greenhouse-gas emissions.*

Social information: *overall employee headcount, absences, and total number of training hours.*

Governance information: *the inclusion of purchasing policies in social and environmental considerations, the extent of subcontracting and suppliers, the impact on the local community and economy in terms of job creation and regional development, and the conditions for discussion with persons and organizations interested in the Company's activity.*

(2) Lyon Carré de Soie and Gennevilliers.

Comments on Guidelines and Information

- We draw your attention to the chapter entitled "Scope of reporting and guidelines," which describes the Company's completeness in its reporting on sustainable development.
- Performance indicators for greenhouse-gas emissions are calculated from the emission factors of the order of September 15, 2006, on energy efficiency. These factors are rather conservative in comparison with market practices.
- The societal information on the Company's local impact and on relations with stakeholders and suppliers could be improved to better reflect the external factors associated with the Company's activities.

Conclusion

Our audit did not reveal any significant anomalies liable to call into doubt the fact that the information was presented truthfully and fairly in all material respects, and in compliance with the Guidelines.

We also hereby certify that the Sustainable Development Report of Altarea Cogedim meets the requirements of the level B+ of the GRI 3.1 CRESS (Construction and Real Estate Sector Supplement) reporting framework, as indicated in the Group's declaration.

Paris-La Défense, February 27, 2013

The independent auditor
ERNST & YOUNG et Associés
Sustainable Development Department

Eric Duvaud

6 GENERAL INFORMATION

6.1. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

6.1.1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Altafi 2, represented by its Chairman, Alain Taravella, Co-Manager.

6.1.2. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I declare, after taking all reasonable care to ensure that such is the case, that the information contained in this reference document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position, and earnings of the company and all entities included in the company's scope of consolidation. I also declare that to the best of my knowledge, the management report in section 2 gives a true and fair view of the businesses, earnings, financial position, and primary risks and uncertainties of the company and all entities included in the company's scope of consolidation.

I have obtained a statement from the Statutory Auditors at the end of their engagement confirming that they have read this registration document in its entirety and reviewed the information it contains regarding the company's financial position and financial statements.

The report on the consolidated financial statements for the year ended December 31, 2012 provided in section 3.9. contains an emphasis of matter paragraph concerning a change in accounting method.

The report on the consolidated financial statements for the year ended December 31, 2011 contains an emphasis of matter paragraph concerning a change in accounting method.

Altafi 2
Represented by its Chairman
Mr. Alain TARAVELLA
Co-Manager

6.1.3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

6.1.3.1. Statutory Auditors

AACE Île-de-France
French member of Grant Thornton International
100, rue de Courcelles - 75849 Paris Cedex 17
Represented by Michel Riguelle
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

The firm Ernst & Young et Autres
Tour First - 1, Place des Saisons - 92400 Courbevoie
Represented by Jean-Roch Varon
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

6.1.3.2. Alternate Auditors

Cabinet Auditeurs Associés Consultants Européens – AACE
4, Tue Firmin Gillot - 75015 Paris
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

Auditex
Tour First - 1, Place des Saisons - 92400 Courbevoie
Date first appointed: May 28, 2010
Length of term: six financial years
Term expires at the close of the Annual General Meeting held to approve the financial statements for FY 2015.

The Statutory Auditors are members of Compagnie Nationale des Commissaires aux Comptes.

6.1.4. DOCUMENTS AVAILABLE TO THE PUBLIC

I, the undersigned, hereby confirm that the following documents are available to the public in electronic or printed form, and can be obtained from the company's registered office at 8, avenue Delcassé, 75008 Paris, during office hours:

- the company's most recent Articles of Association;
- all reports, letters and other documents, past financial data, and expert opinions or statements requested by the company that are included or mentioned in this Registration document; and
- financial data for the company and its subsidiaries for the two fiscal years prior to the year in which this Registration document is published.

ALTAFI 2
Represented by its Chairman
Mr. Alain Taravella
Co-Manager

6.2. GENERAL INFORMATION ABOUT THE ISSUER AND ITS SHARE CAPITAL

6.2.1. GENERAL INFORMATION ABOUT THE ISSUER

6.2.1.1. Company name (Article 3 of the Articles of Association)

The company's name is Altarea.

6.2.1.2. Legal form – governing law (Article 1 of the Articles of Association)

Altarea was originally incorporated as a French public limited company (*société anonyme*).

It was transformed into a partnership limited by shares (*société en commandite par actions*) by resolution of the Shareholders at their Ordinary and Extraordinary General Meeting held on 26 June 2007.

Article 27.2 of the Articles of Association sets out that any limited partner holding individually or in concert 5% or more of the share capital and voting rights of the Company may propose to the General Meeting to transform the Company into a French public limited company (*société anonyme*). Limited Partners may decide, by a majority required for the Extraordinary General Meeting, to terminate the status of partnership limited by shares (*société en commandite par actions*). The General Partner may not oppose such a transformation. Nevertheless, as long as Mr. Alain Taravella, who controls the Company Altafi 2, Co-Manager and General Partner, directly or indirectly holds more than 33% of actual voting rights, such a decision would be contingent upon his voting in the affirmative (see 6.2.2.8 and Chapter 7 of this document).

Altarea is a company incorporated under the laws of France and governed principally by the provisions of Book II of the French Commercial Code.

Altarea is therefore subject to French law.

6.2.1.3. Specific applicable legislation

Following the decision taken in March 2005 by the company and its eligible subsidiaries to elect for the tax regime of *sociétés d'investissement immobilier cotées* (SIIC) in accordance with Article 208-C of the French General Tax Code – decree No. 2003-645 of July 11, 2003, Altarea is subject to the specific provisions of that regime (see below).

6.2.1.4. Registered office (Article 4 of the Articles of Association)

The company's registered office is at 8, Avenue Delcassé, 75008 Paris.

Its telephone number is 00 33 (0) 1 44 95 88 10.

Altarea is housed by its sub-subsidiary Cogedim Gestion, which has a commercial lease over the premises.

6.2.1.5. Date of incorporation and term (Article 5 of the Articles of Association)

The company was incorporated on September 29, 1954 and, in accordance with Article 5 of its Articles of Association, has a term of 99 years as of that date, unless extended or wound up early.

6.2.1.6. Corporate object (Article 2 of the Articles of Association)

The company's corporate object is:

- Principally: to acquire any and all land, property rights or buildings and any and all assets and rights that may constitute an accessory or appendix to said property assets, to build properties and undertake any and all transactions directly or indirectly connected with their construction, to operate and enhance the value of said property assets through their letting, to lease any and all property assets either directly or indirectly, to hold equity interests in the entities referred to in Article 8 and paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code and, more generally, to acquire equity interests in any and all entities whose main object is the operation of rental properties, and to run, manage and assist such entities;
- Secondly: to manage, appraise and develop properties, to acquire property assets with a view to reselling, renovating, repairing, maintaining and cleaning them, to develop, manage and run shopping centers, to acquire equity investments or interests, directly or indirectly, in any and all companies or entities engaged in any kind of property-related business;
- Exceptionally: to exchange or transfer by way of sale, capital contribution or otherwise any property assets acquired or built for the purpose of letting in accordance with the company's principal object;
- Generally: to undertake any and all civil, financial, commercial, industrial, securities and real property transactions to facilitate the achievement of any of the foregoing objects.

6.2.1.7. Trade and companies registry

The company is registered at the Paris Trade and Companies Registry under registration number 335 480 877.

The company's SIRET number is 335 480 877 00414 and its business code is 6820B (Administration of other property assets).

6.2.1.8. Inspection of legal documents

Legal documents relating to the company which must be made available by law to the Shareholders may be inspected at the company's registered office at 8, avenue Delcassé, 75008 Paris.

6.2.1.9. Financial year (Article 31 of the Articles of Association)

The financial year begins on January 1 and ends on December 31.

6.2.1.10. Appropriation of earnings (Article 32 of the Articles of Association)

The company's distributable profit as defined by law is available for distribution by the General Meeting of Shareholders. The General Meeting of Shareholders has sole discretion over its appropriation. It may be appropriated in full or in part to any general or special reserves or to retained earnings or distributed to the Shareholders.

For as long as the company is subject to the regime set out in Article 208 C of the French General Tax Code, the amount of any distributions shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208 C II of the General Tax Code such that the company may benefit from the provisions set out in the first paragraph thereof.

The General Meeting of Shareholders may also resolve to distribute sums from other reserves available to it, providing that the law so permits.

The Annual General Meeting of Shareholders, voting to approve the financial statements for the year, may decide to give each Shareholder the option of receiving all or part of the dividend in cash or in ordinary shares issued by the company, in accordance with the applicable law and regulations.

The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid.

Save in the event of a capital reduction, no distribution may be made to the Shareholders if the company's net equity is or would as a result of the distribution become lower than the amount of share capital plus any reserves which are not distributable by law.

All of the foregoing is without prejudice to any future issuance of non-voting preferred shares.

A Relevant Shareholder whose own position or the position of its Shareholders causes the company to become liable for the withholding (the "Withholding") referred to in Article 208-C-II *ter* of the French General Tax Code (a "Liable Shareholder") shall compensate the company for the Withholding arising upon any distribution of dividends, reserves, share premiums or "income deemed to be distributed" within the meaning of the French General Tax Code.

All Relevant Shareholders are deemed to be Liable Shareholders. A Shareholder claiming not to be a Liable Shareholder must provide evidence thereof to the company no later than five (5) business days before the distribution payment date in the form of a satisfactory unqualified legal opinion from a law firm of international repute and with recognized expertise in French tax law, certifying that the Shareholder is not a Liable Shareholder and that the distributions made to it will not cause the company to become liable for the Withholding.

Should the company directly or indirectly hold a percentage of the dividend rights at least equal to that referred to in Article 208-C-II*ter* of the French General Tax Code in one or more of the *sociétés d'investissement immobilier cotées* referred to in Article 208-C of the French General Tax Code (a "SIIC Subsidiary") and should a SIIC Subsidiary have paid the Withholding as a result of a Liable Shareholder, that Liable Shareholder shall, as the case may be, compensate the company either for the sum paid by way of compensation by the company to the SIIC Subsidiary in respect of the

SIIC Subsidiary's payment of the Withholding or, if the company has not paid any compensation to the SIIC Subsidiary, for a sum equal to the Withholding paid by the SIIC Subsidiary multiplied by the percentage of dividend rights held by the company in the SIIC Subsidiary, such that the company's other Shareholders do not bear any portion of the Withholding paid by any of the SIICs in the chain of holding as a result of the Liable Shareholder (the "Additional Compensation"). The amount of Additional Compensation shall be borne by each of the Liable Shareholders in proportion to their respective dividend rights divided by the aggregate dividend rights held by all Liable Shareholders.

The company is entitled to set off the compensation due from any Liable Shareholder against the sums due to be paid by the company to that Liable Shareholder. Accordingly, the sums due to be distributed in respect of each share held by the Liable Shareholder from the company's tax-exempt earnings under Article 208 C II of the French General Tax Code pursuant to a distribution decision or a share buyback will be reduced by the amount of the Withholding due by the company in respect of the distribution of those sums and/or the Additional Compensation.

In the case of a distribution paid in shares, each Liable Shareholder will receive a portion of the sums distributed in shares inasmuch as no fractional shares will be created, and the balance in cash. The shares will be booked on an individual current account so that the set-off mechanism described above can be applied to that portion of the distribution.

The amount of any compensation due by a Liable Shareholder will be calculated in such a way that the company shall be in the exactly same position after payment of the compensation and taking account of any related tax effects, as it would have been had the Withholding not been payable.

Should it transpire that (i) after a distribution of dividends, reserves or share premiums, or "income deemed to be distributed" within the meaning of the French General Tax Code made from the tax-exempt earnings of the company or a SIIC Subsidiary under Article 208-C-II of the French General Tax Code, a Shareholder was in fact a Liable Shareholder on the distribution date and that (ii) the company or SIIC Subsidiary should have paid the Withholding in respect of the sums paid to the Liable Shareholder and said sums were paid without application of the reduction mechanism described above, the Liable Shareholder will be required to pay the company compensation for its loss in a sum equal to the Withholding that the company would then have to pay in respect of each share held by that Liable Shareholder on the distribution date, plus where applicable the amount of the Additional Compensation (together the "Indemnity").

The company has the right to set off the Indemnity due against all sums that might subsequently be paid to the Liable Shareholder without prejudice where applicable to the prior application to said sums of the reduction described above. Should, after such set-off, the Liable Shareholder still owe the company any sums in respect of the Indemnity, the company may once again set off the outstanding balance against any sums that might subsequently be paid to the Liable Shareholder until the debt has been fully extinguished.

6.2.1.11. General Meetings (Article 28 of the Articles of Association)

(i) Calling of Meetings

Shareholders' Meetings are called and take place in accordance with the provisions of the law.

Notice of Meetings may be given be electronic means provided that the Shareholders have given their prior written consent.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

(ii) Proxies

All Shareholders may attend Meetings in person or by proxy, regardless of the number of shares held, simply by providing proof of identity and evidence that they were Shareholders of record at least three days before the date of the Meeting. The Managers may reduce or cancel this three-day requirement, provided the same conditions apply to all Shareholders alike.

Corporate Shareholders may take part in Shareholders' Meetings through their legal representatives or any other person duly appointed for the purpose by their legal representatives.

(iii) Double voting rights

No double voting rights exist.

(iv) Ceiling on voting rights

The number of voting rights that may be exercised by each limited partner in General Meetings is equal to the number of voting rights attached to the shares they own up to a maximum limit of 60% of the voting rights attached to all shares comprising the share capital.

(v) Voting by mail and videoconferencing

Voting by mail takes place in accordance with the provisions of the law and regulations.

Shareholders may attend and vote at all Meetings by videoconferencing or any other electronic means that permits their identification in accordance with the law and regulations, except for the annual General Meeting held to approve the financial statements.

(vi) Chairman – Officers of the Meeting

General Meetings are chaired by the Manager or one of the Managers if there is more than one. If the Meeting is called by the Supervisory Board, it is chaired by the Chairman of the Supervisory Board or one of its members designated to that effect. Failing that, the Meeting elects its own Chairman.

Minutes of Meetings are drawn up and copies certified and issued in accordance with the law.

6.2.1.12. Form of shares (Article 10 of the Articles of Association)

Fully paid up shares may be in either registered or bearer form, at the Shareholder's option.

However, any Shareholder other than a natural person who comes to own, directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, a percentage of the company's dividend rights at least equal to the percentage referred to in Article 208-C-II *ter* of the French General Tax Code (a "Relevant Shareholder") must hold all its shares in registered form and ensure that its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code do likewise. Should a Relevant Shareholder fail to comply with this requirement no later than the third business day before the date of a General Meeting, its voting rights held directly or indirectly through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code will be restricted at that Meeting to one tenth of the shares held respectively by them. The Relevant Shareholder will recover all the voting rights attached to the shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code at the next General Meeting, provided that the position has been remedied by the conversion of all the shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the Commercial Code, to registered form no later than the third business day before the date of that Meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the law. Notwithstanding the foregoing, shares must be in registered form where this is required by law.

Partially paid shares may not be converted to bearer form until they have been fully paid up.

Ownership of the shares is evidenced by their registration in accordance with the provisions of the law either on a share registry held by the issuer or its appointed registrar in the case of registered shares or on an account held with an authorized financial intermediary in the case of bearer shares. If requested by a Shareholder, the company or authorized financial intermediary shall issue a certificate of registration.

Shareholders or intermediaries who fail to provide the information referred to above may, in accordance with the provisions of the law, have their voting rights and dividend rights suspended or disqualified.

The company may at any time and at its own expense ask its clearing organization for information about the name or corporate name, nationality and address of holders of securities conferring the right to vote at General Meetings either immediately or in the future, as well as the number of securities held and any restrictions attached thereto.

The shares are indivisible for the company's purposes.

Joint owners of shares shall accordingly be represented for the company's purposes by one of the owners or by a person appointed by the owners as their sole representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of one of the joint owners.

6.2.1.13. Trading in the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in law, regulations or the Articles of Association.

6.2.1.14. Disclosure thresholds – Reporting requirements (Article 12 of the Articles of Association)

Apart from the legal disclosure thresholds, the Articles of Association require that any natural or legal person acting alone or in concert who comes to own or ceases to own a percentage of the company's share capital, voting rights or securities giving future access to equity equal to or more than one percent (1%) or any multiple thereof must, no later than five days after occurrence, advise the company by recorded delivery mail of the total number of shares, voting rights or securities giving future access to equity owned either directly, indirectly or in concert.

Any shares or securities that have not been disclosed in accordance with these requirements will be disqualified for voting purposes at all General Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more Shareholders separately or together holding at least one percent (1%) of the company's share capital in accordance with the terms of the law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

6.2.2. GENERAL INFORMATION ABOUT THE SHARE CAPITAL

6.2.2.1. Provisions of the Articles of Association regarding alterations to the share capital and the respective rights of various classes of shares

The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the law and they do not provide for any special classes of shares.

6.2.2.2. Share capital

On the date of this document, the share capital was €166,733,996.78 divided into 10,911,441 fully paid shares all of the same class. The rounded par value is €15.28 a share.

6.2.2.3. Authorities involving the share capital

Note 8.11 to the consolidated financial statements (third Part of this Reference document) provides detailed information on:

- stock option plans;
- free shares plans;
- information on treasury shares.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the tables below set out all authorizations granted by extraordinary resolution of the Shareholders and their use during the past financial year. Each new authority granted to the Board of Managers supersedes and cancels all previous authorities granted for the same purpose.

(i) Authorities granted by the Combined General Meeting of June 17, 2011 that remained valid until the Combined General Meeting May 25, 2012

(I) AUTHORITIES TO INCREASE THE SHARE CAPITAL

Authority granted	Resolution	Expiry date	Use in 2012
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	7th resolution	8/17/2013	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a public offer.	8th resolution	8/17/2013	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a private placement.	9th resolution	8/17/2013	None
Authority granted to the Board of Managers to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	10th resolution	8/17/2013	None
Option of increasing the amount of an issue in case of oversubscription	11th resolution	8/17/2013	None
Authority to issue shares to pay for contributions in kind of shares, without pre-emptive rights, subject to a ceiling of 10% per year	12th resolution	8/17/2013	None
Authority to issue ordinary shares or securities giving access to equity to minority Shareholders of subsidiaries in consideration for their interests in an Altarea group company or to persons or legal entities in consideration for a portfolio of property assets. Maximum: €20 million.	13th resolution	12/17/2012	None
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	14th resolution	8/17/2013	None
Setting aggregate ceiling of authorization to the Board of Managers at €120 million for share issues and €120 million for negotiable securities representing debt in the company	15th resolution	Applies to each authority	None
Authority to increase the share capital by capitalizing reserves	16th resolution	8/17/2013	None

The above authorities were canceled following the Combined General Meeting on May 25, 2012 through the adoption of resolutions on the same authorities.

(II) SHARE BUYBACK PROGRAM

Authority granted	Resolution	Expiry date
Authority to buy back shares at a maximum price of €200 per share. Maximum: €100 million	5th resolution	12/17/2012
Authority to reduce the share capital by canceling shares purchased under the buyback program	6th resolution	8/17/2013

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2012 are detailed in paragraph 6.2.2.4 below on the share buyback program.

The above authorities were canceled following the Combined General Meeting on May 25, 2012 through the adoption of resolutions on the same authorities.

(III) EMPLOYEE SHARE OFFERS

Authority granted	Resolution	Expiry date	Use in 2012
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	17th resolution	8/17/2013	None
Free shares plans	18th resolution	8/17/2013	1,125
Stock option plans (existing shares)	19th resolution	8/17/2013	None
Stock option plans (new shares)	20th resolution	8/17/2013	None
Ceiling applicable to share issues reserved for employees and executives of the Group: 350,000 shares	21st resolution	Applies to each authority	1,125

The above authorities were canceled following the Combined General Meeting on May 25, 2012 through the adoption of resolutions on the same authorities. Those relating to stock grants and to implementation of stock option plans and/or subscription of shares were not the subject of new resolutions at the May 25 Meeting and thus remained in force in 2012.

(ii) Authorities granted by the Combined General Meeting of May 25, 2012

(I) AUTHORITIES TO INCREASE THE SHARE CAPITAL

Authority granted	Resolution	Expiry date	Use in 2012
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	8th resolution	7/25/2014	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a public offer	9th resolution	7/25/2014	None
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a private placement	10th resolution	7/25/2014	None
Authority granted to the Board of Managers to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	11th resolution	7/25/2014	None
Option of increasing the amount of an issue in case of oversubscription	12th resolution	7/25/2014	None
Authority to issue shares to pay for contributions in kind of shares, without pre-emptive rights, subject to a ceiling of 10% per year	13th resolution	7/25/2014	None
Authority to issue ordinary shares or securities giving access to equity to minority Shareholders of subsidiaries in consideration for their interests in an Altarea group company or to persons or legal entities in consideration for a portfolio of property assets. Maximum: €20 million	14th resolution	11/25/2013	None
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	15th resolution	7/25/2014	None

Authority granted	Resolution	Expiry date	Use in 2012
Setting aggregate ceiling of authorities to the Board of Managers at €120 million for share issues and €120 million for negotiable securities representing debt in the company	16th resolution	Applies to each authority	None
Authority to increase the share capital by capitalizing reserves	17th resolution	7/25/2014	None

The above authorities will be canceled at the Combined General Meeting on June 10, 2013 through the adoption of resolutions on the same authorities.

(II) SHARE BUYBACK PROGRAM

Authority granted	Resolution	Expiry date
Authority to buy back shares at a maximum price of €200 per share. Maximum: €100 million	6th resolution	11/25/2013
Authority to reduce the share capital by canceling shares purchased under the buyback program	7th resolution	7/25/2014

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2012 are detailed in paragraph 6.2.2.4 below on the share buyback program.

The above authorities will be canceled at the Combined General Meeting on June 10, 2013 through the adoption of resolutions on the same authorities.

(III) EMPLOYEE SHARE OFFERS

Authority granted	Resolution	Expiry date	Use in 2012
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	18th resolution	7/25/2014	None

The above authorities will be canceled at the Combined General Meeting on June 10, 2013 through the adoption of resolutions on the same authorities.

(iii) Grants of authority proposed for approval at the next Combined Meeting of Shareholders on June 10, 2013

(I) AUTHORITIES TO INCREASE THE SHARE CAPITAL

Authority granted	Resolution	Expiry date
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	21th resolution	8/10/2015
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a public offer	22th resolution	8/10/2015
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, without pre-emptive rights, to pay for shares tendered in a private placement	23th resolution	8/10/2015
Authority to the Board of Managers to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	24th resolution	8/10/2015
Option of increasing the amount of an issue in case of oversubscription	25th resolution	8/10/2015
Authority to issue shares to pay for contributions in kind of shares, without pre-emptive rights, subject to a ceiling of 10% per year	26th resolution	8/10/2015
Authority to issue ordinary shares or securities giving access to equity to minority Shareholders of subsidiaries in consideration for their interests in an Altarea group company or to persons or legal entities in consideration for a portfolio of property assets. Maximum: €20 million	27th resolution	8/10/2015

Authority granted	Resolution	Expiry date
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	28th resolution	8/10/2015
Setting aggregate ceiling of authorities to the Board of Managers at €120 million for share issues and €120 million for negotiable securities representing debt in the company	29th resolution	Applies to each authority
Authority to increase the share capital by capitalizing reserves	30th resolution	8/10/2015

(II) SHARE BUYBACK PROGRAM

Authority granted	Resolution	Expiry date
Authority to buy back shares at a maximum price of €200 per share. Maximum: €100 million	19th resolution	12/10/2014
Authority to reduce the share capital by canceling shares purchased under the buyback program	20th resolution	8/10/2015

(III) EMPLOYEE SHARE OFFERS

Authority granted	Resolution	Expiry date
Authority to issue ordinary shares to members of an employee share savings plan. Aggregate ceiling: €10 million	31th resolution	8/10/2016
Free shares plans	32th resolution	8/10/2016
Stock option plans (existing shares)	33th resolution	8/10/2016
Stock option plans (new shares)	34th resolution	8/10/2016

6.2.2.4. Share buyback program

At the combined Annual General Meetings of June 17, 2011 and of May 25, 2012, the Shareholders authorized the company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a maximum of €100 million, at a maximum price of €200 per share.

Pursuant to this authority, the Board of Managers decided to implement a share buyback program on June 17, 2011 and May 25, 2012 for the following purposes in order of precedence: (1) to make a market in or to provide liquidity for the company's shares by an investment services provider under a liquidity contract that complies with the Code of Conduct recognized by the AMF; (2) to keep the shares to tender as payment or exchange for future acquisitions as a practice recognized by the AMF; (3) to hold the shares for allocation to employees and/or corporate officers under a stock option plan, a stock grant plan or an employee share ownership plan; (4) to award the shares to the holders of negotiable securities convertible into shares of the company upon the exercise of the rights attached to such securities, in accordance with the regulations in force; (5) to cancel the shares purchased, where applicable; (6) to implement any market practice that may be recognized by the AMF.

A description of these share buyback programs was published in accordance with Articles 241-1 et seq. of the AMF's General Regulation.

The company bought and sold the following shares in 2012:

Month	Number of shares bought	Number of shares sold	Price at end of month (in €)	Balance Treasury shares (in €)
January 2012	3,885	1,358	118.90	215,407
February 2012	1,455	1,998	128.51	214,864
March 2012	3,728	1,602	120.50	170,290
April 2012	1,671	1,250	113.99	170,711
May 2012	7,687	1,435	112.65	176,963
June 2012	4,748	1,565	102.00	180,146
July 2012	1,518	1,688	120.00	179,976
August 2012	7,627	1,033	117.50	186,570
September 2012	7,104	2,827	116.00	190,847
October 2012	8,903	1,194	115.50	198,556
November 2012	3,617	737	114.00	201,436
December 2012	6,605	2,610	117.00	205,431

The allocation of treasury shares by purpose is shown above. In Altarea's statutory financial statements, the line item "Treasury shares, liquidity contract," which corresponds to purpose (1) comprised 2,282 shares at December 31, 2012. The line item "Shares intended for allotment", which corresponds to purpose (3), comprised 210,598 shares at December 31, 2012.

In accordance with the information set out in paragraph 6.2.2.3 § (iii) (III) above relating to authorities involving the share capital, at the Ordinary General Meeting held to approve the 2012 accounts, the Shareholders will be asked to renew, on the same terms and conditions as the authorities granted by the AGM of May 25, 2012, the authority to buy back shares up to a maximum of 10% of the shares comprising the share capital and up to the same aggregate amount of €100 million for the same maximum price of €200 per share. The purpose of this authority is the same as in the previous year, i.e. (i) to make a market in or to provide liquidity for the company's shares by an investment services provider under a liquidity contract that complies with the Code of Conduct recognized by the AMF (*Autorité des marchés financiers*); (ii) to keep the shares to tender as payment or exchange for future acquisitions as a practice recognized by the AMF; (iii) to hold the shares for allocation to employees and/or corporate officers under a stock option plan, a stock grant plan or an employee share ownership plan; (iv) to allocate shares to the holders of negotiable securities convertible into shares of the company upon the exercise of the rights attached to such securities, in accordance with the regulations in force; (v) to cancel the shares purchased under the share buyback program; (vi) to implement any market practice that may be recognized by the AMF.

As was the case last year, the Shareholders will be asked to authorize that the purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocks of shares. As in previous years, shareholders will be asked to expressly authorize the buyback of shares from Shareholders who are corporate officers, but under stricter conditions than those applying to buybacks of shares from ordinary Shareholders: such transactions with Shareholders who are corporate officers may take place on condition that they are carried out at a price equal to the average of the last 20 stock market trading days, on the understanding that if this average is greater than the last stock market price, the transaction price will be equal to the latest stock market price.

6.2.2.5. Shares giving access to share capital

Details are provided in Note 8.11 to the consolidated financial statements (third Part of this Reference document).

6.2.2.6. Pledges over shares

At December 31, 2012, 3,500,239 registered shares, representing 32.07% of the share capital (which comprised 10,911,441 shares at that date) had been pledged.

6.2.2.7. Changes in share capital over the past five years

Transaction	Number of shares	Transaction amount	Share premium	Total share capital	Total number of shares	Per value per share
Employee share offer (7/10/2007)	3,318	€466,676.70	€415,977.66	€120,592,277.04	7,891,697	At par
New share issue restricted to Opus Investment (12/24/2007)	65,000	€14,300,000	€13,306,800	€121,585,477.04	7,956,697	At par
Employee share offer (12/24/2007)	4,350	€718,402.50	€651,934.50	€121,651,945.04	7,961,047	At par
Merger by absorption of Altafinance (05/26/2008)	35,000	€5,904,613.70	€5,369,782.28	€122,186,776.46	7,996,047	At par
New share issue upon exercise of warrants (07/08/2008)	2,203,044	€374,517,480	€340,854,967.68	€155,849,288.78	10,199,091	At par
New share issue in consideration for the contribution of Foncière Altarea shares (06/26/2009)	31,850	€3,954,542	€3,467,874	€156,335,956.78	10,230,941	At par
Capital reduction by cancellation of treasury shares held (06/26/2009)	52,124	€1,984,881.92	(€1,188,427.20)	€155,539,502.06	10,178,817	At par
New share issue for proposed dividend payment in shares (07/03/2012)	732,624	€11,194,494.72	-----------------	€166,733,996.78	10,911.441	At par

In 2012, the Company thus increased its share capital. The fourth resolution adopted by the Combined General Meeting of May 25, 2012 having approved the financial statements of the 2011 financial year offered shareholders the right to opt for a dividend payment in shares. The new shares for this option were to be issued at a price equal to 90% of the average opening price of the twenty trading days prior to the date of the General Meeting less the amount of the dividend per share of €9 decided by the second resolution and rounded up to the nearest euro cent. The shares thereby issued became valid on January 1, 2012. The deadline for exercising the option was set for June 11, 2012. The Meeting gave full power to the Board of Managers to ascertain the number of shares issued pursuant to this resolution and to make any necessary changes to the Articles of Association relating to share capital and the number of shares comprising the share capital, and more generally to do all that is useful or necessary. Pursuant to this delegation of authority, by decision of May 25, 2012, the Management noted that, given that the average opening price over the twenty trading days preceding the Meeting stood at €114.78, that is €103.31 after 10% discount, which would be reduced by the amount of the dividend of €9, the issue price of new shares that could be subscribed by shareholders seeking dividend payment in shares thus came to €94.31 per share. On July 3, 2012, the Board of Managers determined that shareholder subscriptions and, if applicable, additional payments in cash received by CACEIS Corporate Trust, Company appointee, represented a total of 732,624 shares subscribed. Rounded to €15.28 per share, the nominal amount of the capital increase resulting from the subscription of the 732,624 new shares came to €11,194,494.72. Company capital thereby increased from €155,539,502.06 to €166,733,996.78, divided into 10,911,441 shares.

6.2.2.8. Current ownership of share capital and voting rights

The company does not know the exact composition of its ownership at all times, as some of its shares are held in bearer form.

A breakdown of the shares and voting rights between the main Shareholder groups at December 31, 2011 and December 31, 2012 can be found in Note 13 to the consolidated financial statements (third Part of this Reference document).

The voting rights disclosed in Note 13 are actual voting rights that can be exercised in General Meetings at Monday, December 31, 2012, rather than theoretical voting rights which include those attached to treasury shares. Consequently, the table below reproduces the information provided in the notes to the financial statements and shows the corresponding number of theoretical voting rights.

Ownership at December 31, 2012 :

Shareholder	Number of shares	% of share capital and theoretical voting rights	Number of actual voting rights at General Meetings	% of actual voting rights at General Meetings
Controlled by Alain Taravella	*5,059,249*	*46.37*	*5,059,249*	*46.86*
Controlled by Jacques Nicolet	*323,042*	*2.96*	*323,042*	*2.99*
Controlled by founders	**5,382,291**	**49.33**	**5,382,291**	**49.85**
Predica	2,045,825	18.75	2,045,825	18.95
ABP	864,551	7.92	864,551	8.01
FDR	889,250	8.15	889,250	8.24
Treasury shares	115,331	1.06	0	0.00
Free float	1,614,193	14.79	1,614,193	14.95
TOTAL	**10,911,441**	**100.00**	**10,796,110**	**100.00**

The 10 existing shares of the General Partner, with a par value of €100, are held by Altafi 2, whose registered office is at 8, avenue Delcassé, 75008 Paris, registration number 501 290 506 RCS Paris.

Change in ownership structure over the past three financial years:

Shareholder	12/31/2012 Number of shares	12/31/2012 % of share capital	12/31/2011 Number of shares	12/31/2011 % of share capital	12/31/2010 Number of shares	12/31/2010 % of share capital
Controlled by Alain Taravella	*5,059,249*	*46.37*	*4,635,065*	*45.54*	*4,882,720*	*47.97*
Controlled by Jacques Nicolet	*323,042*	*2.96*	*336,960*	*3.31*	*633,081*	*6.22*
Controlled by founders	**5,382,291**	**49.33**	**4,972,025**	**48.85**	**5,515,801**	**54.19**
Predica	2,045,825	18.75	1,693,920	16.64	1,194,354	11.73
APG	864,551	7.92	789,234	7.75	789,234	7.75
FDR	889,250	8.15	1,228,046	12.06	1,228,046	12.06
Treasury shares	115,331	1.06	212,880	2.09	140,389	1.38
Free float	1,614,193	14.79	1,282,712	12.61	1,310,993	12.88
Total	**10,911,441**	**100.00**	**10,178,817**	**100.00**	**10,178,817**	**100.00**

For reporting requirements relative to threshold crossing, the founders are at the level of each control sub-group.

6.2.2.9. Control of the company and Shareholders' agreements

The company is majority controlled directly and indirectly by the group of founders comprising (1) Alain Taravella, Altafinance 2, Alta Patrimoine and ALTA PAT 1, which he and his family control, and (2) Jacques Nicolet and his holding company JN Holding.

An agreement to act in concert was made between Alain Taravella and Jacques Nicolet when they acquired control of the company (then called Imaffine) in 2004.

As of the date of this document, the company was aware of the following Shareholders' agreements:

Description	Date	Validity	Signatories	Commitments
Shareholders' Agreement	6/26/2007	10	Mr. Taravella, Mr. Nicolet, Altafinance, and Predica	Right of pre-emption in favor of the other Shareholders should Predica decide to sell more than 2% of the share capital or shares representing €30 million to a non-affiliate
Shareholders' Agreement	5/26/2008	10	Mr. Taravella, Mr. Nicolet, Altafinance 2, JN Holding and Foncière des Régions	Same as agreement of 06/26/2007 with Predica. FDR represented on Supervisory Board by 2 members if >10% of the share capital and by 1 member if >5%. Undertaking to maintain the company's SIIC status and undertaking by Mr. Taravella to conduct all business in Retail property sector through Altarea

Description	Date	Validity	Signatories	Commitments
Shareholders' Agreement	6/12/2008	10	Mr. Taravella, Mr. Nicolet, Altafinance 2, JN Holding ABP fund	ABP Fund has right to appoint one member to sit on Supervisory Board and Board's special committees (number of seats consistent on percentage interest). Undertaking to use best efforts to maintain the company's SIIC status and to increase its free float
Dutreil agreements	07/21/2008 & 11/03/2009		Mr. Taravella, his family, Alta Patrimoine and Altafinance 2	Undertakings to hold shares
Dutreil agreement	12/22/2011		Altafinance 2, Altafi 2, Jacques Nicolet, Opus Investment, and Christian de Gournay	Undertakings to hold shares
Dutreil agreement	12/21/2012		Altafinance 2, Altafi 2, Jacques Nicolet, Opus Investment, and Christian de Gournay	Undertakings to hold shares

6.2.2.10. Trading in Altarea shares in 2012 by executive officers or persons closely related to them

From January 1, 2012 to December 31, 2012, executive officers or persons closely related to them reported the following operations on Altarea shares:

1 – PURCHASE OF SHARES

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date or period	Number of securities	Unit price	Transaction total
Predica	Supervisory Board member	Ordinary shares	Acquisition by PREDICA	1/16/2012	173,913	€115.00	€19,999,995.00
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Acquisition by ALTA PAT 1 [1]	2/27/2012	23,000	€128.00	€2,944,000.00
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Acquisition by ALTA PAT 1 [1]	2/27/2012	498,490	€128.00	€63,806,720.00
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Acquisition by ALTA PAT 1 [1]	2/28/2012	58,510	€128.00	€7,489,280.00
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Acquisition by ALTA PAT 1 [1]	2/28/2012	20,000	€128.00	€2,560,000.00
Mr. Alain TARAVELLA	Supervisory Board member	Ordinary shares	Acquisition by ALTA PATRIMOINE[1]	2/27/2012	22,000	€128.00	€2,816,000.00

2 – SALE OF SHARES

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	1/16/2012	173,913	€115.00	€19,999,995.00
PREDICA	Supervisory Board member	Ordinary shares	Sale by PREDICA	1/19/2012	256,362	€110.00	€28,199,820.00
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	2/3/2012	106,491	€117.00	€12,459,447.00

(1) Number of years from date of execution.

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Mr. Alain TARAVELLA	Supervisory Board member	Ordinary shares	Sale by ALTA PATRIMOINE [1]	2/27/2012	23,000	€128.00	€2,944,000.00
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Sale by ALTAFINANCE 2 [1]	2/27/2012	22,000	€128.00	€2,816,000.00
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Sale by ALTAFINANCE 2 [1]	2/27/2012	498,490	€128.00	€63,806,720.00
Mr. Alain TARAVELLA	Supervisory Board member	Ordinary shares	Sale by ALTA PATRIMOINE [1]	2/28/2012	20,000	€128.00	€2,560,000.00
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Sale by ALTAFINANCE 2 [1]	2/28/2012	58,510	€128.00	€7,489,280.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	3/20/2012	114	€125.00	€14,250.00
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	3/23/2012	53,000	€120.00	€6,360,000.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	3/28/2012	142	€123.02	€17,468.84
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	3/30/2012	7	€123.00	€861.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	4/5/2012	46	€119.00	€5,474.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	4/11/2012	23	€119.00	€2,737.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	5/14/2012	1,100	€117.065	€128,771.50
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	5/24/2012	262	€114.00	€29,868.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	5/25/2012	75	€114.00	€8,550.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	5/30/2012	106	€114.00	€12,084.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	6/1/2012	1,961	€105.00	€205,905.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	8/23/2012	200	€119.40	€23,880.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	8/28/2012	1,000	€118.60	€118,600.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/13/2012	25	€117.00	€2,925.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/14/2012	25	€117.00	€2,925.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/17/2012	125	€116.00	€14,500.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/17/2012	77	€116.20	€8,947.40
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/17/2012	50	€117.00	€5,850.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/18/2012	50	€116.05	€5,802.50

(1) Controlled by Alain Taravella
(2) Controlled by Jacques Nicolet

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/18/2012	100	€116.00	€11,600.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/19/2012	300	€116.00	€34,800.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/19/2012	19	€116.50	€2,213.50
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	9/20/2012	50	€116.00	€5,800.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/1/2012	65	€117.00	€7,605.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/2/2012	476	€117.00	€55,692.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/3/2012	150	€117.00	€17,550.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/4/2012	256	€117.00	€29,952.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/5/2012	268	€117.00	€31,356.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/5/2012	50	€117.00	€5,850.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/8/2012	50	€117.00	€5,850.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/8/2012	350	€117.00	€40,950.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/9/2012	135	€117.00	€15,795.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/9/2012	100	€117.00	€11,700.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/12/2012	284	€117.00	€33,228.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/12/2012	50	€117.00	€5,850.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/15/2012	429	€117.00	€50,193.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/18/2012	300	€116.50	€34,950.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	10/19/2012	273	€117.00	€31,941.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/23/2012	50	€116.00	€5,800.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/23/2012	100	€116.05	€11,605.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/24/2012	300	€116.00	€34,800.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME [2]	10/25/2012	112	€116.00	€12,992.00

(2) Controlled by Jacques Nicolet

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	10/26/2012	100	€116.07	€11,607.00
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	10/31/2012	3,252	€115.61	€375,971.85
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	11/1/2012	1,210	€115.00	€139,150.00
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	11/2/2012	398	€115.00	€45,770.00
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	11/5/2012	17	€115.00	€1,955.00
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	11/14/2012	105	€116.50	€12,232.50
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	11/15/2012	184	€116.00	€21,344.00
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	11/16/2012	226	€116.17	€26,253.99
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/16/2012	30	€116.40	€3,492.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/16/2012	100	€115.90	€11,590.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/19/2012	150	€116.00	€17,400.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/19/2012	80	€115.50	€9,240.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/20/2012	70	€115.50	€8,085.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/21/2012	200	€115.00	€23,000.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/23/2012	200	€115.00	€23,000.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/26/2012	8	€115.00	€920.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/27/2012	200	€115.00	€23,000.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/29/2012	200	€114,00	€22,800.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by ECODIME (2)	11/30/2012	191	€115.00	€21,965.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	12/21/2012	127	€117.00	€14,859.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	12/24/2012	667	€117.00	€78,039.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	12/27/2012	161	€117.00	€18,837.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	12/28/2012	188	€117.00	€21,996.00
Mr. Jacques NICOLET	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr. Jacques NICOLET	12/31/2012	1,439	€117.00	€168,363.00

(2) Controlled by Jacques Nicolet

3 – DIVIDEND PAYMENT IN SHARES

Executive officer	Title on transaction date	Type of security	Transaction	Transaction date	Number of securities	Unit price	Transaction total
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Sale by ALTAFINANCE 2 [1]	7/3/2012	245,717	€94.31	€23,173,570.27
Mr. Alain TARAVELLA	Supervisory Board member	Ordinary shares	Sale by ALTA PATRIMOINE [1]	7/3/2012	125,208	€94.31	€11,808,366.48
Mr. Alain TARAVELLA	Co-Manager	Ordinary shares	Sale by ALTA PAT 1 [1]	7/3/2012	57,259	€94.31	€5,400,096.29
APG	Supervisory Board member	Ordinary shares	Sale by APG	7/3/2012	75,317	€94.31	€7,103,146.27
OPUS INVESTMENT	Supervisory Board member	Ordinary shares	Sale by OPUS INVESTMENT	7/3/2012	7,976	€94.31	€752,216.56
PREDICA	Supervisory Board member	Ordinary shares	Sale by PREDICA	7/3/2012	175,831	€94.31	€16,582,621.61
PREDICA	Supervisory Board member	Ordinary shares	Sale by PREDICA	7/3/2012	1,318	€94.31	€124,300.58

6.2.3. NON-EQUITY FINANCIAL INSTRUMENTS OTHER THAN THOSE CONVERTIBLE INTO EQUITY

On December 10, 2012, Management decided to carry out a bond issue on December 21, 2012 for a total nominal amount of €100,000,000, at an issue price of 100%, with interest of 3.65% per annum and maturing December 21, 2017. The bonds were issued as dematerialized bearer securities with a nominal value of €100,000 each. Unless they have been redeemed or purchased and canceled, the bonds must be reimbursed in the following cases: mandatory early redemption, a change in tax scheme or on the request of holders following a change of control or for non-compliance with financial covenants as defined in the prospectus relating to the bonds. A request was made for admission to trading on the regulated market of Euronext Paris as of December 21, 2012. Neither the bonds nor the Company's long-term debt has been rated. On December 19, 2012, the prospectus for admission to trading received visa number 12-614 from the AMF. The bonds were fully subscribed at issue.

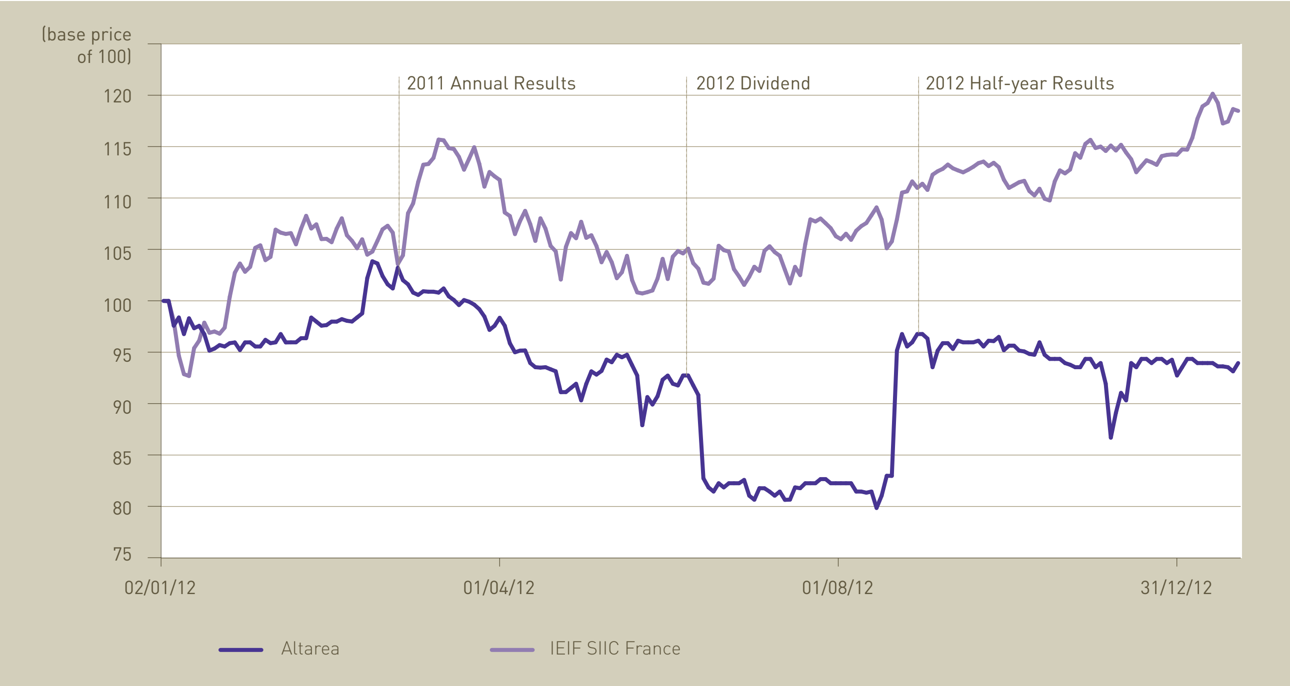
(1) Controlled by Alain Taravella

6.3. MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Imaffine/Altarea						
Market						Compartment A - NYSE Euronext
Securities exchange						Paris
	2007	2008	2009	2010	2011	2012
Market capitalization	1,885,255,540.07	1,346,280,012.00	1,091,302,737.00	1,272,352,125.00	1,226,547,449	1,276,638,597
Number of shares traded	101,736.00	30,816.00	69,062.00	160,896.00	366,875	551,953
Average price (€)	211,42.00	189.33	110.00	115.29	133.70	115.42
Value of shares traded (€)	21,509,449.00	5,834,393.00	7,596,820.00	18,550,102.00	49,051,188	64,926,335.80
Price (all in €):						
Highest	251.00	238.00	133.00	128.00	148.50	130.99
Lowest	149.00	118.00	100.00	103.00	111	98.51
Latest	236.81	132.00	107.00	125.00	120.50	117

	High (all in €)	Low	Latest	Number of shares traded	Value of shares traded (€)
January 2013	118.95	115	117.5	74,616	5,337,659.78
December 2012	117	113.2	117	7,484	3,302,181.03
November 2012	116.95	113	114	13,117	1,744,283.9
October 2012	117	115	115.5	18,643	2,164,228.1
September 2012	119	107.5	116	30,354	3,466,100
August 2012	122	114	117.5	24,639	2,930,822.5
July 2012	121	99.02	120	22,374	2,512,479.55
June 2012	105	98.51	102	22,551	2,293,481.9
May 2012	118	109	112.65	13,117	1,504,354.5
April 2012	121.99	112	113.99	7,484	873,616
March 2012	128.55	120	120.5	74,616	9,238,340
February 2012	130.99	118	128.51	115,688	14,867,065
January 2012	124.49	117.50	118.90	179,695	21,365,736
December 2011	126	115	120.50	9,027	1,087,754
November 2011	129.98	111	115	17,135	1,970,525
October 2011	130.20	127	129.99	15,027	1,953,360
September 2011	140	116	130.20	83,066	10,815,193
August 2011	137.50	112	125.50	34,449	4,323,350
July 2011	143.50	131	135.98	20,488	2,785,958
June 2011	148.50	139.59	142.10	33,522	4,763,476
May 2011	147.50	145.45	146	46,895	6,846,670
April 2011	148	142.50	145.98	12,171	1,776,723
March 2011	148.50	131	145.50	42,697	6,212,414
February 2011	141	140	133	15,316	2,037,028
January 2011	141.40	124.50	140	37,082	5,191,480

Altarea share price trend



6.4. DIVIDEND POLICY

6.4.1. DIVIDENDS PAID OVER THE PAST FIVE FINANCIAL YEARS

Financial year ended	Dividend per share	Dividend eligible for tax relief [1]
Financial year ended 12/31/2007	€6.00	€6.00
Financial year ended 12/31/2008	€7.00	€7.00
Financial year ended 12/31/2009	€7.20	€7.20
Financial year ended 12/31/2010	€8.00	€8.00
Financial year ended 12/31/2011	€9.00	€9.00

6.4.2. DIVIDEND DISTRIBUTION POLICY

A dividend of €10.00 per share in respect of 2012 will be proposed at the Annual General Meeting on June 10, 2013. This is an increase of 11.11% on the previous dividend.

Altarea aims to distribute a dividend equal to around two thirds of its income from operating cash flows, in order both to comply with the requirements for SIIC status and, in the medium-term, to reach the dividend payouts typically seen in its sector (after current property development projects are completed).

(1) Individual shareholders resident in France are eligible for 40% tax relief on these dividends as of January 1, 2006.

6.5. RECENT EVENTS AND LITIGATION

Recent events and litigation are discussed in Part 3 of this Reference document, in Notes 14.2 and 16 to the consolidated financial statements. Annex 9.9. details developments on the proposed corrections received by the Company and several of its subsidiaries from tax authorities over the course of 2012. The Company maintains its position and is continuing to pursue legal recourse. As a result, no provisions were allocated at December 31, 2012.

6.6. INFORMATION THAT CAN AFFECT ALTAREA'S BUSINESSES OR PROFITABILITY

The company is not dependent on its customers.

In the Shopping Center Property Division, the ten largest tenants managed by Altarea group accounted for 24.85% of total rental income (excl. tax) in 2012. No single tenant accounted for more than 10% of the rental income.

The ten largest customers in Altarea's residential and Office property business accounted for 15% of total revenue (excl. tax) in 2012. No single customer accounted for more than 10%.

6.7. COMPETITIVE ENVIRONMENT

The sections of this Reference document containing the company description and management report (Parts I and II) provide detailed, quantitative information on Altarea group's businesses and services, along with their trends, competitive landscape, and earnings. The management report also discusses the macroeconomic factors and business cycles affecting the shopping center and Residential property markets.

The company's main competitors are as follows:

- In the Shopping center property development, the ten largest property companies not including the Altarea Cogedim Group are [1] Unibail-Rodamco, Klépierre, Gecina, Icade, Foncière des Régions, Mercialys, Société Foncière Lyonnaise, Silic and Foncière des Murs;
- In the Residential property development sector, the ten largest companies not including the Altarea Cogedim Group are [2] Bouygues Immobilier, Nexity, Icade, Kaufman & Broad, Promogim, Vinci Immobilier, BNP Paribas Immobilier, Bouwfonds Marignan Immobilier and Eiffage Immobilier;
- In the Office property development sector, the ten other largest companies, not including the Altarea Cogedim Group, are [2] BNP Paribas Immobilier, Bouygues Immobilier, Nexity, Vinci Immobilier, Icade, Eiffage Immobilier, Crédit Agricole Immobilier, Lazard Groupe Real Estate and Pitch Promotion;
- In the E-commerce sector, Altarea Cogedim Group's main competitors[3] are general operators (Cdiscount, Amazon, Mistergooddeal), specialized operators (Pixmania, LDLC and Grosbill), traditional retailers (Fnac, Darty, Surcouf, Boulanger), large retailers and supermarkets, buying groups of independent retailers, and household appliance chains.

6.8. RISK FACTORS

Altarea is exposed to the following risk factors as a result of its business activities. However, the company feels it has the resources to limit these risks and manage the consequences should they materialize. The Company has thus conducted a review of the risks that could have a material adverse effect on its business, financial situation or results, and considers that there are no significant risks other than those presented. Internal control and risk management procedures are detailed in the Chairman's report on internal control, which is reproduced in full in Section 8 of this document, particularly in sub-section 8.3.

In this area, the company abides by the provisions of the Code of Conduct of Listed Property Investment Companies.

(1) Largest French Sociétés d'Investissement Immobilier Cotées *(SIIC) by capitalization on Tuesday, March 27, 2012 – http://www.pierrepapier.fr/les-siic-par-capitalisation/.*
(2) In revenues – 2012 Ranking of Developers - Hors Série edition of Lettre de la Pierre – June 2012 pages 22 and 24.
(3) 2011/12 Reference document, RueduCommerce pages 51 to 55.

6.8.1. RISKS INHERENT IN THE OPERATIONS OF ALTAREA COGEDIM

Risks related to trends in the property market and to the business climate

Altarea operates in several sectors of the property market, mainly commercial property (mostly shopping centers) and Residential property. The company is exposed to systemic risks and uncertainties specific to the property market, most notably its cyclical nature, as well as the risks inherent to each property asset. The company's risk management strategy and measures adopted aim to limit the negative consequences should one of these risks materialize. However, a prolonged deterioration of economic conditions or abrupt changes in the economic, financial, monetary, regulatory, political, geopolitical, social, health, or environmental climate could have a negative impact on the Altarea Cogedim Group's businesses, asset values, earnings, development projects, and investments.

Risks related to changes in e-commerce and competition

Through its subsidiary RueduCommerce, Altarea operates in the e-commerce sector. Despite the advances of broadband internet and users' confidence in the security of transactions, we cannot say with certainty that the e-commerce industry will represent a share of traditional commerce in France comparable to that seen in other countries, especially overseas. However, RueduCommerce's strategic position as a multi-specialist retailer should allow it to take advantage of growth opportunities in various markets in which the Group operates.

High-tech product retail and online shopping centers are experiencing increasing competition that could jeopardize growth prospects for the Group in this sector. Increased competition could result in price reductions, reduced growth, reduced margins and loss of market share. These could have an adverse effect on the business.

Property development risks

There are a number of risks related to property development, including:

- risks related to obtaining building permits or permits for commercial operations, and to administrative proceedings that could delay property development projects;
- risk of inability to meet construction schedules owing to delays due to archaeological excavation, soil typology, decontamination, etc., the risk of construction cost overruns, contractor business failures, the inability of contractors and service providers to adapt to new standards (e.g. on energy consumption) and the risk of ensuing potential litigation with construction companies;
- commercial risk, which is related mainly to the possibility that products developed will not be consistent with demand, or to the extended length of time required to structure certain operations; this risk is mitigated through pre-letting;
- competition risk, which may in particular affect the acquisition of commercial land / shopping centers, product sales prices, or the availability of subcontractors.

Risks related to the company's businesses and assets

Risks related to assets in operation and to the shopping center development business include:

- risks related to letting and re-letting of space in shopping centers, in particular in a challenging economic climate;
- risks related to property portfolio management and to decisions to buy and sell assets (estimated return on new acquisitions, delays in carrying out disposals, etc.);
- risks related to the operation of shopping centers (natural or technological risks, accidental damages, closure of a center by the government, etc.), which are covered mainly by adequate insurance policies and by the application of stringent measures for monitoring health and safety issues in centers under operation and ensuring compliance with the applicable regulations.

Risks related to inventory and its management

The main risks for RueduCommerce inventory are destruction, theft and deterioration of products sold. Inventory destruction, especially by fire, may interrupt shipment. Despite the many precautions taken, the Group cannot guarantee that such destruction, theft or damage will not occur.

Despite a proven purchasing policy, two risks exist regarding inventory management for RueduCommerce's direct sales business: shortage in the supply of goods, which could lead to lost earnings and customer dissatisfaction, and oversupply, which could increase inventory levels and negatively impact business.

Risk of tenant and buyer insolvency

Altarea's ability to collect rental income depends on the solvency of its tenants. Altarea checks the creditworthiness of potential tenants and their brand appeal prior to entering into any lease agreement However, it may occur that tenants do not pay their rent on time or that they default on their rental payments, which may impact Altarea's operating income. This could be the case if the current economic situation were to worsen into a full-blown recession as this would have a significant impact on consumer behavior and create difficulties for tenant stores and retailers. However, rents are relatively unscathed as tenants fear eviction and the loss of their business.

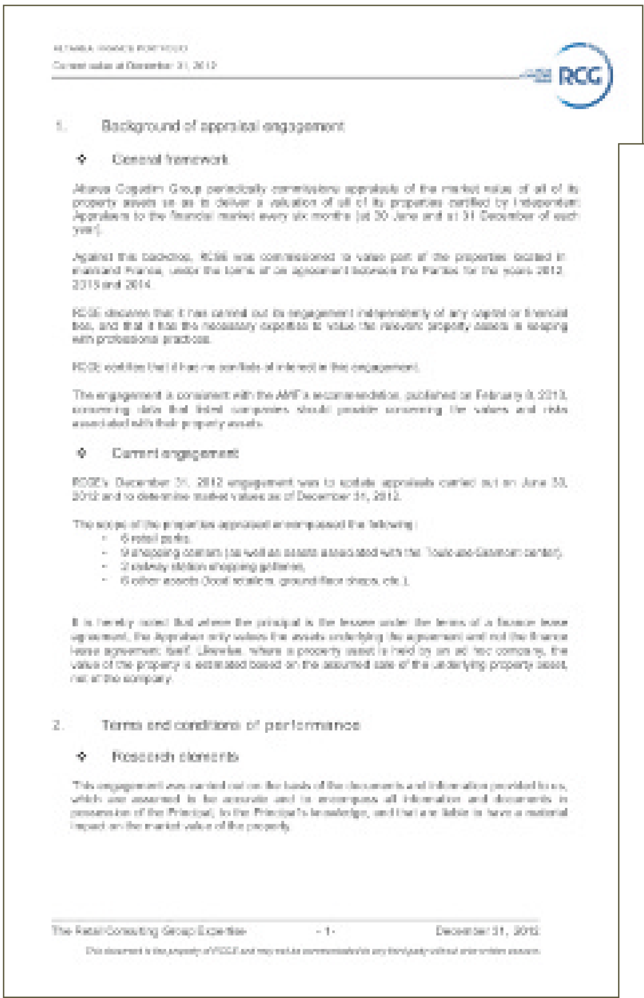
In Residential property, a decline in consumer solvency would mainly impact demand for Residential property in the marketing stage. Once the residential unit has been marketed, Cogedim holds a seller's lien on the property and the keys are not handed over until the buyer has paid the balance of the selling price. Thus risks relating to the company's ability to collect sums due from its customers mainly entail extending payment terms and therefore optimizing working capital requirement.

Risk related to the appraisal of property assets

The valuation of Altarea's portfolio of commercial property is linked to many exogenous factors (economic conditions, commercial property market, interest rates, etc.) as well as endogenous factors (shopping centers return on investment and performance) that may vary appreciably.

The Group arranges for its property to be appraised twice a year by independent appraisers. The form of appraisal work and the methods used to appraise the assets are described in paragraph 8.3.3.1. (c) "Risks related to the company's businesses and assets," in the Chairman's report on internal control. The sensitivity of the property portfolio's value is analyzed in Note 8.3 to the consolidated financial statements (Section 3 of the Reference document) on Investment properties and assets held for sale.

The condensed reports of the company's appraisers are reproduced in full below.



1. Background of appraisal engagement

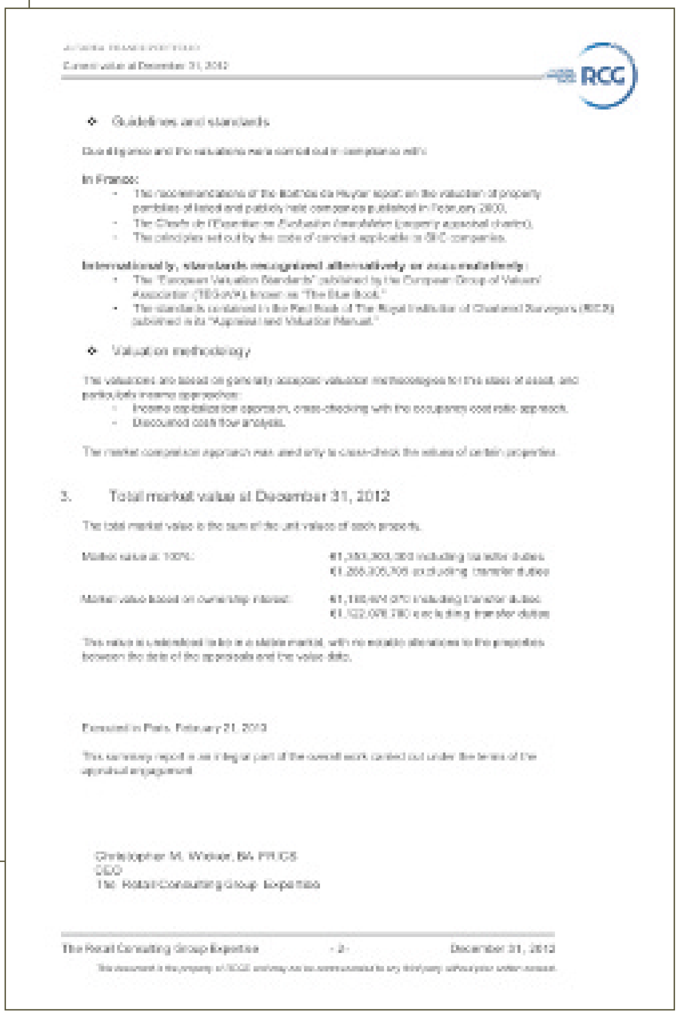
- General framework

- Current engagement

2. Terms and conditions of performance

- Research elements

The Retail Consulting Group Expertise - 1 - December 31, 2012



- Guidelines and standards

In France:

Internationally, standards recognized alternatively or cumulatively:

- Valuation methodology

3. Total market value at December 31, 2012

Christopher M. Wicker, BA FRICS
CEO
The Retail Consulting Group Expertise

The Retail Consulting Group Expertise - 2 - December 31, 2012

Summary report | Altarea Cogedim Retail property portfolio

Summary report – Altarea – December 2012

1.1. Background of appraisal engagement

General framework

- Altarea Cogedim Group periodically commissions appraisals of the market value of all of its property assets so as to deliver a valuation of all of its properties certified by Independent Appraisers to the financial market every six months (at June 30 and December 31 of each year).
- Against this backdrop, DTZ Eurexi was commissioned to value part of the properties located in mainland France, under their terms of an agreement between the Parties for the years 2012 to 2014.
- DTZ Eurexi, a subsidiary of DTZ, declares that it has carried out its engagement independently of any capital or financial ties, and that it has the necessary expertise to value the relevant property assets in keeping with professional practices.
- DTZ Eurexi certifies that it has no conflicts of interest in this engagement.
- The engagement is consistent with the AMF's recommendation, published on February 8, 2010, on the data that listed companies should provide concerning the values and risks associated with their property assets.

Current engagement

DTZ Eurexi's December 2012 engagement was to appraise the value of the sites, to include partial interior and exterior inspections of part of the property portfolio, and to determine market values as of 31 December 2012, taking into account occupancy conditions.

The scope of the properties appraised encompassed the 27 properties in operation, broken down as follows, in accordance with Altarea's classification:

- 16 shopping centers and a cinema,
- 2 Retail Parks,
- 1 hotel,
- 1 tourist residence,
- 3 other sites,
- 2 office buildings,
- 2 buildings under development.

It is hereby noted that where the principal is the lessee under the terms of a finance lease agreement, the Appraiser only values the assets underlying the agreement and not the finance lease agreement itself. Likewise, where a property asset is held by an ad hoc company, the value of the property is estimated based on the assumed sale of the underlying property asset, not of the company.

1.2. Terms and conditions of performance

Research elements

This engagement was carried out on the basis of the documents and information provided to us, which are assumed to be accurate and to encompass all information and documents in the possession of or

Summary report | Altarea Cogedim Retail property portfolio

known to the principal, and that are liable to have a material impact on the market value of the property.

Guidelines and standards

Due diligence and valuations were carried out in compliance with:

- in France:
  - the recommendations of the Barthès de Ruyter report on the valuation of property portfolios of listed and publicly held companies published in February 2000,
  - *The Charte de l'Expertise en Evaluation Immobilière* (property appraisal charter) (4th edition),
  - the principles set out by the code of conduct applicable to SIIC companies.
- internationally, standards recognized alternatively or accumulatively:
  - the "European Valuation Standards" published by the European Group of Valuers' Association (TEGoVA), known as "The Blue Book."
  - the standards contained in the Red Book of The Royal Institution of Chartered Surveyors (RICS) published in its "Appraisal and Valuation Manual" (8th edition).

Valuation methodologies

The valuations are based on generally accepted valuation methodologies for this class of asset, and particularly income capitalization approaches:

- income capitalization approach,
- discounted cash flow analysis.

The market comparison approach was used only to cross-check the values of certain properties.

1.3. Total market value at December 31, 2012

The total market value is the sum of the unit values of each property.

Market value at 100%:
€1,377,326,659 including fees and transfer duties

Market value based on ownership interest:
€858,050,362 including fees and transfer duties

This value is understood to be in a stable market, with no notable alterations to the properties between the date of the appraisals and the value date.

Executed in Neuilly-sur-Seine, February 26, 2013

This summary report is an integral part of the overall work carried out under the terms of the appraisal engagement.

Jean-Philippe Carmarans,
Chief Executive Officer of MRICS

ALTAREA ITALIA SRL
Via Crocefisso, 27
20122 Milan – Italy

Attn: Mr. Olivier Segaricci

Milan, December 19, 2012

CERTIFICATE OF VALUE

Further to your engagement letter of January 25, 2011, we are pleased to submit to you our market value assessment at **December 31, 2012**, of the shopping centers in the *portfolio of Altarea Italia*. Specifically:

Name of shopping center	Location
La Corte Lombardia	Bellinzago Lombardo (MI)
Le Due Torri	Stezzano (BG)
La Cittadella	Casale Monferrato (AL)
Le Due Valli	Pinerolo (TO)
Ibleo	Ragusa
Casetta Mattei	Rome

Retail Valuation Italia appraisals are carried out in accordance with principles set down in the Red Book of the Royal Institution of Chartered Surveyors (RICS).

We confirm that we act as external and independent appraisers.

Shopping centers were visited by an appraiser authorized to do so according to rules set down by the RICS. The date and extent of the visit, as well as the name of the visitor are mentioned in the detailed report on each asset.

It should be noted that we were occasionally obliged to adopt certain assumptions concerning the property, future commercialization, urbanism, the condition and maintenance of buildings and sites including soil and water contamination, etc. The assumptions we adopted are presented in detail in the report of each asset concerned.

Our appraisal was carried out on the basis of the information that you provided to us. In particular, this information includes surface areas, rent figures and detailed sales figures for shops by business sector. Detailed information on documents provided to us can be found in our report.

ALTAREA ITALIA SPA
Appraisal of the portfolio of Altarea Italia at December 31, 2012

To carry out our assessment, we applied:

- The net income capitalization approach, which consists of taking into consideration actual net rental income (excluding taxes and expenses), as well as potential income on vacant surfaces of the asset to be appraised. In compliance with current practices in our profession, we consider “triple net rents” for retail properties as defined in the property appraisal charter (*Charte de l'expertise en évaluation immobilière*). We then apply to this triple net income a capitalization rate estimated by comparison with the market.
- The discounted cash flow analysis (DCF), which consists of estimating all projected income and expenses corresponding to the asset to be appraised; estimating the “long-term value” at the end of the observation period (generally 10 years) and updating the projected cash flow thus calculated so as to determine the current value of the property.

As a result of our analyses and considering our methods, we estimate the market value of the assets in the portfolio at December 31, 2012 at 100% to be (rounded):

€409,600,000 net
(four hundred nine million six hundred thousand euros net)

We have retained transfer duties of 4%, for a total rounded gross value of €427,000,000.

This report must be read together with the information contained in the appraisal report drafted for each asset.

It is agreed that this document shall remain confidential and is provided to you for your personal use. No third party may be responsible for its content or any part thereof. Neither the full text of this document nor any part thereof or any reference thereto may be included in any document, circular or statement without our prior written consent regarding the form and context in which they appear.

Sincerely,

Christopher M. Wicker, BA FRICS
CEO
Retail Valuation Italia Srl

Nadège Ganne
Appraisal Manager
Retail Valuation Italia Srl

Retail Valuation Italia Srl — December 31, 2012

Risks related to internet failure or failure of the RueduCommerce technical platform, viruses and hacking

Internet performance and reliability are critical for attracting customers to RueduCommerce and for gaining their loyalty. RueduCommerce may be affected by events beyond its control and that induce prolonged interruption of a significant portion of the network or the servers on which the website is hosted. The company's activity and reputation are based on its ability to ensure that its technical platform maintains a satisfactory level of performance, reliability and availability.

Despite RueduCommerce's efforts to protect its IT systems, viruses and hacking could cause delays or interruption of service. They could expose RueduCommerce to potential liability, to significant harm to its brand image and the brand image of the Group, and to decreased client trust. This in turn could lead to supplemental investments to protect IT systems and to remedy any damage caused.

6.8.2. LEGAL, REGULATORY, TAX AND INSURANCE RISKS

Legal and regulatory risks

Altarea must comply with regulations in a variety of areas, including urban planning, construction, leases, operating permits, health and safety, the environment, commercial lease regulations, corporate law and tax law (most notably the tax rules governing SIICs). As of 2012, the company is subject to French laws and regulations applicable to e-commerce activities, which tend to increasingly favor consumer protection. Changes to any of these regulations could require Altarea to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values, and expenses, and may slow or halt progress on some of the company's property development or marketing activities.

Altarea Cogedim group is involved in legal procedures as part of its regular business operations, and is subject to tax or regulatory audits. The company sets up provisions whenever a risk is identified and its cost can be reasonably estimated.

Litigation risk

As of the date of this Reference document, and as stated in Note 14.2 to the consolidated financial statements (Section 3), Litigation and claims, no significant new litigation issues arose in 2012 other than those for which provisions were set aside or that the company has challenged.

Other provisions are presented in Note 8.13 to the consolidated financial statements.

Tax risks related to SIIC status

Altarea has elected to adopt tax treatment as an SIIC under Article 208-C of the French General Tax Code, which exempts it from French corporate income tax providing that it meets certain conditions and obligations, particularly pertaining to dividend distributions. If Altarea fails to meet these criteria it will be required to pay corporate income tax under French common law for the fiscal years in which it does not meet these criteria, which would have a negative impact on its earnings.

In addition, if one or more Shareholders acting in concert were to attain an ownership threshold of 60% of the share capital or voting rights, this would also result in loss of SIIC status. This is why Altarea's Articles of Association cap voting right ownership at 60%.

Altarea could be liable for an additional income tax charge if it pays an exempt dividend to a Shareholder that is not subject to French corporate income tax (or an equivalent tax) and that owns at least 10% of Altarea's shares, and if Altarea cannot pass the charge on to this Shareholder. Altarea's Articles of Association state explicitly that Shareholders must pay this charge, but Altarea may have difficulty collecting the payment if it cannot be deducted from the dividend, or if the Shareholder becomes insolvent before the payment is made.

Finally, Altarea is subject to changes in existing tax laws.

Risk related to the cost and availability of insurance coverage

Altarea believes that the type and amount of insurance coverage it and its subsidiaries have is consistent with the practices in its industries.

Nevertheless, the company could experience losses that are not fully covered by its insurance policies, or the cost of its insurance policies could go up. The company could be faced with insufficient insurance or an inability to cover some or all of its risks, which could result from capacity limitations in the insurance market.

The cost or unavailability of appropriate coverage in the case of damages could have a negative impact on the company's asset values, earnings, operations, and financial position.

Overall coverage and the main insurance policies are detailed in Section 8.3.3.3. (c) "Risks related to the cost and availability of insurance coverage" in the Chairman's report on internal control.

6.8.3. SOCIAL AND ENVIRONMENTAL RISKS

Health and public safety risks (asbestos, legionella, lead, classified facilities, etc.)

Altarea's assets could be exposed to health and safety risks such as those related to asbestos, legionella, termites, and lead. As the owner of buildings, facilities, and land, Altarea could be formally accused of failure to adequately monitor and maintain its property against these risks. Any proceedings invoking the company's liability could have a negative impact on its operations, outlook, and reputation. Therefore, Altarea closely follows all applicable regulations in this area, and has a preventive approach to carrying out property inspections and carrying out any building work needed to come into compliance.

Social and environmental risks

Employee-related risks

Like all companies, Altarea Cogedim is potentially exposed to employee-related risks, primarily owing to its rapid growth, including employees' ability to abide by all new regulations and professional restrictions, their willingness to participate in building the company's profits, the scope of information provided on the Group's strategy guidelines, projects and major trends, and tapping the best talents. These factors influence the level of employee motivation, which is essential in sustaining the company's growth momentum.

Environmental risks

As an operator that builds, operates and manages property complexes, the Altarea Cogedim group is exposed to certain environmental risks mainly relating to the new thermal and environmental regulations set out in the Grenelle Act and in its various implementing decrees, as they apply to all of the Group's new projects. The Group is also affected by the environmental objectives of Grenelle 2 relating to improvements in the energy and environmental performance of existing buildings. To meet these challenges, in 2010 the Group initiated a progress-based approach to anticipate the new energy and environmental regulations for all of its new production and implement an accurate reporting system regarding the energy and environmental performance of its property portfolio (see paragraph 8.3.3.4. (b) "Social and environmental risks," in the Chairman's report on internal control.

6.8.4. RISKS RELATED TO ALTAREA'S FINANCING POLICY AND FINANCIAL CAPACITY

Liquidity risk – Borrowing capacity – Compliance with bank covenants

Altarea finances some of its investments through fixed- or floating-rate loans and through the capital markets. The company may not always have the desired access to the capital markets or be able to obtain financing under favorable conditions. This situation could result from a crisis in the bond or equity markets, a serious deterioration in the property market, or any change in Altarea's businesses, financial position, or Shareholder structure which affects investors' per-ception of the group's credit quality or attractiveness as an investment.

Altarea does not feel it has a significant exposure to liquidity risk as of the date of this Registration document.

Furthermore, under the terms of loan agreements between Altarea and its financial partners, Altarea must meet certain commitments or obligations in its capacity as borrower. These commitments and obligations are in reference to the disclosure of financial, accounting, legal and operational information and estimates, as well as to compliance with covenants defined specifically in each agreement. Failure to meet these commitments or obligations could result either in an event of default or an event of potential default that would mainly entail prepayment of all or part of the outstanding amounts. This situation could produce an unfavorable impact on the company's business and financial condition.

Note 11 to the consolidated financial statements (Section 3 of this Reference document) provides information on the Group's cash position and sets out the main financial covenants to be respected by Altarea and its subsidiaries.

At Monday, December 31, 2012 and at the date of this Registration document, all covenants were met by the relevant company or companies.

Interest rate and hedging risk

Note 11 to the consolidated financial statements (Section 3 of this Reference document) shows an analysis of sensitivity to interest rate risk across the entire portfolio of variable-rate financial liabilities and derivative financial instruments.

Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to a possible default by a counterparty. Altarea mitigates this risk by using only major financial institutions as counterparties.

Equity risk

Altarea does not feel it has any material exposure to equity risk as of Monday, December 31, 2012.

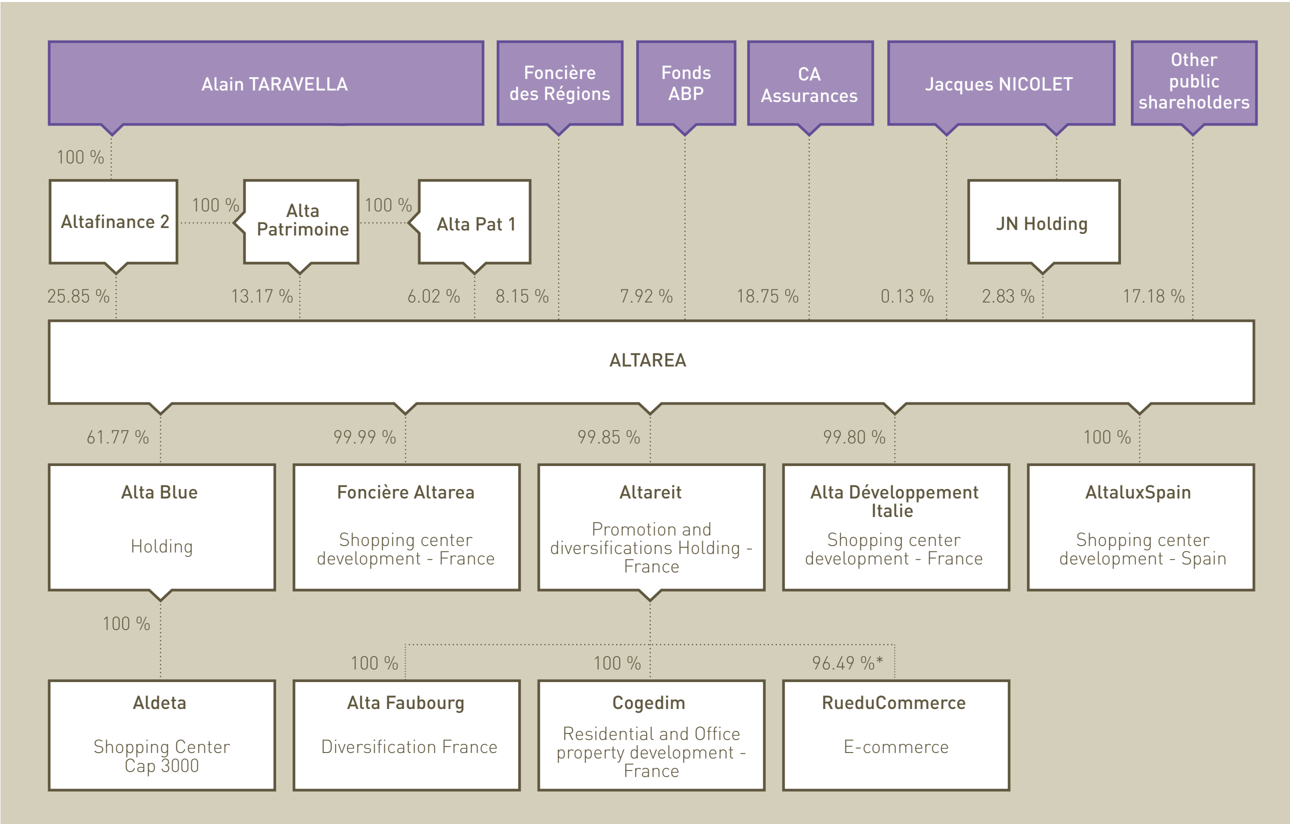
Currency risk

At the date of this Registration document, Altarea generates almost all of its revenue in the Eurozone and pays almost all of its expenses (investments and capital expenditures) in euros. Altarea is therefore not significantly exposed to currency risk.

6.8.5. CONFLICTS OF INTEREST RISK

Altarea has entered into partnerships or protocol agreements with other organizations, mostly for the purposes of carrying out joint property development projects. These situations may under certain circumstances lead to conflicts of interest with its partners or associates.

6.9. SIMPLIFIED ORGANIZATION CHART AT DECEMBER 31, 2012



Altarea centralizes the Group's cash surpluses. Note 11 to the consolidated financial statements on (Part 3 of this Reference document) financial instruments and market risks, provides information on the main banking covenants. The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

The offices held by the senior executives and corporate officers of Altarea in the company's subsidiaries are listed in Section 7 of this document.

** Altareit's stake in RueduCommerce is owned through the companies ALTA PENTHIEVRE and ALTACOM, subsidiary and sub-subsidiary owned at 100%. Altacom announced a buyout offer with a minority squeeze-out on February 27, 2013. Group stake should thus increase to 100% of the capital of RueduCommerce.*

6.10. HISTORY AND DEVELOPMENT OF THE COMPANY

1994: Altarea is founded by Alain Taravella and Jacques Nicolet.

1995: Acquisition of control in Gerec, a company specializing in shopping centre development created in 1973. Altarea wins contest sponsored by the city of Le Havre for development of Espace Coty.

1996: Altarea wins contest sponsored by the city of Roubaix for development of Espace Grand'Rue. Completion of a residential building in Asnières. Acquisition of control in Espace Aménagement, the Retail property management arm of Foncière Rallye.

1997: Launch of Bercy Village.

1999: Opening of Espace Coty in Le Havre.

2000: Completion of Bercy Village.

2001: Start-up of operations in Italy with the creation of Altarea Italia.

2002: Shopping center openings: Espace Jaurès in Brest, Espace Grand'Rue in Roubaix, Côté Seine in Argenteuil, Boutiques Gare du Nord in Paris. Start of Retail Parks business with the creation of Compagnie Retail Park. Funds managed by Morgan Stanley acquire 20% stake in Altarea.

2003: Altarea wins contests for development of Carré de Soie (Vaulx-en-Velin/Villeurbanne), Porte Jeune (Mulhouse), L'Aubette (Strasbourg). Altarea Italia enters into partnership agreement for development of a shopping centre in Rome (Casetta Mattei Center). Completion of 117 residential units in Argenteuil.

2004: Start of operations in Spain with the creation of Altarea España. Acquisition of Imaffine and merger of Altarea into Imaffine. Altarea is listed on Eurolist by Euronext Paris. Completion of Tanneurs in Lille.

2005: The Altarea group elects for SIIC tax treatment. Opening of Casetta Mattei centre in Rome.

2006: Acquisition of property assets of Bail Investissement Foncière. Equity investment in RosEvroDevelopment (Russian property company).

2007: Acquisition of Cogedim. Structures adapted to SIIC 4 regime; Altarea converted to société en commandite par actions. The Group becomes the larges Shareholder alongside the government, with a 34% stake in Semmaris (Société d'économie mixte d'aménagement et de gestion du marché d'intérêt national de la région parisienne), which manages the Rungis Marché d'Intérêt National (MIN), the world's largest food wholesaling market measured by volume, with revenue of €7.5 million, under a concession contract that expires in 2034. Five shopping centres opened in France and in Italy. Shareholder structure simplified by merging Altafinance and Altarea.

2008: €375 million share issue; ABP pension fund acquires a stake in Altarea. Reorganization by business line, with the spin-off of the property development and diversification companies to Altareit, a company listed on the Eurolist by NYSE Euronext Paris.

2009: Rebirth of a legendary site: Salle Wagram. Altarea Cogedim takes on the challenge of ecology and sustainable development: Altarea Cogedim receives one of the three HQE (high environmental quality) Commerce certifications for its Okabe shopping centre in Le Kremlin-Bicêtre. NF Logement – HQE® certification approach applied to all residential projects.

2010: Acquisition of Cap 3000 regional shopping centre in Nice. Altarea Cogedim breaks ground on development of the former Laennec hospital site by creating a new "city neighborhood" in the 7th arrondissement in downtown Paris. Altarea Cogedim invests in renewable energy by acquiring a stake in 8 minutes 33.

2011: In partnership with the ABP fund and Predica, the Altarea group creates AltaFund, a commercial property investment vehicle with equity of €350 million [1]. The Group submits a public offer on the shares of e-commerce operator RueduCommerce, and on December 29, 2011 announces it has acquired more than one-third of that company's capital through Altacom. The Group now holds 80% of RueduCommerce's capital; the remaining 20% is held by the operator's founders.

2012: Following the reopening of the takeover bid, the Group acquires 96.5% of RueduCommerce's capital and voting rights. Altarea now holds 61.77% of Alta Blue, which holds all of the capital of Aldeta, owner of the Cap 3000 Regional Shopping Center in Nice. The Group raised €530 million in corporate finance, including €250 million in bonds.

6.11. RESEARCH AND DEVELOPMENT

The Department of Studies and Forecasting in the Property Investment Division for shopping centers has five employees. The department provides concrete assistance by providing information needed on essential changes to be made to the property portfolio through operational guidance on retail trends. It is responsible for studies on project potential and procedures for obtaining business permits (CDAC, SCOT, etc.) and for interfacing with the relevant staff (Development, Valuations, Operations, Legal, Marketing, etc.) with the support of the Head of Studies and a research officer. The Department of Studies and Forecasting also coordinates economic and competition analysis of the property portfolio.

(1) €600 million today.

7

CORPORATE GOVERNANCE

The report of the Chairman of the Supervisory Board (see Section 8) sets out the composition and practices of the Supervisory Board and its special Committees, and the restrictions on the powers of the Managers. This section supplements the Chairman's report and, where applicable, the notes to the consolidated financial statements concerning the Company's Executive Management.

7.1. COMPOSITION AND PRACTICES OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Altarea is a *société en commandite par actions* (a French partnership limited by shares).

It is managed and run by a Board of Managers. The Supervisory Board is responsible for ongoing control over the Company's management.

7.1.1. MANAGEMENT

a) Composition

In 2012, the Managers were Alain Taravella and the company Altafi 2, of which Alain Taravella is the Chairman.

Alain Taravella

Alain Taravella was appointed Co-Manager on June 26, 2007 for a term of ten years. He is a French citizen, born in Falaise (14) in 1948. He is a graduate of HEC. From 1975 to 1994, Mr. Taravella held various positions within the Pierre & Vacances group, of which he was appointed Chief Executive Officer in 1985. In 1994, he founded Altarea group, which he has managed since.

OFFICES CURRENTLY HELD BY MR. ALAIN TARAVELLA

Co-Manager of SCA	Chairman of SAS	Chairman and Director of foreign companies	Chairman and Supervisory Board member	Chairman and Chief Executive Officer of SA
Altarea [1]	Altafinance 2	Altarea Inc. [2] [3]	Cogedim (SAS) [2]	Aldeta [2]
Altareit [1] [2]	Alta Patrimoine	Altarea Italia SRL [2] [3]	Altarea France (SNC) [2]	
	Altafi 2	Altarea España [2] [3]		
	Altafi 3	Altarag Srl [2] [3]		
	Altafi 4			
	Alta Pat 1			

Mr. Taravella also sits on the Board of Directors of Alta Blue, Boursorama and SEMMARIS as legal representative of Altarea; on the Board of Directors of Altacom as permanent representative of Alta Penthièvre; and on the Board of Directors of RueduCommerce [1] as representative of Altacom. He is also the representative of Alta Patrimoine, which manages Matignon Toulon Grand Ciel SCI, ATI SNC and Altarea Commerce SNC; the representative of Altafinance 2, which manages Sainte Anne SCI; and the representative of Alta Faubourg, Chairman of Alta Montaigne.

Altarea is Chairman of the following companies: Alta Blue [2], Alta Développement Italie [2], Alta Rungis [2], Alta Delcassé [2], Member of the AltaFund Value-Add I Committee and Co-Manager of the following companies: Alta Spain Castellana BV [2] [3], Alta Spain Archibald BV [2] [3], Altalux Spain [2] [3], Altalux Italy [2] [3].

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of the SAS Foncière Altarea [2], Altafi, Altapar, Altafinance.

Chairman and Supervisory Board member of Altarea France [2] in its previous legal form as a *société par actions simplifiée*.

Supervisory Board member, Restauration Bercy [2].

Representative of Altarea, Chairman of the companies Alta Développement Espagne [2], Alta Développement Russie [2] and Alta Cité.

Administrator of the foreign company SSF III Zhivago holding Ltd [2] [3].

(1) Listed companies.

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

At December, 31, 2012, to the Company's knowledge, Mr. Taravella owned 5,059,249 shares in Altarea, directly or indirectly through Altafinance 2, Alta Patrimoine and Alta Pat 1, which he and members of his family control.

Altafi 2

Altafi 2 is General Partner of the Company and is presented at 7.1.2 below.

b) Appointment and termination of office (Article 13 of the Articles of Association)

The Company is managed and administered by one or more Managers, who may or may not be General Partners (*associé-commandité*).

A Manager may be a natural or legal person.

The age limit for Managers who are natural persons is 75. In the case of Managers that are legal entities, this age limit also applies to any of the entities' directors who are natural persons.

The term of office of Managers is ten years, and may be renewed.

Any Manager wishing to resign must advise the other Managers, the General Partners and the Supervisory Board by registered letter with proof of receipt, at least three months before the date on which the resignation is to take effect, unless otherwise agreed by the General Partners.

Upon expiry of a Manager's term of office, the other Manager or Managers shall remain in office without prejudice to the General Partners' right to appoint a replacement Manager or to renew the term of office of the outgoing Manager.

Upon expiry of the sole Manager's term of office, one or more new Managers shall be appointed or the term of office of the outgoing sole Manager shall be renewed under the conditions set out in paragraph 13.3 of the Articles of Association. Pending such appointment or appointments, the Company shall be managed by the General Partners who may then delegate any powers necessary for the Management of the Company's affairs until the new Manager or Managers are appointed.

Managers may be removed from office without reason by a unanimous decision of the General Partners. If the Manager is also a General Partner, such a decision may be taken by a unanimous decision of the other General Partners. Insofar as the Company now has a sole General Partner who also serves as Manager, this removal is currently not an option.

Managers may also be removed from office under the conditions provided by law, following a legal action, and pursuant to a final judicial decision not open to appeal that establishes a legitimate reason for removal.

If the Manager is also a General Partner, the loss of General Partner status will automatically result in removal from office as Manager, as of right.

Managers who lose their status as Managers shall be entitled, in full and final settlement of any claims, to payment by the Company of the fixed compensation set out in Article 14.1 below, on a pro rata basis until the date of loss of such status, together with reimbursement of expenses of any kind to which they are entitled in accordance with Article 14.3.

During the lifetime of the Company, any new Manager shall be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of the collective body of Shareholders.

c) Powers (Article 13 of the Articles of Association)

The Managers shall have the broadest powers to act in any circumstances on behalf of the Company, within the limits of the corporate object and subject to any powers expressly conferred on the collective body of Shareholders or on the Supervisory Board, whether by law or by the Articles of Association.

In accordance with the law, the Managers may authorize and grant any guarantees and other sureties that they consider reasonable, on behalf of the Company.

The Managers may delegate some of their powers to one or more persons whether or not employed by the Company and whether or not having a contractual relationship with the Company. Such delegated powers shall not in any way affect the Managers' duties and responsibilities as regards the exercise of such powers.

The Managers shall have a duty of care in running the Company's affairs.

7.1.2. GENERAL PARTNER

a) Identity

Altafi 2 is a *société par actions simplifiée unipersonnelle* (simplified limited liability company) with share capital of €38,000 divided into 38,000 shares owned by owned by AltaFinance 2, in turn controlled by Mr. Alain Taravella. It is registered at the Paris Commercial and Companies Registry under number 501 290 506 RCS PARIS.

Alain Taravella is the Chairman of Altafi 2. His term of office is indefinite.

On January 2, 2012, Altafi 2 resigned from its position of Supervisory Board member of Altareit[2]. As of that date, it is Manager

(2) Companies directly or indirectly controlled by Altarea.

(3) Foreign companies.

of Altareit[2]. It is Co-Manager of Altarea and represents Altareit, Chairman of Alta Penthièvre.

At December 31, 2012, to the Company's knowledge, Altafi 2 owned ten shares in Altarea.

b) Appointment and termination of office (Article 24)

General Partners are appointed by Extraordinary General Meetings of the Shareholders upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the Company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3-I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

7.1.3. SUPERVISORY BOARD

Information on the appointment and termination of office of members of the Supervisory Board, their powers, the dates of their appointment and the dates of expiry of their terms of office, is set out in Section 8 containing the Chairman's report on the Company's internal control system. This paragraph contains the identity of the members of the Supervisory Board and offices held in other companies.

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Meetings of the Shareholders. Shareholders with the status of General Partners (Altafi 2 on the date of this document assuming that this company is a Shareholder) may not take part in the vote on the relevant resolutions.

At this time, the Supervisory Board does not comprise any representative elected by the employees or any member other than the members listed below and who are also listed in Section 8 containing the Chairman's report on internal controls.

Jacques Nicolet – Chairman

Jacques Nicolet, a French citizen, was born in Monaco in 1956. From 1984 to 1994, he served successively as Program Director, Development Director and Senior Executive Vice-President of the Pierre & Vacances group. In 1994, he co-founded the Altarea group, of which he has successively been Senior Executive Vice-President and, since its transformation into a *société en commandite par actions*, Chairman of the Supervisory Board.

CURRENT OFFICES HELD BY JACQUES NICOLET

Chairman of the Supervisory Board of SCA	Supervisory Board member	Chairman of SAS	Co-Manager / Manager	Chairman and/or Director of foreign companies
Altarea[1] Altareit[1][2]	Altarea France[2] (SNC) Cogedim (SAS)[2]	JN Holding JN Investissement	Damejane, 14 rue des Saussaies, JN Participations	SA Productions de Monte-Carlo[3], Altarea Italia SRL[2][3], Altarea España[2][3], Altarag Srl[2][3]

Permanent representative of ALTA RUNGIS[2] on the Board of Directors of SEMMARIS

JN Holding is Chairman of JN Automotive (which in turn is Chairman of OAK Invest, JN Properties and Immobilière Dame Jane); JN Investissements is Chairman of OAK Racing and Director of ABM Holding.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of the Board of Directors and Chief Executive Officer of Sillon SA.[2]

Chairman of the SAS Les Halles du Beffroi[2], JN Investissements and Cogedim (Compagnie Altarea Habitation).[2]

(1) Listed companies.
(2) Companies directly or indirectly controlled by Altarea.
(3) Foreign companies.

Chairman of the Supervisory Board (and previously Chief Executive Officer) of Altafinance SAS.

Executive Manager, Saulnier Racing SARL.

Administrator of Altapar SAS.

Administrator of the foreign company SSF III Zhivago Holding Ltd.[2][3]

Representative of JN INVESTISSEMENTS, Executive Manager of Cap Sud-Est SNC.

At December 31, 2012, to the Company's knowledge, Mr. Nicolet owned 323,042 shares in Altarea, directly or indirectly through JN Holding, which he controls.

Gautier Taravella – Member

Gautier Taravella, a French citizen, was born in Maisons-Laffitte (78) in 1980. Mr. Taravella was appointed as Director on June 26, 2007. His term of office expires at the end of the General Meeting called to vote on the 2012 financial statements. Gautier Taravella is the son of Alain Taravella.

CURRENT OFFICES HELD BY GAUTIER TARAVELLA:

Member of the Supervisory Board, Altarea.[1]

Chief Executive Officer, Altafinance 2.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Member of the Supervisory Board of Altafinance SAS.

At December 31, 2012, to the Company's knowledge, Gautier Taravella owned 56,750 shares in Altarea in his own name.

Matthieu Taravella – Member

Matthieu Taravella, a French citizen, was born in Paris (16th arrondissement) in 1978. Matthieu Taravella was appointed as Director on 26 June 2007. His term of office expires at the end of the General Meeting called to vote on the 2012 financial statements. Matthieu Taravella is also a Director and Corporate Secretary of Altarea Inc. He is the son of Alain Taravella.

CURRENT OFFICES HELD BY MATTHIEU TARAVELLA:

Member of the Supervisory Board of Altarea SCA.[1]

Chief Executive Officer, Altafinance 2.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Member of the Supervisory Board of Altafinance SAS.

Director/Vice-Chairman of Altarea Inc.[2][3]

At December 31, 2012, to the Company's knowledge, Matthieu Taravella owned 57,011 shares in Altarea in his own name.

Altarea Commerce – Member

In accordance with current legislation, which does not require the appointment of a permanent representative, Altarea Commerce is represented at meetings of the Supervisory Board by any *ad hoc* representative.

Altarea Commerce is a *société en nom collectif* (general partnership) whose registered office is at 8 avenue Delcassé, 75008 Paris, and whose registration number is 414 314 344 RCS Paris. Its Manager is Alta Patrimoine, represented by its Chairman, Mr. Alain Taravella.

Altarea Commerce is a member of the Supervisory Board of Altarea and does not hold any other offices.

At December 31, 2012, to the Company's knowledge, Altarea Commerce owned one share in Altarea.

Alta Patrimoine – Member

In accordance with current legislation, which does not require the appointment of a permanent representative, Altarea Patrimoine is represented at meetings of the Supervisory Board by any *ad hoc* representative.

Alta Patrimoine is a *société par actions simplifiée* (simplified limited liability company) whose registered office is at 8 avenue Delcassé, 75008 Paris, and whose registration number is 501 029 706 RCS Paris.

Its Chairman is Mr. Alain Taravella.

OTHER OFFICES HELD BY ALTA PATRIMOINE:

Member of the Supervisory Board, Altarea and Altareit.

Manager, Matignon Toulon Grand Ciel SCI, ATI SNC and Altarea Commerce SNC.

At December 31, 2012, to the Company's knowledge, Alta Patrimoine owned 1,437,228 shares in Altarea.

(1) Listed companies.
(2) Companies directly or indirectly controlled by Altarea.
(3) Foreign companies.

Predica – Crédit Agricole Assurances – Member

Its Permanent Representative is Mr. Émeric Servin.

Émeric Servin

Mr. Servin, a French citizen, was born in 1949 in Versailles (78). He has a degree in law, a master's degree in public law, and a postgraduate degree in Finance from the HEC business school.

CURRENT OFFICES HELD BY ÉMERIC SERVIN

Chairman of the Board of Directors	Permanent representative of Predica	Director	Manager and Co-Manager of SCI	Chairman of the Supervisory Board
Francimmo Hôtels SA Resico SAS OPCI Bureaux OPCI Commerces OPCI Iris Invest OPCI Camp Invest OPCI Messidor	Member of the Board of Altarea [1], Foncière des Murs [1], and Ofelia Member of the Board of Directors of Foncière Développement Logements [1], OPCI CAA Commerces 2, OPCI B2 Hôtels Invest, SCI Rivoli Avenir Patrimoine	of the subsidiaries of Foncière Hypersud: Alcala, Vigo and Grece Foncière Hypersud SA Aldeta [2] Alta Blue [2]	SCI Le Village Victor Hugo, (145) SCI IMEFA, (19) SCI FEDER, SCI Carpe Diem, SCI Montparnasse Contentin SCI Euromarseille 1, SCI Euromarseille 2, SCI Dalhia	SCPI Unipierre Assurance

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of the Board of Directors, B. Immobilier SA and Foncière Hypersud SA.

Representative of Predica on the Board of Directors of OPCI France Régions Dynamique, on the Supervisory Board of LION SCPI.

At December 31, 2012, to the Company's knowledge, Predica owned 2,045,825 shares in Altarea.

To the Company's knowledge, Émeric Servin does not hold any shares in Altarea in his own name.

Françoise Debrus – Member – Chairwoman of the Audit Committee

Françoise Debrus, a French citizen, is a graduate of the École nationale du génie rural des eaux et des forêts and of the Institut national agronomique Paris-Grignon. Between 1984 and 1987, she was head of the economic and agricultural production department of the Ministry of Agriculture and Forestry. She joined Crédit Agricole group in 1987, first as an auditor and then as audit team manager of the Internal Audit Department of Caisse Nationale de Crédit Agricole (CNCA), before becoming head of management control and then of financial management at Unicredit. In 1997, she was appointed head of the debt collection/lending department of the Finance Division of Crédit Agricole SA. In 2001, she became head of finance and tax at the Fédération Nationale du Crédit Agricole (FNCA). In 2005, she was appointed Chief Financial Officer of Caisse régionale d'Île-de-France, and since March 2, 2009, she has been with Crédit Agricole Assurances as Head of Investments.

CURRENT OFFICES HELD BY MS. DEBRUS:

Member of the Supervisory Board of Altarea [1], Foncière Développement Logement [1], Foncière des Murs. [1]

Permanent representative of Predica and director of Eurosic [1] and Medica.

Director of Ramsay Santé.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Director of Socadif and CAAM's Portfolio Stratégie SICAV.

Permanent representative of Predica, Director of Foncière des Régions and of Crédit Agricole Immo. Promotion and Member of the Supervisory Board of Foncière Paris France SA.

Ms. Debrus does not hold any other offices.

At December 31, 2012, to the Company's knowledge, Françoise Debrus owned 2 shares in Altarea in her own name.

(1) Listed companies.
(2) Companies directly or indirectly controlled by Altarea.
(3) Foreign companies.

Foncière des Régions – Member

The Company's permanent representative is Mr. Olivier Estève.

Olivier Estève

Olivier Estève, a French citizen, was born in 1964. He holds an engineering degree from the ESTP public works college (1989). After a career with Bouygues Bâtiments (Screg Bâtiment) as a commercial engineer and then as Director of Development, Olivier Estève joined the Foncière des Régions group as a member of the Management Board in charge of Property Management.

CURRENT OFFICES HELD BY OLIVIER ESTEVE

Permanent Representative of Foncière des Régions, Member of the Supervisory Board	Chairman of the Board of Directors	Senior Executive Vice-President	Director of SA	Supervisory Board member	Chairman of SAS	Director of foreign companies [3]
Altarea [1]	Urbis Park, BP 3000, Office CB 21	Foncière des Régions [1]	Urbis Park, BP 3000, Office CB 21	Foncière des Murs [1]	FDR 2 GFR Services	Ulysse Trefonds SA, Beni Stabili SpA [2], Iris Trefonds SA and Sunparks Trefonds

Executive Manager of: Foncière des Régions Développement, GFR Ravinelle, Euromarseille Invest, SCI Euromarseille 1, SCI Euromarseille 2, FDR 4, FDR 5, FDR 6, FDR 7, SNC Latecoere, SNC Late, BGA Transactions, FR Immo, Federation, Foncière Electimmo, Foncière Margaux, SARL du 174 avenue de la République, SARL du 25-27 Quai Felix-Faure, SARL du 2 rue Saint-Charles, SARL du 106-110 rue des Troenes, SARL du 11 rue Victor Leroy, Telimob Paris SARL, SCI Imefa 127, SCI Atlantis, SCI 11 place de l'Europe, EURL languedoc 34, SCI Pompidou Metz, SNC palmer plage, SNC palmer transactions, SNC foncière palmer, SCI palmer Montpellier, SCI dual center, Lénopromo.

Permanent Representative of FDR 3, Director of Foncière Développement Logements. [1]

Permanent Representative of Foncière des Régions, Director of Technical Property Fund 1.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Member of the Management Board of Foncière des Régions. [1]

Chairman of the Board of Directors of SPM – MAINTENANCE.

Chairman and Chief Executive Officer of Urbis Park.

Chairman of the Supervisory Board of Foncière Europe Logistique. [1]

Chairman of the SAS Urbis Park Services, FDR 8, Foncière des Régions Développement.

Manager of SNC Late, SNC Latecoere, SARL du 174 avenue de la République, Bionne, Telimob Pivot, Financière Palmer, Akama, Telimob Est, Telimob Nord, Telimob Ouest, Telimob Paca, Telimob Rhône Alpes, Telimob Sud Ouest, IMEFA 106, SARL DU 23.37 rue Diderot, FDR Logements, SARL du 96 Avenue de Prades.

Permanent Representative of Foncière des Régions as Member of the Supervisory Board of Foncière Europe Logistique and Foncière des Murs [1] and as Member of the Board of Directors of Altapar [2].

Permanent representative of Coetlosquet, Director of Foncière Développement.

Director of the foreign company [3]: Immobilière Batibail Benelux SA.

At December 31, 2012, to the Company's knowledge, Société Foncière des Régions owned 889,250 shares in Altarea. To the Company's knowledge, Olivier Estève does not hold any shares in Altarea in his own name.

Opus Investment BV

In accordance with current legislation, which does not require the appointment of a permanent representative, Opus Investment BV is represented at meetings of the Supervisory Board by any ad hoc representative.

Opus Investment, whose registered office is at 483 Herengracht, 1017 BT Amsterdam, Netherlands, is a BV registered at the Amsterdam Chamber of Commerce Company Registry under registration number 34222430. The Company is not listed. It is a foreign company and is not part of the Altarea group.

The Directors of Opus Investment BV are Severijn van der Veen and Christian de Gournay.

(1) Listed companies.
(2) Companies directly or indirectly controlled by Altarea.
(3) Foreign companies.

Opus Investment BV does not hold any other offices.

At December 31, 2012, to the Company's knowledge, Opus Investment BV owned 91,548 shares in Altarea.

JN Holding – Member

The Company's permanent representative is Mr. Olivier Dubreuil.

Olivier Dubreuil

Olivier Dubreuil, a French citizen, was born on December 27, 1955 in Marseilles (13). He has a degree from the ESCP Europe business school, and, among other posts, was head of Usinor's, and then Arcelor's Raw Materials Department. Until 2009, he was General Manager of Arcelor-Mittal Purchasing.

CURRENT OFFICES HELD BY OLIVIER DUBREUIL

Chairman	Vice-Chairman	Vice-Chairman and Supervisory Board member	Managing Director - CEO	Director	Supervisory Board member
Ovet Holding [3], Ovet BV [3]	HP COMPOSITES Italy [3]	EMO [3], EKOM [3]	Etude Conseil Diffusion Internationale Matériels Equipements, ECODIME	Atic Services Manufrance [3]	Altarea [1], Altareit [1][2] and CFNR

Censor of Amundi Oblig Internationales.

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of Atic Services and Dubreuil Conseil.

Director of CFL Cargo. [3]

At December 31, 2012, to the Company's knowledge, FN Holding owned 308,926 shares in Altarea.

To the Company's knowledge, Olivier Dubreuil does not hold any shares in Altarea in his own name.

APG (ABP Fund) – Member

The Company's permanent representative is Alain Dassas.

Alain Dassas

Alain Dassas, a French citizen, is a graduate of the ESCP Europe business school and holds a Master's in Econometrics and a Master's in management science from Stanford University. Mr. Dassas began his career with Chase Manhattan Bank in 1973. In 1983, he joined Renault group, where he successively served as Head of the representative office in New York, Head of banking relationships and financial markets, Finance Director of Renault Crédit International, Head of Financial Operations and Head of Financial Services. In 2003, Mr. Dassas was appointed a member of the Renault group Executive Committee, then Chairman of Renault F1 Team. In 2007, Mr. Dassas was named a member of the Executive Committee of Nissan Motor Company in Tokyo. Since 2010, Mr. Dassas has acted as a consultant for the Renault group and as Chief Financial Officer of Segula Technologies.

OFFICES CURRENTLY HELD BY MR. ALAIN DASSAS

Director: Strategic Initiatives (London). [3]

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Director of Renault Samsung (Pusan-Korea), Segula Technologies (Paris), Renault Finance (Lausanne) [3], and Hardware Infogérance (Paris).

At December 31, 2012, to the Company's knowledge, APG owned 864,551 shares in Altarea.

To the Company's knowledge, Alain Dassas does not hold any shares in Altarea in his own name.

Dominique Rongier

Dominique Rongier, a French citizen, graduated from the HEC business school in 1967. He served in succession as Auditor with Arthur Andersen (1969-1976), Chief Financial Officer of the Brémond – Pierre & Vacances group (1976-1983), and Chief Financial Officer of the Brossette SA group (1983-1987). In 1987, he designed and set up a holding structure for the Carrefour group, and from 1988 to 1990, he was Corporate Secretary of Bélier, a member of the Havas-Eurocom network, before becoming Chief Financial Officer of the holding Company Oros Communication, which holds majority

(1) Listed companies.
(2) Companies directly or indirectly controlled by Altarea.
(3) Foreign companies.

interests in the communications sector, from 1991 to 1993. Since September 1993, Dominique Rongier has been an independent consultant with DBLP & Associés SARL, of which he is manager and majority Shareholder. His main activity is strategic and financial management consultancy. In the interim, he was acting Chief Executive Officer of the DMB & B France group (French subsidiaries of the US advertising group D'Arcy) for more than two years. Until March, 31, 2009, Mr. Rongier was Chairman of a software publishing company specializing in sports and health.

CURRENT OFFICES HELD BY DOMINIQUE RONGIER

Supervisory Board member	Altarea SCA [1]
Supervisory Board member	Altareit SCA [1]
Director	SA Search Partners
Manager	DBLP & Associés, Centralis

OTHER OFFICES HELD IN THE LAST FIVE YEARS, WHICH ARE NO LONGER CURRENT:

Chairman of Enora Technologies SAS.

At December 31, 2012, to the Company's knowledge, Dominique Rongier owned 10 shares in Altarea in his own name.

ATI

In accordance with current legislation, which does not require the appointment of a permanent representative, ATI is represented at meetings of the Supervisory Board by any ad hoc representative.

ATI is a *société en nom collectif* (general partnership) with capital of €10,000, whose registered office is at 8, avenue Delcassé, 75008 Paris, and which is registered under registration number 498 496 520 RCS Paris. Its manager is Alta Patrimoine SAS, whose Chairman is Alain Taravella.

ATI does not hold any other offices.

At December 31, 2012, to the Company's knowledge, ATI owned one share in Altarea.

Altafi 3

In accordance with current legislation, which does not require the appointment of a permanent representative, Altafi 3 is represented at meetings of the Supervisory Board by any ad hoc representative.

Altafi 3 is a *société par actions simplifiée unipersonnelle* (simplified limited liability company with a sole Shareholder) with capital of €38,000, whose registered office is at 8, avenue Delcassé, 75008 Paris, and which is registered under registration number 503 374 464 RCS Paris.

The Chairman of Altafi 3 is Alain Taravella.

Altafi 3 is member of the Supervisory Board of Altarea and General Partner of Altareit [1] [2].

At December 31, 2012, to the Company's knowledge, Altafi 3 owned one share in Altarea.

NEW MEMBER WHOSE APPOINTMENT IS SUBMITTED TO THE COMBINES GENERAL SHAREHOLDERS' MEETING OF JUNE 10, 2013

Éliane Fremeaux

A French citizen, born in Paris (15th arrondissement) on September 8, 1941, Ms. Eliane Fremeaux was a partner at notary firm THIBIERGE Associés until October 18, 2012. Ms. Eliane Fremeaux is a Chevalier in the Legion of Honor and a member of the Legal Studies Institute of the Conseil Supérieur du Notariat; the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellerie; and the Commission on Polluted Sites and Soils within the French Ministry of Sustainable Development's High Council of Classified Installations; an honorary member of the Circle of Women Real Estate Professionals; and a member of the René Capitant Association of Friends of French Legal Culture. Ms. Fremeaux is a regular participant in numerous seminars and conferences in France and abroad, primarily on topics related to corporate law, credit issues, finance leases, joint ownership, public domain, taxation and business and estate transfer, as well as the environment.

Ms. Eliane Fremeaux currently owns no shares in any company in France or abroad. She has not served in a position of this type for the past five years.

(1) Listed companies.
(2) Companies directly or indirectly controlled by Altarea.

7.2. COMPENSATION

7.2.1. INTRODUCTION

As a *société en commandite par actions* (limited partnership), the Company is run by Managers and overseen by a Supervisory Board. It also has one or more general partners.

7.2.1.1. Management

The Managers' compensation is determined in accordance with the provisions of Article 14 of the Articles of Association, which reads as follows:

"The Management will be remunerated until December 31, 2012 in accordance with the provisions of Articles 14.1 to 14.3 below. With effect from January 1, 2013, the Management's compensation is fixed for successive periods of three years by the Ordinary General Meeting of Shareholders (limited partners) in accordance with the provisions of Article L. 226-8 of the French Commercial Code, on a proposal from the General Partners and after consultation of the Supervisory Board.

If there is more than one Manager, they will decide how to distribute the said compensation amongst themselves.

14.1. A fixed annual compensation of €2,000,000 before tax which will be revised on January 1 each year and for the first time on January 1, 2008 based on changes in the Syntec index, the reference index being the latest known Syntec index on July 1, 2007 and the comparison index being the latest known Syntec index on the revision date, i.e. for the first revision the latest known Syntec index on January 1, 2008. The fixed annual compensation will be payable monthly no later than fifteen days after presentation of the corresponding invoice.

14.2. A variable compensation based on a percentage of (i) the value of investments made, and of (ii) the value of divestments/sales carried out, which will be due on each of the following tranches:

1% of the value of investments between €0 and €75 million;

0.50% of the value of investments between €75 million and €200 million;

0.25% of the value of investments over €200 million;

0.25% of the value of property divestments/sales.

The above tranches will be updated annually according to the Syntec index.

"Value of investments" means:

a) The amount of investments made directly by the Company or its subsidiaries as part of their development program. A partial payment will be made when works start on the basis of 40% of the total projected compensation. The balance will be calculated when the asset is put into operation, based on its initial appraisal value less the partial compensation already paid.

b) In the case of a property acquisition, the gross acquisition amount appearing in the notarized deed. In the case of a renovation project, an additional invoice will be established on the date on which the asset is put back into operation based on the value of works completed.

c) In the case of a capital contribution of property assets, the gross amount of the property assets contributed to the Company excluding any liabilities assumed.

d) In the case of an acquisition of a company, the value of the assets owned by the Company excluding any liabilities.

e) In the case of a merger, the value of the assets owned by the absorbed company excluding any liabilities.

The variable compensation shall not apply to investments made in respect of transactions committed to or approved by the Company's Investment Committee prior to July 1, 2007.Nor shall it apply to sales, transfers, mergers or acquisitions of companies either between the Company and one of its subsidiaries or between two of the Company's subsidiaries. In the case of investments made by subsidiaries, the corresponding compensation will be paid directly to the Managers by the subsidiary.

The variable compensation will be paid to the Manager(s) as follows:

In the case of investments referred to in paragraph a) above, the partial component will be payable in the month in which works begin and the balance within fifteen days of the date on which the asset is put into operation;

In the case of investments referred to in paragraphs b), c), d) and e) above, within fifteen days of the date of completion of the investment.

"Value of property divestments/sales" means the amount received by the Company or its subsidiaries upon disinvestments or sales of property assets.

14.3. No other compensation may be paid to the Managers in respect of their office unless previously approved by the Ordinary General Meeting of Shareholders with the prior unanimous agreement of the General Partners.

The Managers are also entitled to reimbursement of all business, travel and other expenses of any nature incurred in the interests of the Company.

The compensation to which the Managers are entitled shall be invoiced directly to Altarea or its subsidiaries. In the latter case, the portion of compensation received by the Manager which is attributable economically to Altarea, shall be deducted from the compensation to be paid by Altarea."

The determination of managers' compensation changed fundamentally as of January 1, 2013. Managers' compensation is now set for successive periods of three years by the Ordinary General Meeting of Shareholders on a proposal from the General Partners and after consultation of the Supervisory Board.

In accordance with Article 18 of the Articles of Association, the Compensation Committee, made up entirely of independent members, at its meeting of February 19, 2013, submit its management compensation proposal to the Supervisory Board. The General Partner has decided to present a compensation proposal identical to that of the Compensation Committee at the Ordinary General Meeting of June 10, 2013. On February 27, 2013, the Supervisory Board unanimously reported favorably on the General Partner's compensation proposal, which figures in the sixth resolution and reads as follows:

"Sixth resolution

(Determination of Managers' Compensation)

Voting under the conditions for quorum and majority required for Ordinary Shareholders' Meetings, and having considered the Company management report and the unanimously favorable report of the Supervisory Board, through prior consultation in accordance with Article 14 of the Articles of Association, on the proposal of the General Partner decides to determine management compensation as follows:

- Fixed annual compensation of €2,000,000 before tax, one quarter of which is due at each quarter, the amount being established in January 2013 and revisable each year according to changes in the Syntec index;
- Variable compensation determined according to consolidated FFO and the average number of shares in circulation each year, that is:
  - 1.5% of FFO reached each year above €100 million and up to €150 million,
  - 3% of FFO reached each year if the latter is above €150 million.

At December 31, 2012, the share capital of Altarea comprised 10,911,411 shares; where the number of shares increases during the course of the year due to the creation of new shares, the €100 million and €150 million thresholds applicable to this year and future years shall be revised as follows:

$$\frac{\text{€100 million or €150 million X the average number of shares for the current financial year.}}{\text{Average number of shares of the previous year (10,911,411 in 2012)}}$$

The average number of shares for a given financial year is published in the Altarea annual report.

This variable compensation shall be due no later than the March 31 following the end of the financial year, i.e. on March 31, 2014 for FY 2013.

Decides that the Management shall be awarded, in accordance with Article 14 of the Articles of Association of the Company, annual compensation in the form of fees as follows:

- Fixed annual compensation of €2,000,000 before tax, one quarter of which is due at each quarter, the amount being established in January 2013 and revisable each year according to changes in the Syntec index;

- Variable compensation determined according to consolidated FFO and the average number of shares in circulation each year, that is:
  - 1.5% of FFO reached each year above €100 million and up to €150 million,
  - 3% of FFO reached each year if the latter is above €150 million.

At December 31, 2012, the share capital of Altarea comprised 10,911,411 shares; where the number of shares increases during the course of the year due to the creation of new shares, the €100 million and €150 million thresholds applicable to this year and future years shall be revised as follows:

$$\frac{\text{€100 million or €150 million X the average number of shares for the current financial year.}}{\text{Average number of shares of the previous year (10,911,411 in 2012)}}$$

The average number of shares for a given financial year is published in the Altarea annual report.

This variable compensation shall be due no later than the March 31 following the end of the financial year, i.e. on March 31, 2014 for FY 2013.

The annual compensation of Management shall be determined according to the conditions described above for the three-year period corresponding to the financial years ending December 31, 2013, December 31, 2014, and December 31, 2015."

7.2.1.2. Supervisory Board

Supervisory Board

Article 19 of the Articles of Association states that annual compensation may be paid to members of the Supervisory Board only for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Annual General Meeting and is maintained until decided otherwise. The Supervisory Board divides this amount between its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

The General Meeting held to approve the 2008 accounts, which took place on May 20, 2009, decided to allocate total compensation of €600,000 to the members of the Supervisory Board in respect of 2009 and for every subsequent year until the Ordinary General Meeting adopts a new decision. This compensation, which has been unchanged since 2008, is therefore expected to remain the same for the year 2013, unless the General Meeting decides otherwise.

Chairman of the Supervisory Board

At its meeting on March 17, 2008, the Supervisory Board consequently decided that its Chairman would receive gross annual compensation, including social security contributions, of up to €440,000, in consideration in particular of his duties as Chairman of the Investment Committee. For subsequent years, compensation paid to the Chairman will be revised on January 1 of each year and based on changes in the Syntec index, the reference index being the latest known Syntec index on January 1, 2008 and the comparison index being the latest known Syntec index on the revision date, i.e. for the first time the latest known Syntec index on January 1, 2009. Alain Taravella, as Co-Manager and controlling Shareholder of Altafinance 2, informed the Supervisory Board that the Management would accept a reduction of its fixed compensation to take account of the fact that it was no longer responsible for the compensation of Jacques Nicolet, which would be directly paid by Altarea. The Supervisory Board consequently decided that Jacques Nicolet's compensation would be paid to him by Altarea, and for the first time in respect of 2008, subject to the following conditions precedent, which the Board found to have been satisfied: (i) the resolution of the Combined General Meeting of Shareholders to amend the Articles of Association and allocate global compensation of €600,000 to the members of the Supervisory Board in respect of 2008; (ii) the delivery by the Managers of a letter accepting the reduction of their fixed compensation as provided by Article 14, paragraph 1 of the Articles of Association, by an amount equal to the gross compensation including social security contributions effectively allocated to Jacques Nicolet, insofar and for as long as Jacques Nicolet receives compensation in his capacity as Chairman of the Supervisory Board. It is therefore important to note that the compensation of the Chairman of the Supervisory Board is indirectly borne by the Managers.

At its meeting of February 19, 2013, the Compensation Committee, made up entirely of independent members, proposed to the Supervisory Board to establish gross annual compensation of €300,000 for the Chairman of the Board. This proposal was unanimously adopted by the Supervisory Board on February 27, 2013.

Members

At its meeting of March 7, 2011, the Supervisory Board, "having noted that incentives to effective participation in the Board's work are a positive measure for corporate governance," decided to grant its members who are natural persons and the permanent representatives of legal entities directors' fees of €1,500 for each attendance at a meeting of the Board or its special Committees, as of January 1, 2011.

Taking into account the directors' fees awarded by comparable companies, the Supervisory Board of February 27, 2013 decided to increase the amount of directors' fees to €2,500 for each attendance at a meeting of the Board or its special Committees as of 2013.

7.2.1.3. General Partners

Article 32 paragraph 5 of the Articles of Association provides that "The General Partner" is entitled to a priority dividend equal to 1.5% of the annual dividend paid."

7.2.2. INFORMATION ON COMPENSATION

Application of the AFEP/MEDEF recommendations

As described in the report of the Chairman of the Supervisory Board on internal controls (see Section 8), the Company has adopted the AFEP/MEDEF corporate governance code for listed companies (the "AFEP/MEDEF Code") as its reference code, which it applies where the provisions are compatible with the legal form of a *société en commandite par actions* and with the Company's Articles of Association.

The information provided below complies with the AMF's recommendations regarding disclosures on executive compensation in the annual Registration document (the "Recommendations"), published on December 20, 2010 and February 9, 2012.

The Company's Executive Management consists of a Board of Managers comprising two Co-Managers: Mr. Alain Taravella and Altafinance 2, until December 31, 2011 and then Altafi 2 since January 1, 2012. Alain Taravella is Chairman of both Altafinance 2 and Altafi 2, who controls these companies within the meaning of Article L. 233-3-I of the French Commercial Code.

In 2011 and 2012, the compensation of the Board of Managers was fixed by the Articles of Association and was allocated to it as a lump sum.

The non-executive corporate officers are the Supervisory Board Members.

Lastly, Altafi 2, in its capacity as General Partner, receives a bonus dividend of 1.5% of the annual dividend. This amounted to €1,204,611.36 in respect of 2010 and €1,345,060.35 in respect of 2011. The Ordinary General Meeting of the Shareholders of June 10, 2013 is asked to approve payment of a dividend to shareholders resulting in a €1,618,300.50 payment to the General Partner.

Note: Figures appearing in the tables below are in thousands of euros.

Table 1

Summary of compensation, stock options and shares awarded to the executive officers

In thousands of euros	FY 2012	FY 2011
1. ALTAFINANCE 2 – Co-Executive Manager		
Compensation due in respect of the year (itemized in Table 2)	0	5,325
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
TOTAL ALTAFINANCE 2	**0**	**5,325**
2. Alain Taravella – Co-Manager		
Compensation due in respect of the year (itemized in Table 2)	0	0
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
TOTAL ALAIN TARAVELLA	**0**	**0**
3. Altafi 2 – Co-Executive Manager		
Compensation due in respect of the year (itemized in Table 2)	6,201	0
Value of options allocated during the financial year (itemized in Table 4)	0	0
Value of performance shares allocated during the financial year (itemized in Table 6)	0	0
TOTAL ALTAFI 2	**6,201**	**0**

Comments:

For the purposes of Articles L. 225-102-1 and 233-16 of the French Commercial Code, it is specified that except for Altarea, its subsidiaries and Altafi 2, no other company paying compensation to a corporate officer is concerned by these provisions. In 2012, Alain Taravella received compensation from Altafi 2 in the amount of €52,008.00.

The amounts given in the above tables include all compensation due or paid by Altarea and the companies it controls.

Table 2

Table summarizing the compensation of the executive officers

Name and position of executive officer:	FY 2012		FY 2011	
In thousands of euros	Amount due(1)	Amount paid	Amount due(1)	Amount paid
ALTAFINANCE 2 – Co-Executive Manager				
Fixed compensation	0	0	1,697	1,697
Variable compensation	0	700	3,628	3,392
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**700**	**5,325**	**5,089**
ALTAFI 2 – Co-Executive Manager				
Fixed compensation	1,745	1,745	0	0
Variable compensation	4,456	2,955	0	0
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**6,201**	**4,700**	**0**	**0**
Alain Taravella – Co-Manager				
Fixed compensation	0	0	0	0
Variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Directors' fees(2)	6	0	7.5	0
Benefits in kind	0	0	0	0
TOTAL	**6**	**0**	**7.5**	**0**

The figures above include amounts invoiced to Altarea and amounts invoiced directly to its subsidiaries.

The variable compensation of the Board of Managers is calculated by applying the rules fixed by the Articles of Association and set out in paragraph 7.2.1.1 above.

(1) The amounts paid include not only compensation due in respect of the current year but also the balance of any compensation due in respect of the previous year, which is why the amounts may be lower or higher than the amounts due appearing in the table.

(2) Paid by Aldeta, controlled by Altarea.

Table 3

Table of directors' fees and other compensation received by the non-executive directors and, where applicable, by their permanent representatives

Non-executive directors	FY 2012 (in K€)	FY 2011 (in K€)
Jacques Nicolet, Chairman of the Supervisory Board		
Directors' fees [4]	4.5	7.5
Other compensation [1]	287	246
Matthieu Taravella, Supervisory Board member		
Directors' fees	6	4.5
Other compensation [2]	14	65
Gautier Taravella, Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Altarea Commerce [3] Supervisory Board Member		
Directors' fees	0	0
Other compensation	0	0
ALTA Patrimoine [3] Supervisory Board Member		
Directors' fees	0	0
Other compensation	0	0
JN Holding [3] Supervisory Board Member		
Directors' fees	0	0
Other compensation	0	0
Olivier Dubreuil, [4] Permanent representative of JN Holding, Supervisory Board member		
Directors' fees	6	7.5
Other compensation	0	0
Opus Investment BV [3] Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
APG [3] Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Alain Dassas, Permanent representative of APG, Supervisory Board member		
Directors' fees	7.5	6
Other compensation	0	0
Prédica - Crédit Agricole Assurances [3] Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Emeric Servin [4] Permanent representative of Prédica, Supervisory Board member		
Directors' fees	10.5	10.5
Other compensation	0	0
Foncière des Régions [3] Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Olivier Estève, Permanent Representative of Foncière des Régions, Member of the Supervisory Board		
Directors' fees	6	7.5
Other compensation	0	0

(1) The compensation paid to Jacques Nicolet, Chairman of the Supervisory Board, with effect from 2008, is deducted from the fixed compensation of the Board of Managers.

(2) Gross annual salary paid by Altarea France, a subsidiary of Altarea, pursuant to an employment contract. In 2012, Matthieu Taravella was Director of Development and a salaried employee. This contract was terminated on February 17, 2012 and Matthieu Taravella is no longer an employee of Altarea or of any of its subsidiaries.

(3) No compensation or benefit in kind is due or has been paid by Altarea, by companies controlled by Altarea, by companies controlling Altarea or by companies controlled by companies controlling Altarea, to this legal person, or to its legal representative or representatives in connection with the office of Member of Altarea's Supervisory Board.

(4) This compensation includes directors' fees granted not only by Altarea but also by its subsidiaries.

Non-executive directors	FY 2012 (in K€)	FY 2011 (in K€)
Françoise Debrus, Supervisory Board member		
Directors' fees	7.5	7.5
Other compensation	0	0
FDR 3 [3] Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Christophe Kullmann, Permanent representative of FDR 3, Supervisory Board member		
Directors' fees	0	4.5
Other compensation	0	0
Dominique Rongier [4] Supervisory Board member		
Directors' fees	12	10.5
Other compensation	0	0
ATI [3] Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
Altafi 3 [3] Supervisory Board member		
Directors' fees	0	0
Other compensation	0	0
TOTAL Non-executive directors	**361**	**377**

Table 4

Stock options allocated during the financial year to the executive officers by the Company and by any Group company

No stock options were allocated during the financial year to the executive officers, namely Altafi 2 and Alain Taravella, Co-Managers, by the Company or by any other Group company.

Table 5

Stock options exercised during the year by the executive officers

No stock options were exercised during the year by the executive officers, namely Altafi 2 and Alain Taravella, Co-Managers, by the Company or by any other Group company.

Table 6

Performance shares allocated to corporate officers

No performance shares were allocated to the corporate officers during the financial year by the Company or by any other Group company.

Table 7

Performance shares allocated to corporate officers and vested during the year

No performance shares were allocated to the corporate officers during previous financial years by the Company or by any other Group company.

Table 8

History of stock option grants

No stock options have been granted to the corporate officers by the Company or by any other Group company.

(1) The compensation paid to Jacques Nicolet, Chairman of the Supervisory Board, with effect from 2008, is deducted from the fixed compensation of the Board of Managers.

(2) Gross annual salary paid by Altarea France, a subsidiary of Altarea, pursuant to an employment contract. In 2012, Matthieu Taravella was Director of Development and a salaried employee. This contract was terminated on February 17, 2012 and Matthieu Taravella is no longer an employee of Altarea or of any of its subsidiaries.

(3) No compensation or benefit in kind is due or has been paid by Altarea, by companies controlled by Altarea, by companies controlling Altarea or by companies controlled by companies controlling Altarea, to this legal person, or to its legal representative or representatives in connection with the office of Member of Altarea's Supervisory Board.

(4) This compensation includes directors' fees granted not only by Altarea but also by its subsidiaries.

Table 9

Stock options granted to and exercised by the top ten employees excluding corporate officers and options exercised thereby

No stock options were granted during the financial year to employees of the Group by the company, by any company controlling it or by any company controlled by it.

During the 2009 financial year, a total of 12,240 stock options granted to the top ten employees excluding corporate officers, were exercised as follows:

in respect of the plan dated November 23, 2004, 9,240 options were exercised at a unit exercise price of €32.90;

in respect of the plan dated January 4, 2005, 3,000 options were exercised at a unit exercise price of €38.25.

During 2012, no stock options granted to the top ten employees excluding corporate officers were exercised.

Table 10

Employment contracts, pension plans, severance or other termination payments or benefits and non-competition compensation payable to the executive officers

None.

It is hereby specified that the Company has made no commitments vis-à-vis its corporate officers with respect to any compensation, payments or benefits due or liable to be due upon assumption, termination or any change in their office or subsequent thereto.

7.3. ABSENCE OF CONFLICTS OF INTEREST

No conflicts of interest have been detected at the level of the company's administrative, management and supervisory bodies, or at the level of its Executive Management, between the duties of those bodies and any other potential duties they might have.

7.4. ABSENCE OF IMPROPER CONTROL

7.4.1. NATURE OF CONTROL OVER THE COMPANY

The founders of the company – Alain Taravella, his family and the companies Altafinance 2, Alta Patrimoine and Alta Pat 1, which he controls, and Jacques Nicolet together with JN Holding, which he controls – act in concert. As of December 31, 2012, the founders collectively held 49.33% of the capital and theoretical voting rights of the company and 49.85 % of the actual voting rights (those that could effectively be cast at General Meetings taking into account treasury shares stripped of their voting rights).

7.4.2. MEASURES PREVENTING IMPROPER CONTROL

The Chairman's report on internal control (Section 8) states that, where governance is concerned: the Supervisory Board examines substantial investments and disinvestments; there are four independent members of the Supervisory Board on the Audit Committee.

7.4.3. ABSENCE OF IMPROPER CONTROL

Measures have been adopted to prevent any improper control. The Company is controlled as described above; however, the company considers that there is no risk that control could be exercised in an improper way.

7.5. CONVICTIONS, BANKRUPTCIES, PROSECUTIONS

The undersigned hereby represents and warrants that to his knowledge, no director and, since the Company's transformation into a *société en commandite par actions*, no member of the Supervisory Board has, in the last five years:

been convicted of any fraud;

been the subject of a bankruptcy, receivership or liquidation order;

been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies);

been disqualified by a court from acting as a member of an issuer's administrative, management or supervisory bodies or from being involved in the management or conduct of the affairs of any issuer.

Altafi 2
Represented by its Chairman
Mr. Alain TARAVELLA
Co-Manager

7.6. LEGAL AND ARBITRATION PROCEEDINGS

In the past twelve months, the Company has not been involved in any proceedings that are liable to have a material impact on the Group's financial position or profitability.

7.7. ABSENCE OF MATERIAL CHANGES IN THE COMPANY'S FINANCIAL OR BUSINESS SITUATION

In the past twelve months, there have been no material changes in the Company's financial or business situation.

7.8. SENIOR MANAGEMENT

1/ Operational Executive Committee:

The Group's operational management is organized around its three business lines, with responsibility for each assigned to a Senior Executive Vice-President.

- Gilles Boissonet, in charge of Retail property in France;
- Christian de Gournay, in charge of Residential property, Regions and Institutional Relations;
- Stéphane Theuriau, in charge of Office Property and Private Equity.

Christian de Gournay, Gilles Boissonnet, Stéphane Theuriau and Éric Dumas, the Group's Finance Director, meet with the Board of Managers every week and constitute the Operational Executive Committee.

2/ Strategic Committee:

The Strategic Committee consists of:

- the Board of Managers, represented by Alain Taravella;
- the three Senior Executive Vice-Presidents (Christian de Gournay, Gilles Boissonnet and Stéphane Theuriau);
- Ludovic Castillo, Deputy Director in charge of Italy;

- Éric Dumas, Chief Financial Officer of the Group;
- Albert Malaquin, Senior Executive Vice-President of Altarea France;
- Patrick Mazières, Financial Director of Cogedim;
- Philippe Mauro, Group General Secretary.

3/ The Executive Management Committee, which is made up of the Group's principal executives, which meets as a select committee or in plenary session.

This organization does not replace the operational committees of the various subsidiaries. See the Chairman's report on internal control in Section 8 below.

As of the date of this Reference document, the management bodies have made no firm commitment on significant investments that are not communicated by the Company.

7.9. COMPLIANCE WITH CORPORATE GOVERNANCE REGIME

In accordance with Article 16.4 of Annex I of Regulation EC 809/2004 implementing EC Directive 2003/71/EC, the undersigned hereby declares and warrants that the Company complies with the corporate governance regime applicable in France as set out in the law on commercial companies and subsequent legal instruments.

ALTAFI 2
Represented by its Chairman
Mr. Alain Taravella
Co-Manager

8

REPORT ON INTERNAL CONTROLS FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

8.1. DILIGENCE PERFORMED – FRAMEWORK AND REFERENCE CODE

The Chairman of the Supervisory Board prepared this report. The Corporate Secretary and the Group's financial management also participated. Section 3 on procedures for internal controls and risk management was prepared by the Group's head of internal control. The controls and improvements undertaken in 2012 were presented to the Audit Committee on January 31, 2013. The financial and operating managers of the Shopping Center Property Investment, Residential and Office Property and E-Commerce divisions reviewed and updated the developments relating to the procedures and risks inherent in their business lines. This report was then delivered to and examined by the Audit Committee on February 27, 2013. It was distributed to Supervisory Board members, presented to and approved by the Board at its meeting on February 27, 2013.

The Chairman of the Supervisory Board used the following documents as a basis for this report:

- The reference framework contained in the AMF's report of July 22, 2010 on risk management and internal control systems;
- The July 22, 2010 update to the final report on audit committees, by the working group chaired by Mr. Poupart-Lafarge, prepared in conjunction with the AMF;
- The AMF's report of July 12, 2010 on corporate governance and executive compensation;
- The December 20, 2010 update to the AMF guide to preparing registration documents;
- The AMF's recommendations of December 2, 2010 published with its report on social and environmental-responsibility information published by listed companies;
- The AMF's recommendation of February 9, 2012 on corporate governance and executive compensation of companies that apply the AFEP-MEDEF Code, Consolidated presentation of the recommendations contained in the annual reports of the AMF.

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the company declares that it has based its corporate governance code on the Corporate Governance Code for Listed Companies (the "AFEP-MEDEF Code"), published by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF), which sets out the principles of corporate governance resulting from the consolidation of the AFEP and MEDEF reports. The company has adopted principles of the AFEP-MEDEF Code, which it applies where the provisions are compatible with the legal form of a partnership limited by shares (*société en commandite par actions*). Because the company is a partnership limited by shares, it is overseen by Management and not by a collegiate body, Management Board or Board of Directors. Therefore, changes relating to the collegiate nature of the Board of Directors, and the separation of functions of the Chairman of the Board of Directors and the Chief Executive Officer, cannot be applied to such a company structure. In partnerships limited by shares, the financial statements are finalized by Management, not by a collegiate body. The Supervisory Board is responsible for overseeing the company's management on a continual basis, but it is not involved in the latter. Article 17.1 of the company's Articles of Association states that the Supervisory Board has the right to be provided by the managers the same documents as those made available to the Statutory Auditors. Moreover, the Articles of Association assign greater powers to the Supervisory Board than those ascribed by law (e.g., for investment reviews). In addition, the company assigns greater powers to the shareholders than those required by law or as recommended by the AFEP-MEDEF Code, particularly as regards the determination of managers' compensation. This compensation is determined by the Company's Articles of Association as adopted by the Annual General Meeting of May 26, 2007. No other compensation may be paid to the executive officers unless previously approved by the Ordinary General Meeting of Shareholders with the prior unanimous consent of the General Partners. As from January 1, 2013, Managers' compensation shall be determined by the Ordinary General Meeting of Shareholders for successive periods of three years on the proposal of the General Partners and after consultation with the Supervisory Board. Because of its legal form, the company is unable to apply the following sections of the AFEP-MEDEF Code:

- Board of Directors: collegiate body;
- the separation of duties of the Chairman of the Board of Directors and the Chief Executive Officer;
- the Board of Directors and business strategy;
- the Board of Directors and the General Meeting of Shareholders;
- composition of the Board of Directors: key guidelines;
- the presentation of specific categories;
- the term of office of directors;
- the selection and appointment committee.

Finally, the section of the AFEP-MEDEF Code concerning the Compensation Committee entered into force as of January 1, 2013, as explained above in paragraph 8.2.8 on the Supervisory Board's special committees.

8.2. PREPARATION AND ORGANIZATION OF THE BOARD'S WORK

8.2.1. SCOPE AND POWERS (ARTICLE 17 OF THE ARTICLES OF ASSOCIATION)

The Supervisory Board is responsible for overseeing the Company's management on a continual basis. It sets out the appropriation of earnings, dividend distributions and dividend payment procedure (in cash or in shares) to be proposed to the Annual General Meeting. It appoints an Acting Manager if none of the existing Managers and General Partners are able to serve. It submits a list of nominees to the Annual General Meeting for the appointment of new statutory auditors. It appoints an appraiser for the Company's property portfolio, renews or terminates the appraiser's term of office, and appoints a replacement appraiser if needed. The Supervisory Board submits a report to the Annual General Meeting called to approve the company's financial statements, in accordance with French law, and gives this report to shareholders when they receive the management report and full-year financial statements. The Supervisory Board draws up a report describing any proposed capital increase or reduction and submits it to the shareholders. The Supervisory Board can convene an Ordinary or Extraordinary General Meeting of Shareholders according to the procedures set out by French law, if the Board deems it necessary and after informing the Manager(s) in writing. Altarea's Supervisory Board plays a significant role in making decisions about the company's investments and commitments, beyond the role this body typically plays in partnerships limited by shares. More specifically, the Supervisory Board must be consulted by Management before any important decisions are made concerning: (i) investments of more than €15 million, (ii) divestments of more than €15 million; (iii) commitments of more than €15 million; and (iv) loans of more than €15 million.

Lastly, the Board reviews the report on corporate social and environmental responsibility and the report on the comparative situation of general employment conditions and employee training. These reports are drawn up by the Managers.

8.2.2. COMPOSITION OF THE SUPERVISORY BOARD

(a) Members

As of the date of this report, the Supervisory Board comprised the following 14 members:

Name or company name	Offices held	Permanent Representative [1]	Term expires in [2]
Mr. Jacques Nicolet	Chairman	-	2013
Mr. Matthieu Taravella	Member	-	2013
Mr. Gautier Taravella	Member	-	2013
Altarea Commerce	Member	No	2013
Alta Patrimoine	Member	No	2013
APG	Member	Mr. Alain Dassas	2013
Crédit Agricole Assurances	Member	Mr. Emeric Servin	2013
Ms. Françoise Debrus	Member	-	2013
Foncière des Régions	Member	Mr. Olivier Estève	2013
JN Holding	Member	Mr. Olivier Dubreuil	2013
Opus Investment	Member	No	2013
Mr. Dominique Rongier	Member	-	2015
ATI	Member	No	2015
Altafi 3	Member	No	2015

Chapter 7 of this registration document lists the age, nationality, professional experience and responsibilities, including international, of members of the Supervisory Board. It also lists the offices they hold or have held in the last five years.

(1) Legal persons that have not appointed a Permanent Representative are represented at meetings either by their legal representative or by a representative specifically designated thereby.
(2) Year of Ordinary Annual Shareholders' Meeting.

On the basis of the resolutions put forward to the Ordinary Shareholders' Meeting convened to approve the financial statements for the financial year ended December 31, 2012, and subject to decisions made by the shareholders, the proposed Supervisory Board is as follows:

Name or company name	Offices held	Permanent Representative	Term expires in
Mr. Jacques Nicolet	Chairman	-	2019
Mr. Matthieu Taravella	Member	-	2019
Mr. Gautier Taravella	Member	-	2019
ATI	Member	No	2015
APG	Member	Mr. Alain Dassas	2019
Crédit Agricole Assurances	Member	Mr. Emeric Servin	2019
Ms. Françoise Debrus	Member	-	2019
Foncière des Régions	Member	Mr. Olivier Estève	2019
Opus Investment [1]	Member	No	2019
Mr. Dominique Rongier	Member	-	2015
Ms. Eliane Fremeaux	Member	-	2019

(b) Gender equality on the Supervisory Board

The Company is currently in compliance with the initial requirements of Law no. 2011-103 of January 17, 2011, with both genders represented on the Supervisory Board.

The Company intends to comply gradually with the future stages of said Law, viz., to ensure that neither gender represents less than 20% of the board members at the first Ordinary Shareholders' Meeting after January 1, 2014, and less than 40% subsequent to the first Ordinary Shareholders' Meeting after January 1, 2017.

A new threshold will be crossed in H1 2013 as a result of the reduction in the number of members on the Supervisory Board and of the appointment of Eliane Fremeaux, put forward to the Company's Ordinary Shareholders' Meeting convened to approve the financial statements for the financial year ended December 31, 2012. The proportion of women on the board will then increase to 18.2%, subject to approval by the shareholders.

(c) Average age

Since the company changed its legal form to a partnership limited by shares, legal entities with a seat on the Board are no longer required to appoint a permanent representative, in contrast with the policies in force for French joint-stock companies (*sociétés anonymes*). Legal entities are represented at Board meetings by their legal representative, by a permanent representative (if they have elected to appoint one), or by any ad hoc corporate officer. It is therefore no longer relevant to calculate and report the average age.

(d) Offices held in other companies

A list of the offices held by Supervisory Board members outside Altarea is provided in the appendix to the management report, to which this report is attached, and in the Company's registration document.

(e) Compensation

Principles

Article 19 of the Articles of Association states that annual compensation may be paid to members of the Supervisory Board only for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Ordinary General Meeting of Shareholders and maintained until otherwise decided. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the company's interest.

Decision by the Annual General Meeting

The Annual General Meeting of May 20, 2009, allocated total compensation of €600,000 to Supervisory Board members in respect of 2009, the same amount as in prior years. This amount, payable in respect of 2009, will remain unchanged for future years until it is modified by an AGM decision.

Payments

At its meeting on March 17, 2008, the Supervisory Board decided that its Chairman would receive gross annual compensation, including social-security contributions, of up to €440,000, mainly in consideration for his duties as Chairman of the Investment Committee, in accordance with the Committee's rules of procedure. For subsequent years, compensation paid to the Chairman will be revised on January 1 of each year and based on changes in the Syntec index, the reference index being the latest known Syntec index on January 1, 2008 and the comparison index being the latest known Syntec index on the revision date, i.e. for the first revision the latest known Syntec index on January 1, 2009. This decision is subject to the approval of sufficient total compensation by the Annual General Meetings. Management proposed that compensation effectively paid to the Chairman of the Supervisory Board be deducted from the fixed compensation to which the latter is entitled in accordance with Article 14 paragraph 1 of the Articles of Association. The Supervisory Board therefore decided to pay its Chairman, subject to obtaining confirmation of the Managers' renunciation. This commitment was confirmed in a letter dated May 26, 2008.

At its meeting of March 7, 2011, the Supervisory Board decided to grant individual members and permanent representatives of legal entities compensation of €1,500 per Board meeting or Board committee meeting, effective January 1, 2011. The Board made this decision in acknowledgement that effective participation in Board work would improve corporate governance.

A detailed breakdown of compensation is provided in an appendix to the management report to which this report is attached.

(f) Independent members

Selection of independence criteria

At its meeting on August 31, 2009, the Supervisory Board unanimously voted, on the Chairman's recommendation, to adopt the independence criteria stated in Articles 8.4 and 8.5 of the AFEP-MEDEF Code of Corporate Governance, namely:

- an independent Board member may not hold any of the following positions in the Company, the parent company or any consolidated entities: employee, corporate officer, close family member of a corporate officer, customer, supplier, investment banker or significant financier, former auditor (within the past five years) or former member of the Board of Directors (within the past twelve years); and
- for representatives of large shareholders (holding more than 10% of the company's voting rights), the Supervisory Board must "regularly review whether the member is independent, and whether there may be any potential conflicts of interest."

These criteria are made public each year by their inclusion in this report.

Application of the independence criteria to Supervisory Board members

The Board annually reviews the status of its members against the independence criteria adopted.

The latest review of the status of Board members was carried out by the Supervisory Board at its meeting of Wednesday, February 27, 2013. On the basis of the independence criteria it had adopted, the Board deemed unreservedly that Dominique RONGIER and Alain DASSAS qualified as independent members. The Board also reviewed the qualifications as independent members of Françoise DEBRUS, given the offices she holds within CRÉDIT AGRICOLE ASSURANCES, and of Olivier ESTÈVE, Representative of FONCIÈRE DES RÉGIONS, insofar as these two companies hold more than 10% of the company's share capital and voting rights. The Supervisory Board found no conflicts of interest in this respect.

Consequently, the following Supervisory Board members who sit on the Audit Committee are deemed to be independent members: Françoise DEBRUS, Alain DASSAS, Olivier ESTÈVE and Dominique RONGIER.

8.2.3. FREQUENCY OF MEETINGS

The Supervisory Board met three times in 2012. Only one member was neither present nor represented at the meetings, and the attendance rate in person or by proxy was 97.62%.

8.2.4. MEETING NOTICES

The Articles of Association stipulate that Supervisory Board members can be called to meetings through a letter sent by regular mail or by any electronic means. The Supervisory Board can meet by any means if all members are present or represented. Supervisory Board meetings can be called by the Board Chairman, at least half of the Board members, or any Manager or General Partner. The Board members must be called at least one week before the meeting date, except under urgent circumstances.

8.2.5. INFORMATION

Under French law, the company's Managers must give Supervisory Board members the same documents as those given to the Statutory Auditors.

8.2.6. MEETING LOCATION – MANAGEMENT ATTENDANCE

Supervisory Board meetings are held at the company's head office, at 8 Avenue Delcassé, 75008 Paris, France.

Managers are invited to Board meetings to answer questions from the Board, so that the Board can perform its role of overseeing the Company's Management on a continual basis. At Board meetings, Managers present the company's financial statements, discuss business developments and present any investment or divestment plans. Managers also answer all questions from Board members, regardless of whether the questions are on the meeting agenda.

However, Managers cannot participate in deliberations or vote on any Board decisions or opinions.

A quorum is reached when at least half of the Supervisory Board members are present. Resolutions are passed by a majority of the Board members present or represented who are allowed to vote. A Board member in attendance can represent no more than one absent Board member and must provide proof of proxy. The Chairman casts the deciding vote in the case of a tie.

8.2.7. RULES OF PROCEDURE

The Supervisory Board does not currently have rules of procedure. Articles 16 and 17 of the Articles of Association describe the organization of meetings and the powers granted to the Supervisory Board. There are detailed rules of procedure for the Audit Committee, the Investment Committee and the Board's special committees.

8.2.8. SPECIAL COMMITTEES

Article 18 of the Articles of Association allows the Supervisory Board to delegate tasks to Special Committees, apart from any powers that French law explicitly assigns to the Supervisory Boards of partnerships limited by shares.

The Supervisory Board has three Special Committees: An Audit Committee, an Investment Committee and a Management Compensation Committee.

The Chairmen of the special committees are all Supervisory Board members, and report on the committees' work at Supervisory Board meetings.

Investment Committee

Members

Investment Committee members are appointed by the Supervisory Board. The Investment Committee currently consists of the following members (pursuant to a Supervisory Board decision on March 7, 2011, amending the Investment Committee's rules of procedure):

- Mr. Jacques NICOLET;
- Mr. Alain DASSAS, representing the APG Fund;
- Mr. Emeric SERVIN, representing CRÉDIT AGRICOLE ASSURANCES;
- Mr. Olivier ESTÈVE, representing FONCIÈRE DES RÉGIONS;
- Mr. Christian de GOURNAY;
- Mr. Eric DUMAS;
- Mr. Philippe MAURO.

The Committee is chaired by Jacques Nicolet. Operations managers interested in the investment opportunities discussed at an Investment Committee meeting also attend the meeting.

Proceedings – Minutes

Investment Committee opinions are adopted by a majority of members present. The Chairman has a double vote, in case of a tie. A report on the opinions is then drafted and signed by Committee members at the same meeting. The company's annual report contains a summary of the resolutions issued by the Investment Committee.

Frequency of meetings

The Investment Committee meets when convened by its Chairman. It can be called at any time in the event of an emergency. Notices of meetings may be delivered by any means (e.g., post, fax, email).

Responsibilities

The Investment Committee advises the Supervisory Board on investment and divestment decisions for amounts of between €15 million and €100 million, under the following conditions:

a) Investment and divestment opportunities for amounts of between €15 million and €50 million are presented to either:

- the Investment Committee directly; or
- the Chairman of the Investment Committee for an initial opinion, especially in urgent situations, which is ratified at the next Investment Committee meeting.

b) Investment and divestment opportunities for amounts of between €50 million and €100 million are presented to the Investment Committee before any final decision is made.

c) For transactions initiated by the Cogedim subsidiary, the €15 million threshold is understood to be:

- before entering into any bilateral sales agreements for real estate of more than €15 million;
- before signing any deeds for real estate of more than €15 million, including pursuant to a unilateral sales agreement; and
- before beginning any construction work if the cost price, including land and after deducting any units that have already been reserved or sold, is more than €15 million.

d) Investments and divestments of:

- less than €15 million do not require a Supervisory Board opinion; and
- more than €100 million must be submitted to the Supervisory Board for approval.

These limits are adjusted annually on the basis of the Syntec index.

e) The disposal of investment property and equity interests in companies owning investment property, within the aforementioned limits.

f) The above limits are calculated as a percentage of the Group's equity interests and exclude tax.

Committee work

The Investment Committee did not meet in 2012 because all investment and divestment opportunities had been reviewed by the plenary Supervisory Board as required by Article 17.6 of the Articles of Association (see 8.2.2.(e) and 8.2.9) or by the Chairman, given the amounts involved.

Audit Committee:

Members

Audit Committee members are appointed by the Supervisory Board based on their knowledge of the Company and experience in the industry. On March 7, 2011, the Supervisory Board decided to update its rules of procedure to take into account changes in its composition and the Poupart-Lafarge report of July 22, 2010, on audit committees.

The Audit Committee currently comprises the following members:

- Ms. Françoise DEBRUS
- Mr. Matthieu TARAVELLA
- Mr. Alain DASSAS
- Mr. Olivier ESTÈVE
- Mr. Dominique RONGIER

Françoise DEBRUS continues to serve as Chairperson of the Audit Committee. She was again appointed by the Supervisory Board because of her experience in the real-estate sector at CRÉDIT AGRICOLE ASSURANCES.

Skills and experience of the Audit Committee members relevant to the Committee's responsibilities:

- Françoise DEBRUS, Chairperson of the Committee and independent member, has worked as head of internal audit and of financial management at Unicredit; head of debt collection and lending in the finance department of Crédit Agricole SA; head of finance and taxation at the Fédération Nationale du Crédit Agricole; chief financial officer at the Caisse Régionale d'Île-de-France; and investment director at Crédit Agricole Assurances.
- Alain DASSAS, independent member, was head of banking relations and financial markets at Renault; finance director at Renault Crédit International; and head of financial operations and financial services at Renault.
- Dominique RONGIER, independent member, was an auditor at Arthur Andersen, chief financial officer of the Brémond–Pierre & Vacances Group, chief financial officer of Brossette SA, and chief financial officer of the holding company Oros Communication.
- Olivier ESTÈVE, independent member, was director of development at Screg Bâtiment. He is on the Management Board of Foncière des Régions Group, where he is in charge of property management.
- Matthieu TARAVELLA was director of development for the Shopping Center Property division of Altarea Cogedim Group. He is currently manager of a company in the IT sector.

Members meeting the criteria set forth in Article L. 823-19 of the French Commercial Code

The Audit Committee currently comprises four independent members. Consequently, the company meets the requirement under French law that an audit committee must have at least one independent member. The company also complies with the recommendation in paragraph 14.1 of the AFEP-MEDEF Code of Corporate Governance for listed companies that two-thirds of an audit committee's members be independent.

Proceedings – Minutes

A quorum is reached when at least half of the Committee members are present. Committee resolutions are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. The Audit Committee decides if minutes of its meetings are necessary, in which case they are drafted by the Chairman, who also submits a report to the Supervisory Board on the annual and half-year financial statements.

Frequency of meetings

The Audit Committee meets when convened by the Chairman, on dates set according to the company's schedule for approving the half-year and full-year financial statements, and may meet at other times of the year if necessary. Notices of meetings may be delivered by any means (e.g., post, fax, email). The Group's financial management distributes the required documentation before the meeting.

During the 2012 financial year, the Committee met twice, to examine the following points:

- On February 2, 2012: questions concerning the Company's internal controls (asset management and capital calls from buyers), treatment of advertising and marketing costs for development projects of the Property Development division, costing-based profitability analysis, and tax audit.
- On March 2, 2012: review and approval of the annual financial statements of December 31, 2011.
- On July 26, 2012: review and approval of interim financial statements for the six months to June 30, 2012 and of risk mapping for RueduCommerce.

Responsibilities

The Audit Committee helps the Supervisory Board in its role of oversight and control of the company. The Audit Committee is responsible for the following:

- Monitoring the preparation of the company's financial information. The Committee reviews this information and verifies that any significant events or material transactions are reflected in the company's financial statements. In the event of a failure in this process, the Committee ascertains that corrective measures have been applied.

- Ensuring that the company's systems for internal controls, internal audits and risk management are working effectively. The Committee's review scope includes risks that are reflected in the financial statements (including information contained in the notes), as well as risks identified by the internal-control systems instituted by Management and that are liable to produce an impact on the financial statements. The Committee may be asked to consider the potential impact on financial and accounting information of a significant unidentified risk that may be brought to its attention or that it may have identified in the performance of its work, and it may decide to monitor the other main risks identified by Management and/or the Corporate Secretary. If the Committee identifies any failures, it ascertains that appropriate action plans have been implemented and follow-up measures taken. The company's internal-control and risk-management systems are based on guidelines drawn up by the AMF and updated on July 22, 2010, to take into account the report of the working group chaired by Olivier Poupart-Lafarge. The Committee familiarizes itself with the Supervisory Board Chairman's report on internal-control and risk-management procedures and, where applicable, formulates observations on matters within its scope.
- Monitoring the statutory audit of the company's individual and consolidated financial statements by the statutory auditors. The Committee reviews the main risks and uncertainties identified by the statutory auditors in the individual and consolidated financial statements, including the half-year financial statements. The Committee also reviews the auditors' approach and any difficulties encountered in performing their mission.
- Ensuring that the company's statutory auditors are independent. The Committee ensures that the budget for statutory auditors' fees is in keeping with their mission and ascertains that the co-audit is effective. Each year the Statutory Auditors provide (i) a statement of independence; (ii) the total amount of fees paid to the Statutory Auditors by companies controlled by the Company (or the company that controls it), in respect of services not related directly to the statutory audit; and (iii) information on services rendered that are related directly to the statutory-audit mission.
- Ensuring that the company's operations comply with all applicable laws and regulations.

The Audit Committee maintains working relationships with the company's executive management, managers, internal controllers, internal auditors and statutory auditors. It may ask the statutory auditors to attend Committee meetings to answer questions about subjects within their competence. The Audit Committee may also ask a company employee to attend a meeting, in order to clarify a specific issue. The Audit Committee recommends to the Supervisory Board all measures it deems useful.

The Audit Committee must be consulted for the following:

- Statutory Auditor appointments. Under Article 17.4 of the Articles of Association, the Supervisory Board is required to submit a list of candidates for appointment as statutory auditors at the Annual General Meeting. The Audit Committee issues a recommendation on the statutory auditors whose nominations the Supervisory Board will submit to the General Meeting on the basis of a tender procedure.
- Any significant changes in accounting methods and principles that may seem likely or necessary.
- Approval of the half-year and full-year financial statements.

The Audit Committee ensures that the company has taken the appropriate measures, including protection of documents, files and systems, to operate as a going concern and to protect the company against fraud and malice.

Management Compensation Committee

On May 20, 2009, the Extraordinary General Meeting voted to create a Management Compensation Committee, and added for this purpose a second paragraph to Article 18 of the Articles of Association concerning the Board's special Committees.

The same Extraordinary General Meeting amended Article 14 of the Articles of Association concerning Management compensation, so that as of January 1, 2013, the Annual General Meeting will set Managers' compensation for successive three-year periods on the basis of a proposal from the General Partners and after consulting the Supervisory Board.

The Supervisory Board, at its meeting of July 26, 2012, voted to create a compensation committee, in accordance with Article 18 of the Articles of Association. On the recommendation of its Chairman, the Supervisory Board voted to grant the committee powers wider than those provided for by the Articles of Association. The committee will participate in determining the compensation not only of management but also of members of the Supervisory Board and of the Group's principal executive managers. Consequently, this committee shall be called the Compensation Committee.

The Supervisory Board unanimously voted for the following to be the first members of the Compensation Committee:

Ms. Françoise DEBRUS
Mr. Dominique RONGIER
Mr. Alain DASSAS
Mr. Dominique RONGIER was appointed Chairman of the Compensation Committee.
Mr. Philippe MAURO, Group Corporate Secretary, was appointed Secretary of the Compensation Committee.

Committee members (Article 18 of the Articles of Association)

The Management Compensation Committee is composed exclusively of members of the Supervisory Board, except for the Group General Secretary, who performs secretarial duties during meetings but cannot vote.

All members of the Management Compensation Committee are independent of company Management.

Responsibilities (Article 18 of the Articles of Association)

The Management Compensation Committee submits proposals for Managers' compensation to the Supervisory Board.

Work

At the meeting of the Supervisory Board on February 27, 2013, the Committee submitted compensation proposals for management. These proposals aided the Supervisory Board to form an opinion on the proposal of the General Partner, in accordance with Article 14 of the Company's Articles of Association.

8.2.9. SUPERVISORY BOARD MEETINGS AND WORK IN 2012

The Altarea Supervisory Board held the following meetings in 2012:

- On March 5, 2012: resignation of FDR 3 from its term as member of the Supervisory Board. Review of the financial statements at December 31, 2011. Proposal of earnings appropriation to the Ordinary Shareholders' Meeting. Authority granted to Managers to effect capital increases or reductions. Preparation of the Supervisory Board's report to the Annual General Meeting. Corporate governance: annual review of the Supervisory Board's functioning and work preparation, review of criteria for independence of members of the Supervisory Board and Special Committees, Chairman's report on internal controls, annual deliberation on the Company's policy for equal opportunity and gender equality, report on social and environmental matters and on sustainable development and diversity. Recommendation to be made to Management for sureties, endorsements, and guarantees granted to the company's subsidiaries. Review of forecast documents.
- On July 26, 2012: review and approval of interim financial statements for the six months to June 30, 2012. Recommendation on financing projects. Recommendation on proposed investments. Constitution of Compensation Committee.
- On December 11, 2012: authorization in the form of a related-party agreement for the signing of the subscription contract for the issuance of perpetual subordinated debt with APG Real Estate Pool. Update on new financing measures.

8.2.10. MINUTES OF THE MEETINGS

The minutes of Supervisory Board meetings are recorded in a special registry and signed by the meeting Chairman and secretary, or by a majority of Board members present.

8.2.11. ASSESSMENT OF THE BOARD'S AND SPECIAL COMMITTEES' WORK

At the meeting of February 27, 2013, the Supervisory Board reviewed its operating practices and work methods. The company believes that the operating practices of the Supervisory Board are appropriate and that no formal assessment procedures are necessary.

8.3. INTERNAL CONTROLS AND RISK MANAGEMENT

In accordance with Article L. 225-37 of the French Commercial Code, the following sections describe the main measures that the Company has taken in **2012** and so far in **2013** to enhance its internal controls.

8.3.1. OBJECTIVES OF INTERNAL CONTROLS AND RISK MANAGEMENT

8.3.1.1. Objectives of internal controls and risk management

The purpose of the internal control system is to ensure:

- compliance with laws and regulations;

- proper observance of instructions issued by Management;

- effective functioning of the company's internal procedures, particularly those intended to protect its assets;

- reliability of the company's financial information.

The internal control system is based on a risk-management system that aims to identify the main risks to be controlled in order to: safeguard the company's value, assets and reputation; shore up its decision-making and other processes to ensure that targets are reached; encourage consistency between actions taken and corporate values; and unite employees around a shared understanding of the major risks.

8.3.1.2. Objective of procedures for preparing accounting and financial Information

The primary objective of the company's procedures for preparing accounting and financial information is to comply with the principles set forth in Article L. 233-21 of the French Commercial Code, which states: "The consolidated financial statements must be truthful and give a fair representation of the assets, financial situation, and results of the company as a whole, comprised of all entities in its scope of consolidation."

In addition, because Altarea is listed on a regulated market within a European Union Member State, it is required to present its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, with the corresponding IFRIC and SIIC interpretations, as adopted by the European Union on July 19, 2002, through Regulation (EC) No. 1606/2002 of the European Parliament and of the Council.

8.3.1.3. Limits inherent to internal control and risk-management systems

One objective of the company's internal controls is to predict and manage the risks from its business operations and the risks of error or fraud, especially in the areas of accounting and finance. However, like any control system, the company's internal controls cannot fully guarantee that such risks will be completely eliminated.

The scope for the application of the Company's internal controls is that of the Altarea Cogedim group, that is the Altarea parent company and all companies that it controls within the meaning of Article L. 233-3-I of the French Commercial Code, except for property development joint ventures that are managed by a commercial partner.

8.3.2. GENERAL ORGANIZATIONAL STRUCTURE OF RISK-MANAGEMENT AND INTERNAL CONTROL PROCEDURES

8.3.2.1. Internal-control environment

Internal control is based on the code of conduct and integrity set out by the governance bodies and disseminated to all employees.

Each new employee receives a copy of Altarea Cogedim Group's Code of Conduct when he or she is hired.

This Code of Conduct outlines Altarea Cogedim Group's values and rules of conduct, which all employees and corporate officers must follow when working for the company. It sets forth clear, specific guidelines to inspire employees in their day-to-day activities and help them deal with issues related to ethics, professional conduct and conflicts of interest in an unambiguous and coherent manner.

In accordance with AMF Guideline No. 2010-07 of November 3, 2010 ("Guide to preventing insider misconduct by executives of listed companies," paragraphs 2.2.2, 2.2.4 and 2.2.5), the Group's Code of Conduct:

- formally states the obligations placed on executives and employees who may have access to inside information;
- calls for the appointment of a compliance officer and defines his or her role;
- defines "closed periods" during which the relevant persons must abstain from trading in Altarea and Altareit shares.

The Code of Conduct also defines the applicable rules for benefits granted to Group employees for purchasing Cogedim housing.

The Code of Conduct may be viewed on the Group intranet site under "the Group".

8.3.2.2. Participants in the internal control system

(a) Management

Company Management is responsible for setting up the Company's internal controls. Management ensures that the company has the internal control procedures and measures in place to manage the risks related to its business operations.

In the performance of its responsibilities, Management has also implemented an Executive Committee, which is composed of the heads of each Group business line (retail, residential, offices), a Strategy Committee and Executive Management Committees. These committees are not directly involved in the general organization of internal controls; however, they may express their views on topics pertaining to Group internal controls, as was the case for risk mapping.

(b) Supervisory Board

The Supervisory Board plays a significant role in the company's internal control system as part of its general duties of ongoing oversight of Company management (see paragraph 8.2, Preparation and organization of the Board's work).

(c) Audit Committee

The Audit Committee helps the Supervisory Board in its role of oversight and control of the company. The Audit Committee's duties and responsibilities are described in this report in paragraph 8.2.8. Special Committees.

(d) Corporate Secretary

Internal control procedures are coordinated by the Corporate Secretary, who reports to Management. These controls are performed mainly within the various subsidiaries. The Corporate Secretary is also responsible for coordinating coverage of insurable risks and underwriting insurance policies at the Group level.

In the office of the Corporate Secretary, the internal control function is handled by one full-time employee (internal-control officer) and three employees who carry out internal-control assignments on a part-time basis (the Corporate Secretary, a legal officer and an executive assistant), representing approximately two full-time-equivalent employees. An annual budget of €150,000 (excluding personnel costs) is allocated to this function and is used primarily to commission outside firms for internal-audit or control missions.

The Corporate Secretary's main responsibilities are to:
- ensure that the Supervisory Board committees (Audit Committee and Investment Committee) follow rules of procedure and operating practices;
- identify the operating committees of Altarea and its subsidiaries;
- identify and assist the business lines in identifying risks related to:
  - the business operations of Altarea's subsidiaries in France and other countries;
  - Altarea's status as a listed company;
- draw up general and specific procedures (corporate officers, powers, etc.) or assist the business lines in doing so;
- review the rules applying to the company's operating commitments, and compile existing procedures and standardize them if needed;
- carry out all checks for compliance with internal control procedures.

The Corporate Secretary also works with some of the subsidiaries, mainly Cogedim, with the person in charge of risk control and commitments relating to property-development transactions, and Altarea France, with the Property Legal Department.

(e) Company employees

Each employee of the Altarea Cogedim Group is responsible for submitting recommendations on updating the internal control system. Operations managers are responsible for ascertaining that processes are adequate for accomplishing their assigned objectives.

(f) External consultants

The Group hires specialized firms to perform audits and provide advice or assistance.

In 2012, Accuracy, Soparex and PwC provided support to Altarea Cogedim teams on issues relating to risk management, internal controls and internal audits.

8.3.2.3. Components of internal controls and risk management

The internal control system consists of five closely related components.

(a) Organization

Altarea Cogedim Group's internal control system is based on:

- an organizational structure comprising three business lines and an administrative division, with a system of powers and delegation of powers;
- a definition of the duties and responsibilities of the governance bodies (see paragraph 8.2. Preparation and organization of the Board's work);
- information systems (see paragraph 8.3.3.2. Risks related to the preparation of financial and accounting information (d) for a description of the main business and financial information systems) and procedures and operating methods specific to the activities and goals of each of the Group's business lines;
- a human resources and skills-management system, based on a shared approach revolving around annual interviews.

(b) Dissemination of information

The Group has tools for disseminating information within the Group, including intranet, procedural notes, instructions and reporting timetables.

(c) Risk-management system

The Group's main risks are regularly presented in detail to the Audit Committee. In addition, after the consolidation of RueduCommerce, a risk-mapping process specific to the company and its activity was established in June 2012. The results of this risk-mapping process were presented to the Audit Committee at its meeting on July 26, 2012. Subsequently, the Group's French structure of consolidated operations, including the Group's online retail business, was formally documented and updated at the end of 2012. The description and assessment of identified risks were recently presented in detail to the Audit Committee at its meeting on January 31, 2013.

The internal-control unit, which falls under the Corporate Secretary's responsibility, has utilized the analysis of risks identified through risk mapping, as falls within the scope of internal controls, for the preparation of its 2013–2014 action plan. Other sources, such as reports of external auditors and summaries of internal-control review work, are analyzed and taken into consideration in defining actions to be taken.

(d) Proportionate control activities

The procedures and controls instituted to cover the Altarea Cogedim Group's main risks are described in paragraph 8.3.3. Risks Covered.

8.3.3. RISKS COVERED

The main risks covered are the following:

- risks inherent to Altarea Cogedim's activities (risks related to trends in the property market and to the business climate, risks associated with development operations, risks related to its assets and real estate business, risks associated with stocks and their management, risks related to internet failure or failure of the RueduCommerce platform, viruses and hacking);
- risks related to the preparation of financial and accounting information;
- legal, regulatory, tax and insurance risks;
- social and environmental risks;
- risks related to Altarea Cogedim's financing policy and financial capacity;
- other risks.

8.3.3.1. Risks inherent in the operations of Altarea Cogedim

(a) Risks related to trends in the property market and to the business climate

The Altarea Cogedim Group's positions in various segments of the real-estate market (shopping centers, residential property, office property) and now in the e-commerce market, whose business cycles are independent of those of property markets, allow the Group to optimize its risk/return exposure. Moreover, management and executive management closely monitor trends in these markets and the economy; the strategy and policies that they implement are designed to anticipate and mitigate those risks.

(b) Property development risks

1 – SHOPPING-CENTER DEVELOPMENT

(i) France

These risks are controlled by the Investment Committee, a Special Committee of the Supervisory Board (see section 8.2.8.) and by the following special committees:

- Development, Operations and Planning Committee: This committee works with the subsidiary's management to set operating targets for property-development projects, oversee construction work, approve initial budgets and make any revisions thereto. One meeting per month is chaired by Group Management and addresses the most strategic projects.
- Coordination and Sales Committee: This committee helps Management set sales targets for each project. Pre-letting mitigates marketing risk.

- Executive Committee of Altarea France: This committee meets monthly. It comprises the members of the Management Board of Altarea France and the subsidiary's key operating managers. It addresses all issues relating to the subsidiary (development, operations, letting, valuations).

The Research Department coordinates economic and competitive analyses of the portfolio and provides operational guidance to Altarea France staff on commercial and business trends in the sector so as to adjust the products developed to meet market needs.

Property-development risks are also monitored through a number of procedures and reports:
- Investment reviews: operating and finance managers track approved investments monthly through a system of checks and approvals for each business. Altarea France's Executive Management then approves expenditures on the basis of previous controls.
- Since 2009, a quarterly report has been drawn up for each project under development or in progress, showing commitments and expenditures to date and the balance to be invested.
- Procedures for approving operating budgets on a half-yearly basis: procedures for reconciling invoices for work with the accounting department and for determining financial expenses on the basis of market conditions. Review of schedules. This procedure, which became fully operational in 2010, includes the closing of budgets and timetables for ongoing projects by the subsidiary's Executive Management.

Applications for government authorizations (building permits, departmental committee on retail development) are subject to preliminary review by a specialized law firm.

(ii) Italy and Spain

New investments in Italy and Spain are reviewed by the Group Investment Committee.
- Various committees (property development, construction, management/resale and finance) have been formed **in Italy**. The Finance Committee meets monthly and the other committees meet every two weeks with a set agenda; minutes are drafted after each meeting. In 2011, a model for organizational structure, management, and control in Italy was adopted and implemented in accordance with Italian decree 231/2001. This model provides for the establishment of an oversight unit, composed of a lawyer and a certified public accountant, to monitor the model's enforcement and relevance.
- **In Spain**, new property developments have been discontinued.

In addition, Altarea Managers hold monthly meetings with the subsidiaries' Management teams; minutes are not necessarily drafted for each of these meetings.

2 – RESIDENTIAL-PROPERTY DEVELOPMENT

The main risks related to property-development transactions concern Cogedim's property-development business, for which the processes implemented are detailed below.

In residential property, a guide to best practices compiles the practices applicable during the key stages of a residential-property-construction program. The purpose of this guide is to define the role of all Cogedim Résidence and Cogedim en Régions staff involved in residential property, to improve and standardize practices and to facilitate interaction with partner functions. The guide, updated in 2012, is available on the intranet and is distributed to all relevant staff members.

The following systems aim to cover the risks relating to property-development transactions:

(i) Cogedim Commitment Committee: Cogedim's Commitment Committee reviews all property-development projects that constitute a commitment for the Company, at all key stages: the closing of a sales agreement for land, the launching of a marketing campaign, the purchase of land, and the beginning of construction. In parallel with the opportunity and advantages of carrying out the development project, objective data are also validated at each stage, including the margin, percentage of pre-sales (currently 50%), and validation of the cost of works. The Commitment Committee is composed of members of the Management Board, the Chief Financial Officer, the Sales Manager, the Contracts Manager and the Commitments Manager.

In addition to the procedures of the Commitment Committees, and with the help of subsidiaries' financial controllers, the Commitments Manager is involved in all issues concerning the company that do not fall directly within the remit of the Commitment Committee, and can obtain disclosure on any proposed agreements, sales agreements or specific contracts. The Commitment Manager is also kept informed of changes in major development projects and the risks they may present in terms of, for example, the amounts involved or the legal arrangements. The Commitment Manager works with the Group's Corporate Secretary with regard to internal-control issues.

(ii) Cogedim Contracts Department: as soon as the sales agreement for the land has been signed, this department approves the construction costs used in budget forecasts for development projects. Costs are updated as the product is defined. The Contracts Department is also responsible for assessing companies prior to the finalization of construction contracts. Contractors are selected through a bidding procedure on the basis of the project specifications. The winning bidder is selected after a comparative analysis of the bids received.

(iii) Sales and marketing procedures: Cogedim has its own marketing tool in the form of a dedicated subsidiary, Cogedim Vente. This structure is responsible for sales and marketing, as well as sales administration. The sales and marketing strategy for each development project is defined by the project manager, project leader, sales director and product manager for Cogedim Vente. Cogedim Vente also provides research and opinions for the evaluation of local markets and prices, thereby allowing project managers to incorporate those values in their budget forecasts. Budget-monitoring information for each project is entered into the IT system in real time in the form of marketing data (reservations and sales), enabling project managers to monitor the progress of the developments for which they are responsible.

In addition, a weekly sales summary shows sales for the week and the monthly total.

(iv) Reports and periodic operating-budget reviews: various reports (reservations and consolidated deeds of sale, portfolio of projects under contract, tracking of projects under development) are sent to the Cogedim General Management Committee, the Corporate Finance Department, the Chairman of the Supervisory Board and Altarea's Management.

Furthermore, as part of the budget process, all operating budgets are updated at least three times per year (reconciliation with the accounting department, marketing and follow-up on operational work, tracking of timetables, etc.).

(v) Building-permit applications: for large projects or projects presenting specific difficulties, building-permit applications are submitted to a specialized law firm, which participates in drafting the application or reviews the completed application.

(vi) Insolvency risk of buyers: In Residential property, Cogedim does not deliver the keys to the dwelling before the buyer has paid the balance of the sale price. The company also holds a seller's lien on the property. However, in order to avoid longer payment times, before signing the final contract of sale, buyers' loan applications are reviewed to verify that approval of their financing has been obtained or that it is under way. In addition, monthly reports on arrears are sent to the operations departments.

3 – OFFICE-PROPERTY DEVELOPMENT

The systems designed to hedge the risks relating to the property-development transactions described above (see § 2, Residential-property development) are also applicable to office-property development.

(c) Risks related to the company's businesses and assets

(i) France

Risks relating to the company's assets and to its operations as a property-investment company are covered by the following procedures:

- The Property Portfolio Committee helps Management set asset-management targets for each property. This committee draws primarily from the work of the Asset-Management Department comprising five senior executives reporting to the Chief Executive Officer of Altarea France. The asset managers represent (with the portfolio teams) owners at general meetings of co-owners, participate in various internal committees, carry out arbitrage transactions, participate in the property-acquisition process, coordinate any operating and financial reporting for third parties, and measure the financial performance of assets.

Acquisitions of operating assets are subject to due-diligence procedures carried out with the help of external consultants, to mitigate risks relating to the valuation and inclusion of these shopping centers in the portfolio.

The Commercial Coordination Committee monitors all re-marketing actions on a monthly basis in order to determine terms for renewing lease agreements for the company's properties.

In addition, Altarea France's Executive Management Committee meets monthly to address matters related to shopping centers under operation.

- Property-portfolio reports: Property-portfolio managers regularly provide the Group Finance Department with financial statements and reports, including forecasts of rental income and non-collectable expenses, data on property vacancies, and changes in headline rents, billed rents and gross rents. Half-yearly property-portfolio reports are also submitted to provide a comprehensive view of business at the company's shopping centers.
- Risk of tenant insolvency: In the property-investment business, in order to anticipate tenant- and buyer-insolvency risk as effectively as possible, the Portfolio Management Department produces systematic reports on payments that are 30, 60 or 90 days in arrears, and holds monthly meetings to review collections. Once a month, a rent-abatement committee reviews solutions for tenants experiencing financial difficulty.
  The creation of a legal-dispute unit in Altaix in 2012 simplifies management of tenants in legal proceedings and is used to compile a database for use by both the Portfolio Management and Legal Departments in the rent billing system.
- Insurance of property assets in operation (see paragraph 8.3.3.3. (d) Risks related to the cost and availability of insurance coverage - 2 "Summary of insurance coverage").
- Safety of shopping centers in operation: Technical and safety checks and inspections carried out by inspection agencies and safety commissions are diligently scheduled and tracked.
  Throughout 2010, the follow-up procedure for safety-commission recommendations in Altarea France was enhanced by a systematic review of reports by the Engineering and Safety Department, with reporting of information upstream commensurate with the qualifications mentioned in the reports.
- Electronic Data Management (EDM): All of the company's original paper documents, such as lease contracts, administrative authorizations and various agreements, have been scanned and the files are stored externally. All of the original documents generated by the company are now secure.

(ii) Italy and Spain

In Italy: The operations of all shopping centers in operation are reviewed by the Management and re-marketing committees.

Monthly Management reports on these centers are drawn up and sent to the Executive Management of the subsidiary and to Group Management.

In Spain: Altarea España owns a shopping center that it manages for the portfolio. Monthly Management reports on this shopping centre are sent to the subsidiary's management and to the Group's Board of Managers.

(iii) Changes in property assets

Methods used for asset valuation:

In accordance with IAS 40, Altarea has opted for the fair value model and measures its investment property at fair value whenever this can be determined reliably.

- Investment property in operation is systematically measured at fair value, on the basis of independent appraisals.

At December 31, 2012, the entire portfolio of properties in operation underwent an external appraisal[1].

- Investment property under development and construction is measured either at cost or at fair value, in accordance with the following rules:
  - property under development before land is purchased and land not yet developed are measured at cost;
  - property under construction is measured at fair value if most of the uncertainties affecting the determination of fair value have been removed or if the project-completion date is in the near future.

Selection of appraisers and form of appraisal work

Shopping centers in operation are appraised two times per year.

In 2012, the following firms were selected as appraisers after a call for tenders:

- DTZ Eurexi and RCG for appraisal of shopping centers and office properties in France;
- DTZ Eurexi for appraisal of hotels or business franchises.

Retail Valuation Italia was selected in 2011 to appraise assets in Italy, and DTZ Iberica was chosen to appraise assets in Spain.

A signed and dated report is provided for each appraised property. The experts use two methods[2]: discounted cash flow method and capitalization of net income. They comply with French and UK standards applicable to property appraisals.

(d) Risks related to inventory and its management

As part of RueduCommerce's direct sales business, the risks related to inventory (destruction, theft, deterioration) are covered by the following systems:

- adoption of an active approach to detecting, preventing, and treating this risk with, among other measures, the implementation of an insurance policy covering the maximum value of inventory;
- RueduCommerce has taken (directly or through a third party) measures at its logistics sites in order to minimize risk: warehouses have volumetric alarm systems, access (pedestrians and motor vehicles) is restricted, and a security guard is on duty at all times. However, once the goods leave the warehouse, they become the responsibility of the carrier, either through standard shipping insurance or complementary *ad valorem* insurance. The shipping company pays the company for any product damage or theft during transport.

The risk related to supply management (risk of excessive dependency on a single supplier, risk of suppliers' not adhering to regulations, payment risk in advance of orders, risk of obsolescence of goods in inventory) is covered as follows:

- RueduCommerce works regularly with more than 300 suppliers (wholesalers, manufacturers, importers); the largest are global wholesalers, but none represents more than 10% of purchases.
- As part of its process for choosing new suppliers, RueduCommerce endeavors to obtain from suppliers their assurance that they practice their profession in compliance with applicable regulations.
- When certain goods are in short supply, particularly imports from Asia, all or part of the payment may be due at the time the order is made, with no guarantee that the goods will be delivered. The company has never suffered a loss as a result of this situation. Nevertheless, it makes every effort to keep advance payments (which already represent only a fraction of its purchases) to a minimum, mainly by negotiating payment terms with its suppliers. This is made possible by the company's growing reputation and financial strength.

(e) Risks related to failure of the internet or the RueduCommerce database, to viruses, and to hacking

The RueduCommerce information systems, which simultaneously ensure the company's revenue, logistics-management tool, and internal-audit system, must always be available and secure. Therefore, the company works closely with its web-hosting support staff to minimize the risk of a platform breakdown. Measures taken include multiple network-access points, regular backups, and specific backup systems.

(1) See the paragraph "Accounting principles and methods" in the "Notes to the consolidated financial statements" (section 3.7 of the registration document) for more information on asset-valuation methods; see paragraph 8.3 of the "Notes to the consolidated financial statements" (section 3.7 of the registration document) for an analysis of investment property on the balance sheet at 12.31.2012.

(2) For further information on the methods used by the appraisers, see paragraph 1.9, Accounting principles and methods - Investment property, of the "Notes to the consolidated financial statements" (section 3.7 of the registration document).

In order to prevent hacking, the IT department has always implemented protective systems (firewalls, antivirus and antispam software) that are regularly tested and updated.

Hacking refers particularly to unauthorized attempts to access information or systems, to intentionally cause failures, and to provoke the loss or damage of data, software, equipment, and other IT equipment.

Hacking includes attempts at accessing and substituting credit-card numbers or other personal data of RueduCommerce customers. The company could be held liable for such actions. To avoid this, financial transactions via internet are subcontracted to a specialized company with a solid reputation for IT security. RueduCommerce never has access to or possession of its customers' credit-card numbers, thereby eliminating all related risks.

8.3.3.2. Risks related to the preparation of financial and accounting information

(a) Finance committees

The Group Finance Committee meets twice monthly. The agenda of the meeting is set by the Chief Financial Officer. At the meeting, accounting, tax and financial issues are presented to the Executive Management. At these committee meetings, Executive Management defines and sets the financial targets of Altarea Cogedim Group.

The largest subsidiaries, including Cogedim and Altarea France, also have special finance committees that meet monthly.

(b) Accounting and financial organization and principal internal-control procedures

1. ACCOUNTING AND FINANCIAL ORGANIZATION

The accounting and financial staff is structured by division (Group holding, Shopping Center Investment Division France, Italy and Spain and Property Development division) so that controls can be carried out at each level.

Within the Property Investment, Property Development and E-Commerce divisions, the main accounting and financial functions are organized with:
- individual company accounts maintained directly by Group employees in each operating subsidiary;
- management controllers in each operating subsidiary.

The Property Development and Property Investment Divisions for Italy have their own consolidation departments.

The Group holding's Corporate Finance Department has access to a Consolidation and Budget Department, which is responsible for the quality and reliability of the preparation of all published or statutory accounting information: consolidated financial statements (IFRS), individual company accounts (French GAAP) and company forecasts (Act of 1984). This department is in charge of coordinating relations with the Statutory Auditors for the entire Group.

At each half-year closing date, the Corporate Finance Department draws up a review of operations that is consistent with the accounting information.

2. PRINCIPAL INTERNAL-CONTROL PROCEDURES

The principal internal-control procedures applied in the preparation of accounting and financial information are the following:
- Formally documented budget tracking and planning process, performed twice a year (in April-May and October-November) with a comparison of actual and budgeted data approved by business-line and Group managers. This process facilitates the preparation and control of half-year and year-end account closings for the Group. The budget is presented and provided to the statutory auditors before each period-end.
- A vertical procedure for data reporting from various operating departments upstream (period-end timetables and instructions, quarterly meetings, tracking charts for information sharing), with audits carried out by the operating management controllers (by business for the Property Investment Division and by region for the Property Development Division) before the information is sent to the Corporate Finance Department; and cross-functional control procedures (consistency checks and reconciliations of operating management/accounting and budgeted/actual figures, intercompany reconciliations, etc.).
- Analysis of material events: Events likely to have a material effect on the financial statements (acquisitions, restructuring, etc.) are modeled with financial software and described in notes written by the Corporate Finance Department or by the business lines. The accountancy applied to complex transactions (heavily structured transactions, complex financing transactions, tax impact on transactions) is systematically presented to the statutory auditors before the financial statements are prepared. These items are then used to document the notes to the consolidated or individual-company financial statements.
- Reporting, key-indicator monitoring and quarterly financial statements:
  - unaudited interim statements (March 31 and September 30, except for RueduCommerce in 2012 because of its annual closing date), provide analyses of key indicators (revenue and net debt);
  - periodic reporting by the operating subsidiaries to management and department heads in the Property Investment division (half-year Property Portfolio report, monthly report on shopping center operations, etc.), in the Online Retail division (monthly reporting and daily tracking tables, weekly or monthly monitoring of various RueduCommerce segments, e.g., the distribution business and *Galerie Marchande* activity), and in property development for third parties (monthly division report, monthly tracking tables of key business indicators for the subsidiaries).

- Documentation of the period-end closing process:
  - Property Investment division: a matrix formally documenting the overall internal-control procedures applying to the period-end closing process; summary files for each company, divided by function (purchases, sales, cash flow, capital, etc.) and designed to document economic, legal and financial transactions; formal documentation of claims and legal disputes;
  - Property Development division for third parties: continually updated guidelines for consolidation and accounting procedures; formal documentation of claims and legal disputes;
  - E-Commerce division: existence of internal processes guidelines for main critical processes.
  - Holding company: Group accounting chart with glossary and table for transition between local and Group accounting; accounting templates for the most common transactions (operating leases, percentage-of-completion payments, etc.); electronic file documenting the consolidated financial statements classified by line items; notes to the financial statements, including taxes and off-balance-sheet commitments.
- Audit of the accounts of the French and foreign subsidiaries by means of contractual or statutory audits.

(c) Continual enhancements of internal-control procedures

The Group's listing on Euronext prompted Management to continue to introduce operating guidelines and to further strengthen the company's internal-control procedures.

The year 2012 saw the completion of the combined software for the preparation of consolidated financial statements for all Group business lines, as determined by the Executive Management.

In the Property Development division, the Primpromo business software was upgraded to an updated version. This migration optimizes information exchange among the various segment software programs and integrates new control points.

(d) Information systems

The preparation of accounting and financial information is based on business- and financial-information systems. Manual and automatic controls are carried out to secure the flow and processing of data output by those systems.

(I) RENTAL-PROPERTY SOFTWARE

In 2007, the company's French and Italian operations adopted Altaix software for rental-property management; Spain followed in 2011. The company's accounting data has been automatically transferred from Altaix to SAGE since 2008. Inputs of supplier invoices and monitoring of commitments made by shopping centers have been automatically passed on to the centralized rental management system via Altaix. In 2009, the software was upgraded to Version 5, and a function was added that tracks revenue reported by retailers. In 2010, the interface and reconciliation process between Altaix and SAGE Ligne 1000 accounting software was further automated. The OPI module was installed in Altaix for new development operations, thereby facilitating reconciliation of budget and actual figures.

(II) PRIMPROMO PROPERTY-TRANSACTION SOFTWARE

The Property Development Division uses software that enables it to monitor its property transactions efficiently through each step of the development and sales process. With real-time integration of sales data and daily updates of accounting information and cash-flow positions, this business software, which was brought up to the new standard in 2012, provides budget monitoring and management for transactions of the Property Development division.

Software updates and developments are tracked by a special committee comprising the financial controllers and the division's IT-systems managers.

(III) CORPORATE ACCOUNTING SOFTWARE

The Property Investment division uses Sage Ligne 1000 accounting software. The Accounting Department performs numerous controls (cut-offs, rent abatements, doubtful accounts, etc.). The Consolidation Department performs the SAGE/SAP BFC reconciliation (net profit, comprehensiveness of consolidated data, etc.).

The Property Development division uses Comptarel corporate accounting software, which for property transactions incorporates data generated by the Primpromo business software. A new version of Primpromo was installed at the end of 2012, improving the monitoring of commitments in Primpromo and automating in Comptarel the accounting data generated by Primpromo for all property transactions. Data in the two systems are regularly reconciled. For the Property Development division's contribution to Group consolidated financial statements, Comptarel data are transferred to SAP BFC account-consolidation software through a shared Group-wide procedure. Because of the incorporation of these data, controls are performed on a quarterly basis by means of reconciliation of the Primpromo data (project budgets, cumulative sales) and budget data (net income).

The Online Retail division uses Sage Ligne Intégrale 1000 software for its cash management, mainly for purchases (goods and general and administrative expenses), salaries, and banking transactions. Customer billing and receipts are performed automatically by the cash-management system and then imported via interface to the accounting system. Numerous controls are performed by the accounting department (thoroughness of integrated data, review of age of receivables, etc.).

(IV) ACCOUNT-CONSOLIDATION SOFTWARE

Since December 31, 2012, all Group business divisions (brick-and-mortar retail, online retail, residential and office development) use SAP BFC (Business Financial Consolidation) account-consolidation software. This software compiles global, multi-activity accounting data into a single database, allowing for a more reliable integration of Group accounting systems and a lower risk of material errors. SAP BFC can be upgraded for compliance with new regulations. Previously, each operating segment had its own system for account consolidation.

In addition, the SAP DM (Disclosure Management) software package has been installed, providing secure disclosure management via SAP BFC of quantitative data and notes to the consolidated financial statements. Installation of this software package in Group subsidiaries is under way.

(V) SOFTWARE FOR FINANCIAL PLANNING AND BUDGET REPORTING

SAP BPC software for financial planning and budget reporting has been used by the entire Altarea Group since 2008. This software uses operating data from business systems to generate consolidated-budget data. Estimated consolidated information is compared with actual figures. Any material differences are justified.

(VI) CASH-MANAGEMENT SOFTWARE

Since 2012, after unification at the Group level of information systems for accounting and cash management, all divisions (real estate, development, and online retail) have used Sage 1000 cash-management software. Combining systems at Group level brings payment instrument management into compliance with SEPA standards and facilitates further automation of interfaces between accounting, division and cash management applications. The cash-management unit reconciles bank balances and analyzes the changes in cash balance for all divisions on a daily basis.

Data generated by the cash-management software is interfaced automatically with corporate accounting software.

Since 2010, IT-system data security has been reinforced, with passwords brought into compliance with customary standards. In addition, user-management procedures have been drawn up for the Primpromo and Altaix business applications and for the main financial applications.

8.3.3.3. Legal, regulatory, tax and insurance risks

(a) Legal and regulatory risks

Because of the nature of their businesses, entities of Altarea Cogedim Group are subject to risks related to regulatory changes.

1. ALTAREA FRANCE, ALTAREA ITALIA AND ALTAREA ESPAÑA

The legal departments of Altarea and its subsidiaries ensure compliance with all applicable regulations and possession of all permits required for doing business. The regulations concern mainly urban planning (business licenses, building permits, etc.), construction and commercial leases. Spain uses an outside law firm. The Corporate Secretary of the Altarea Cogedim Group coordinates the legal departments of the subsidiaries.

2. COGEDIM

Cogedim's operating managers use specialized outside law firms on a regular basis. In addition, Cogedim occasionally asks for assistance from Altarea's Property Legal Department, particularly for complicated deals.

3. RUEDUCOMMERCE

RueduCommerce needs no authorization prior to operating. Nonetheless it is bound to all legal and regulatory provisions applicable to online activities and retail. These regulations concern mainly the Freedom of Information Act (in collaboration with the CNIL), the respect of guidelines of the E-Commerce Directive, the provisions of the Chatel law, applicable since June 2008 (Article L. 121-20-3 of the Consumer Code), and relations with supervisory bodies. RueduCommerce is in continual contact with the local office of the General Directorate for Fair Trade, Consumer Affairs, and Fraud Control (DGCCRF) to provide timely responses to requests and to improve customer service on an ongoing basis. RueduCommerce uses consultants to assist it with these various tasks.

4. GROUP CORPORATE LEGAL DEPARTMENT

The Chief Financial Officer oversees the Corporate Legal Department, which ensures that Altarea and its main subsidiaries comply with workplace legislation and that the company and its two subsidiaries Altareit and RueduCommerce comply with the requirements for listed companies.

The legal secretary functions of the subsidiaries of Foncière Altarea, Alta Développement Italie, Alta Développement Espagne and the main subsidiaries of Cogedim are coordinated by the Group Corporate Legal Department. Foreign entities, operating companies of the Property Investment Division and Cogedim companies in charge of development projects are monitored by outside firms or by the employees themselves, depending on the regional subsidiary.

Visual Scope, a management software package for holding companies and subsidiaries, was installed in 2009 for the management of all participating interests and mandates of Altarea Cogedim Group. This centralized system automatically defines legal and tax parameters and verifies compliance with applicable regulations. It has been deployed in France, Italy and Spain under the responsibility of the Group Corporate Legal Department.

5. HOGUET LAW

Altarea France, Cogedim Vente and Cogedim Gestion have licenses for property transactions and property management, and are eligible for the guarantees provided by French law.

(b) Litigation risk

Litigation matters arising in the course of the Group's business operations are monitored by Altarea's Legal Departments, operating managers and law firms, in accordance with paragraph (a) relating to legal and regulatory risks. Status reports on legal disputes are updated at period-end, with provisions recognized where necessary.

(c) Tax risks related to SIIC status

The requirements for SIIC status in terms of control, voting rights and dividend distribution are set out in Altarea's Articles of Association[1].

Monitoring and oversight of the proportion of property-related operating and management operations in the Group are centralized by the Corporate Finance Department.

(d) Risks related to the cost and availability of insurance coverage

Altarea believes that the type and amount of insurance coverage it and its subsidiaries have is consistent with the practices in its industries.

1. GENERAL POLICY FOR INSURANCE COVERAGE

The Group's insurance-coverage policy aims to protect corporate and employee assets. The Corporate Secretary, reporting to management, has the following key missions:

- the coordination of insurance programs for the French Group structure of consolidated operations, in collaboration with local teams and insurance brokers;
- the identification and measurement of insurable risks;
- the monitoring and implementation of insurance coverage;
- the coordination of actions with Group insurance brokers, although claims management remains the responsibility of each business segment.

The Group relies on the assistance of brokers specialized in risk management specific to each activity. It works only with reputable insurance companies.

Concerning foreign subsidiaries under Group control and management, when a subsidiary cannot be included in Group policies, it is insured locally and is responsible for monitoring its insurance coverage.

2. SUMMARY OF INSURANCE COVERAGE

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Group for 2012. These policies were valid at the time this report was published. However, these policies should not be considered as permanent, because of evolving risks and activities to be covered, loss history, and Group decisions to adjust its coverage. The Group considers that these guarantees take into account the nature of the risks incurred by Altarea and its subsidiaries, and that they are proportionate to the capacity of current offers on the insurance market for corporate structures of similar size and activities.

For 2012, the total budget for the Group's principal insurance coverage (excluding Italy, Spain, and social welfare) is estimated at approximately €12.5 million, mainly for insurance of property under construction.

- **Operating assets:** for all operating assets, the Group is insured under "all risks except" policies written by AXA: property-damage and liability policies. The damages portion covers the reinstatement value of buildings and operating losses over a period of three years. For the Cap 3000 shopping center, specific policies were taken out in 2011 (AXA and TOKIO MARINE), including partial additional coverage for market value.
- **Property under construction:** Altarea has "construction damages" and "all worksite risks" insurance policies with AXA and GAN for property under construction. The Group has a single master policy for "construction damages" and "all worksite risks" for construction projects whose cost is below a defined amount.
- **Land and buildings purchased before construction work is completed:** the Group has an insurance policy from AXA for non-owner-occupied property, in two parts: property damage and liability.
- **Professional liability:** the Group and its subsidiaries, including Cogedim and RueduCommerce, have professional-liability insurance policies with several insurers, including Generali, Allianz, and CGAIM.
- **Other insurance:** several other insurance policies cover various rented office properties (comprehensive), automotive fleets, information-technology equipment (comprehensive), ten-year constructor liability, and operating losses of RueduCommerce. In addition, in Q2 2012 the Group took out a policy with AXA called "liability of senior executives and corporate officers," in replacement of a previous policy supplied by CHUBB.

8.3.3.4. Social and environmental risks

(a) Health and public-safety risks (asbestos, legionella, classified facilities, etc.)

To mitigate these risks, Altarea Cogedim closely follows all applicable public-health and safety regulations and takes a preventive approach to carrying out property inspections and any building work needed for compliance.

(1) See paragraph 6.8.2, "Legal, regulatory, tax and insurance risks", under Risk factors.

(b) Employee-related and environmental risks

EMPLOYEE-RELATED RISKS

Altarea Cogedim has developed an active training policy through targeted actions for business skills. These courses account for 38% of the total number of training hours. A transversal Group training platform facilitates sharing of experience. In 2012, training efforts focused on business software, new technology, negotiation, and management. Communication was improved and diversified through a magazine, committees comprising the Group's key executives, and the creation of an intranet for RueduCommerce, modeled on the Group's intranet.

Employee-management dialogue is maintained and formally documented by employee-representative bodies, which play a vital role in transmitting and exchanging information.

The Group has a longstanding policy of employee participation through stock grants and profit sharing.

In 2012, the Group was able to meet its significant recruitment needs through the diversification of its hiring sources and techniques, and by actively promoting internal mobility (more than 71 transfers were recorded in 2012). Two hundred and ten permanent hires were made, of which 59% were for RueduCommerce. Individual guidance is provided for managers and key profiles. The 132 promotions granted in 2012 show the importance given by the Group to equal opportunity for all.

ENVIRONMENTAL RISKS

- As detailed in the CSR section of the annual report and registration document, the Group complies with the new RT 2012 thermal regulations, applicable since January 1, 2013, for residential, office, and hotel properties. In addition, the Group has raised its standards for office properties and undertakes to reduce energy consumption of new projects by 10%.
- An energy-consumption and environmental analysis was carried out for nearly all shopping centers owned and managed by Altarea or its subsidiaries.

The Group also introduced green leases for new tenants and renewals, thereby procuring contractual means for obtaining environmental information on retailers' private-use areas, for which data is not regularly accessible.

By combining these two approaches, the Group can take measures to optimize and lower energy consumption and greenhouse gases, in anticipation of energy and environmental requirements to be announced when the next decree on existing buildings is published. The Group's overall progress-based approach is detailed in the CSR section of the registration document.

8.3.3.5. Risks related to Altarea Cogedim's financing policy and financial capacity

(a) Liquidity risk – Borrowing capacity – Compliance with bank covenants

Altarea finances some of its investments through fixed- or floating-rate loans and through the capital markets. As part of its financing process, the Group must provide guarantees to financial institutions. Altarea manages liquidity risk by keeping track of debt maturities and credit lines and by diversifying its financing sources. The budget process for cash management and projected cash-flow analysis provides a way to anticipate and hedge such risks.

Moreover, the Group monitors its compliance with obligations under credit agreements and with banking covenants[1].

(b) Interest-rate risk and hedging

Altarea Cogedim Group has adopted a prudent approach to managing interest-rate risk. The company uses fixed/floating rate swaps[2] as hedging instruments to cover the interest rates on mortgages backing its property and therefore to preserve the cash flow generated by its operating assets.

(c) Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to possible default by a counterparty. Altarea mitigates this risk by using only major financial institutions as counterparties.

8.3.3.6. Other risks

(a) Risks of conflicts of interest

Altarea Cogedim has entered into partnerships or protocol agreements with other investors, mainly for carrying out joint property-development projects. These situations may under certain circumstances lead to conflicts of interest with its partners or associates.

(b) IT-system risk

Every Group operating entity (Altarea France, Cogedim, Altarea Italia and Altarea España) has a data-backup system that allows for secure, remote storage of critical data. Cogedim has a business recovery plan that is tested twice per year. Altarea is implementing a policy of backing up all of the servers hosted at the head office. Servers hosted externally are backed up by the service providers. RueduCommerce has implemented a data backup plan for both the

(1) See paragraph 11, Financial instruments and market risks, in the "Notes to the consolidated financial statements" (section 3.7 of the registration document).

(2) The list of financial instruments used can be found at paragraph 1, Financial instruments and market risks, of the "Notes to the consolidated financial statements" (section 3.7 of the registration document).

front office (website) and back office (internal operating systems) through system redundancy in distinct geographical locations and backup programs. The company requires its technical partners (hosting, logistician) to operate using the same level of security and redundancy.

(c) Risk of fraud and money laundering

To mitigate risks of fraud or embezzlement, procedures have been set up for cash management and cash flows to ensure that they are secure and to decrease the risk of fraud (bank powers; rules for opening, modifying and closing bank accounts; daily reconciliation of bank transactions with accounting entries; separation of functions between the Accounting Department and the Cash-Management Department).

In addition, the number of persons authorized to sign for payments is limited.

In the area of money laundering, as a preventative measure, Altarea France has implemented a procedure to identify suppliers and clients. Cogedim's Contracts Department is systematically involved in all tender invitations and consultations; it plays a decision-making role in choosing companies and favors working with companies that offer a full range of guarantees.

Moreover, a money laundering and terrorist financing prevention manual has been established in Spain and is subject to an annual report by an external firm.

(d) Risk of workplace safety

Security and safety at the Group's headquarters on avenue Delcassé in Paris include a fire-detection system installed throughout the building and an access-control system with card readers. This preventive measure was designed to limit risks of wrongful entry and to increase data security.

8.3.4. IMPROVEMENTS PLANNED FOR 2013

At the time this report was being prepared, a number of actions were under way for the improvement of internal controls:

- completion of an internal audit of bank and signature powers, for all French subsidiaries of the Group;
- draft of stronger contingency plans for Group activity.

8.4. MANAGEMENT POWERS

8.4.1. PROCEDURES FOR EXERCISING EXECUTIVE MANAGEMENT POWERS

As a partnership limited by shares, the company is run by Managers (*Gérance*).

A Manager may be a natural or legal person. It may or may not be a General Partner.

The first Managers were named in the Company's Articles of Association as amended at the time of its transformation into a partnership limited by shares. During the lifetime of the company, any new Manager must be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of shareholders.

8.4.2. LIMITS ON MANAGEMENT POWERS AND INFORMATION PROVIDED TO THE SUPERVISORY BOARD ABOUT THE COMPANY'S FINANCIAL SITUATION, LIQUIDITY AND COMMITMENTS

In accordance with Article 13.4 of the Articles of Association, each Manager has broad powers to act on behalf of the company, within the scope of the company's corporate purpose and subject to the powers explicitly granted to Annual General Meetings or the Supervisory Board by either French law or the Articles of Association.

As set out in Article 17.1 of the Articles of Association, the Supervisory Board has the right to be provided the same documents by Management as those made available to the Statutory Auditors.

8.5. PRINCIPLES AND RULES USED TO DETERMINE COMPENSATION AND BENEFITS PAID TO SENIOR EXECUTIVES AND CORPORATE OFFICERS

8.5.1. MANAGEMENT

Until December 31, 2012, the compensation paid to Managers was set by Article 14 of the Articles of Association. This compensation included a fixed component and a variable component, with the latter calculated as a percentage of the value of completed property developments and any divestments and/or asset sales performed by the Group.

As of January 1, 2013, the Management's compensation is fixed for successive periods of three years by the Ordinary General Meeting of Shareholders (limited partners) in accordance with the provisions of Article L. 226-8 of the French Commercial Code, on a proposal from the General Partners and after consultation of the Supervisory Board.

8.5.2. SUPERVISORY BOARD

The compensation and benefits paid to Supervisory Board members is set in Article 19 of the Articles of Association.

The Annual General Meeting can allocate annual compensation to Supervisory Board members solely for their duties as members of the Supervisory Board. The amount of compensation paid, included in general operating expenses, is determined by the Annual General Meeting and maintained until decided otherwise. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the company's interest.

8.6. PARTICIPATION IN THE ANNUAL GENERAL MEETING AND INFORMATION REQUIRED BY ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

Except for the requirements set by applicable laws and regulations, there are no particular procedures relating to shareholder participation in Annual General Meetings.

The information stated in Article L. 225-100-3 of the Commercial Code is provided in the appendix to the Management Report to the Annual General Meeting.

The Chairman
of the Supervisory Board
Jacques Nicolet

8.7. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF ALTAREA'S SUPERVISORY BOARD, PREPARED IN ACCORDANCE WITH ARTICLE L. 226-10-1 OF THE FRENCH COMMERCIAL CODE

STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF ALTAREA'S SUPERVISORY BOARD, PREPARED IN ACCORDANCE WITH ARTICLE L. 226-10-1 OF THE FRENCH COMMERCIAL CODE

(For the financial year ended December 31, 2012)

To the Shareholders,

In our capacity as **Altarea SCA's** Statutory Auditors, and in accordance with Article L. 226-10-1 of the French Commercial Code, we hereby present you with our report on the Supervisory Board Chairman's report submitted in accordance with this Article for the financial year ended Monday, December 31, 2012.

It is the Chairman's responsibility to prepare and submit to the Supervisory Board a report on the Company's internal control and risk management procedures and providing the other information required by Article L. 226-10-1 of the French Commercial Code relating in particular to corporate governance.

It is our responsibility:
- to give you our observations on the information set out in the Supervisory Board Chairman's report on internal control and risk management procedures relating to the preparation and treatment of accounting and financial information;
- to certify that the report contains the other information required by Article L. 226-10-1 of the French Commercial Code, it being specified that it is not our responsibility to verify the fair presentation of this other information.

We conducted our audit in accordance with the professional standards applicable in France.

Information concerning internal control and risk management procedures relating to the preparation and treatment of accounting and financial information

Professional guidelines require us to perform procedures to assess the fair presentation of information concerning internal control procedures relating to the preparation and treatment of accounting and financial information set out in the Chairman's report. These procedures notably consist of:
- obtaining an understanding of internal control procedures relating to the preparation and treatment of accounting and financial information underlying the information provided in the Supervisory Board Chairman's report, as well as existing documentation;
- obtaining an understanding of the work performed to prepare this information and existing documentation; and
- determining whether appropriate information is provided in the Supervisory Board Chairman's report about the major shortcomings in internal control relating to the preparation and treatment of accounting and financial information identified within the framework of our audit.

On the basis of these procedures, we have no matters to report concerning the information in the Supervisory Board Chairman's report on the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information, submitted in accordance with Article L. 226-10-1 of the French Commercial Code.

Other information

We certify that the Supervisory Board Chairman's report contains the other information required by Article L. 226-10-1 of the French Commercial Code.

Paris and Paris-La Défense,
April 10, 2013

The Statutory Auditors

A.A.C.E. Île-de-France *French member of Grant Thornton International*	**ERNST & YOUNG et Autres**
Michel RIGUELLE	**Jean-Roch VARON**

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