ALTITUDE 2013

REGISTRATION DOCUMENT

RETAIL | HOUSING | OFFICES AND HOTELS | CSR

SOMMAIRE

REGISTRATION DOCUMENT 2013

The English version has been prepared for the convenience of English language readers. It is a translation of the original *document de reference* 2013. It is intended for general information only and in case of doubt the French original prevail.

AUTORITÉ DES MARCHÉS FINANCIERS

This Registration document was filed with the *Autorité des Marchés Financiers* on March 21, 2014 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 2013. 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 43 and 119, the annual financial statements and corresponding audit report provided on pages 121 and 141, as well as the management report provided on page 17 of the 2012 Registration document filed with the Autorité des marchés financiers on April 11, 2013 under number D 13-0339.
- 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.

PROFILE

ALTAREA COGEDIM IS ALWAYS FAITHFUL TO ITS VALUES. We are guided by the firm belief that the products and markets of tomorrow will be in the hands of companies that succeed in analyzing their markets as a whole and blending approaches that may seem contradictory (developer-investor; property company-distributor; brick-and-mortar-online; public-private, etc.).

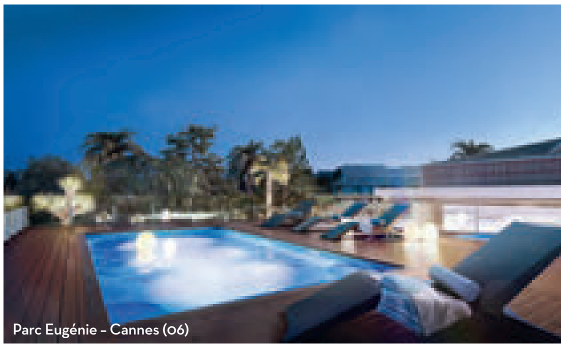
In a challenging economic context, Altarea Cogedim is implementing this approach in its businesses, thus boosting the Group's confidence in its future growth prospects. 2013 was an important and successful step. Teams learned to work differently within their own businesses while pursuing the common goal of increasing the Group's development potential and meeting clients' essential needs.

Thanks to its combined expertise in brick-and-mortar and digital retail, as well as its ability to offer clients smart, creative and customized solutions, the Group stands out as a leader in regenerating the city of today and tomorrow.


Hôtel-Dieu - Marseilles (13)

OUR STRENGTHS


Influence - Bordeaux (33)


Parc Eugénie - Cannes (06)


Paris 7 Rive Gauche - Paris (75007)

Qwartz - Villeneuve-la-Garenne (92)

INVENTING PRODUCTS, CREATING VALUE

There are many ways to create living spaces: replicating traditional designs or inventing new ways of living, working or shopping. Altarea Cogedim has chosen the second path.

FOSTERING A SUSTAINABLE CLIENT FOCUS

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 today's lifestyles and the city of tomorrow.

STEERING 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 boldly move ahead every day by taking calculated risks.

MAKING OUR BUSINESSES TRULY CROSS-CUTTING

The Group's cross-cutting nature shines through in our ability to offer our clients smart, creative and made-to-measure solutions. These synergies help our Group create veritable "pieces of the city" that fit into broader development projects featuring mixed-use facilities and diversity of function.

STEPPING UP GROWTH ON OUR MARKETS

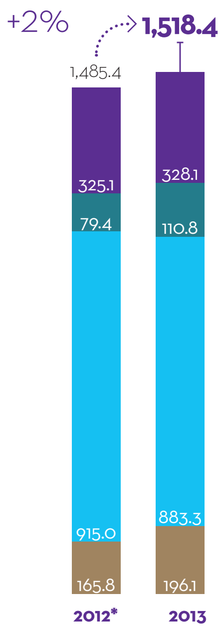
Altarea started out as a shopping center developer and has evolved into France's third largest retail REIT. In 2007, after acquiring Cogedim, Altarea became active in residential and office property development. Since then, Cogedim has become the third largest developer in France (in value terms). Altarea Cogedim is also active on the office property market as a service provider, developer and investor, with recognized environmental expertise. In 2012, Altarea Cogedim became the first multi-channel property company by acquiring Rue du Commerce, which has since become the first digital shopping center.

OUR KEY FIGURES

ALTAREA COGEDIM GROUP BOASTS A SOLID FINANCIAL POSITION WITH SIGNIFICANT LEEWAY.
THESE STRENGTHS ARE FOUNDED PRIMARILY ON A DIVERSIFIED BUSINESS MODEL (RETAIL, E-COMMERCE, HOUSING, OFFICES AND HOTELS) THAT GENERATES SUBSTANTIAL CASH FLOWS AT THE TOP OF THE CYCLE WHILE MAKING THE GROUP HIGHLY RESILIENT AT THE BOTTOM.

SALES (€M)

Group consolidated revenue came to €1.5184 billion, up 2%* compared to 2012.



in €M	2012*	2013	Change
Net rental income	130.2	158.0	+21.4%

** The Group applied IFRS consolidation standards 10, 11 and 12 for the first time at December 31, 2013. The figures presented here for FY 2012 have been restated to ensure comparability.*

Brick-and-mortar retail: €196.1 million (+19%). Revenue from brick-and-mortar retail included rental income of €174.4 million[1] (+21%) and €21.8 million from services provided to third parties. This also includes €14.4 million relating to sales in connection with property development programs, chiefly the off-plan sale to Carrefour for the Qwartz shopping center in Villeneuve-la-Garenne.

Online retail: €328.1 million (+1%). Reported revenue (statutory accounts) originated mainly from own-brand distribution (€318.6 million). The remaining €9.6 million corresponds to commissions generated by the marketplace.

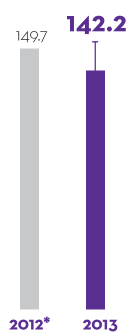
Residential: €883.3 million (-3%). Property development revenue is recognized according to the percentage-of-completion method[2] in proportion to the percentage of programs' actual completion (costs incurred/total budgeted costs excluding land) and pre-letting rate (actual sales relative to total projected sales).

Offices: €110.8 million (+40%). Revenue grew by 40%. The main contributions came from three programs delivered in 2013 and early 2014 (Hôtel-Dieu in Marseilles, offices for the Laennec program in Paris and the head office of Mercedes-Benz in Montigny-le-Bretonneux).

(1) Recognized in accordance with IAS 17 "Leases".
(2) According to IAS 18 "Revenue" and Ifric 15 "Agreements for the Construction of Real Estate".

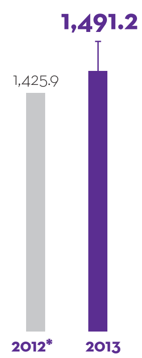
FFO (€M)

In 2013, FFO[1] (within and outside the Group) rose by 6% to €167.7 million. On a Group share basis, FFO dropped slightly this year, coming to €142.2 million. This decrease was particularly due to implementation of the retail partnership.



NAV (€M)

At December 31, 2013, Altarea Cogedim's[2] EPRA NNNAV stood at €1.491 billion, up 4.6% compared to December 31, 2012.



(1) Funds from operations.
(2) EPRA NNNAV (liquidation NAV).

GROUP ID

3rd — LARGEST RETAIL REIT

€1.5184 billion — GROUP REVENUE IN 2013

3rd — LARGEST REAL ESTATE DEVELOPER (in value terms)

38 — SHOPPING CENTERS CONTROLLED BY THE GROUP (with an average unit value of €79 million)

120 million — YEARLY VISITORS to our shopping centers (total excluding rail stations)

56 — SHOPPING CENTERS managed by the Group

188 million — OF ANNUAL VISITORS on the Rue du Commerce website in 2013

1,286 — EMPLOYEES 12/31/2013

9th — PLACE IN THE GRESB WORLDWIDE New Construction ranking (Global Real Estate Sustainability Benchmark)

20,450,000-ft² (1.9 million m²) — OF REAL ESTATE DEVELOPMENT managed by the Group

MAJOR URBAN PROJECTS

MASSY → NICE

ALTAREA COGEDIM BOASTS EXPERTISE IN A WIDE RANGE OF PRODUCTS. IT CAN THEREFORE CARRY OUT INNOVATIVE PROJECTS IN BUSINESS AND MIXED-USE DISTRICTS THAT BECOME URBAN HUBS. THANKS TO THIS SPECIFIC MODEL, THE GROUP CREATES TRUE “PIECES OF THE CITY,” COMBINING OFFICES AND HOTELS, SHOPS AND HOUSING.

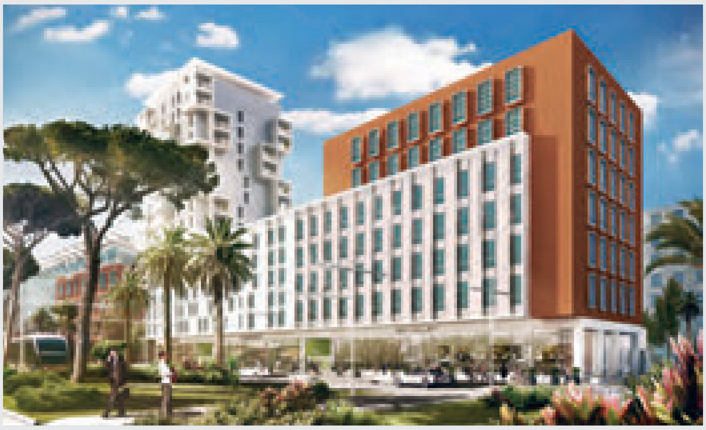
NEW NEIGHBORHOOD

MASSY PLACE DU GRAND OUEST

At Place du Grand Ouest in Massy, the cornerstone of Greater Paris, Altarea Cogedim is creating a downtown center within the existing city. This mixed-use project, carried out with architects Elizabeth and Christian de Portzamparc, stretches over 1,076,500-ft² (100,000-m²). It includes 900 homes, 86,000-ft² (8,000-m²) of local shops, a hotel, a convention center, parking lots, an elementary school and a movie theatre.

1,076,000

A 1,076,000-ft² (100,000-m²) PROJECT
(NET FLOOR AREA)



MIXED-USE DISTRICT

NICE MÉRIDIA

Altarea Cogedim is taking part in the revival of Vallée du Var by creating a new 54-acres (22-hectares) mixed-use district with houses, offices, teaching facilities, a student residence and shops. A way for Plaine du Var to showcase its economic and architectural strength, Nice Méridia enjoys an ideal location only 500 yards from France's second largest international airport and two minutes from Highway A8.

54

A NEW MIXED-USE DISTRICT DEVELOPED OVER 54-ACRES (22-HECTARES) IN LA PLAINE DU VAR

MAJOR URBAN PROJECTS

ORLY → NANTERRE → MARSEILLES

1,722,000

A VAST 1,722,000-ft^2 (160,000-m^2) URBAN PLANNING INITIATIVE NEAR ORLY AIRPORT

MIXED-USE PROJECT

CŒUR D'ORLY

Created in partnership with Foncière des Régions and Aéroports de Paris, Cœur d'Orly is a vast urban development project covering 1,722,000-ft^2 (160,000-m^2), including 753,000-ft^2 (70,000-m^2) of offices spread over three properties. Less than 10 miles south of Paris and a stone's throw from the Paris-Orly airport terminals, this mixed-use project will create a green business district and living areas bringing together offices, stores, hotels and assorted services.

1,291,500

A 1,291,500-ft² (120,000-m²)
PROJECT DEVELOPED
IN THE HEART OF THE CITY

MIXED-USE DISTRICT

CŒUR DE QUARTIER - NANTERRE

Co-developed by Altarea Cogedim and Eiffage Immobilier, Cœur de Quartier stands out as a true "piece of the city." Designed by the architectural firm Jean-Paul Viguier & Associés, this program develops supermarket, open-market homes, social housing, a private student residence, a subsidized student residence, a tourist residence and offices.

NEW NEIGHBORHOOD

EUROMED CENTER

A true "piece of the city" designed in partnership with Foncière des Régions and Crédit Agricole Immobilier, Euromed Center will come to life as a natural extension of the Joliette business district, the focus of the Euroméditerranée urban renewal initiative. For this project, the Italian architect Massimiliano Fuksas devised a complex that fits seamlessly into its urban environment while affirming a perfectly contemporary identity. A colossal development project with more than 753,500-ft² (70,000-m²) to be built, Euromed Center combines a variety of urban facilities (offices, shops, hotel, food service, entertainment, etc.). The platform's diversity of use allows it to link the world of culture, the event market and the economy.

753,500

EUROMED:
753,500-ft² (70,000-m²)
TO BE IMAGINED

MAJOR URBAN PROJECTS

TOULON-LA VALETTE → PARIS

RETAIL & ENTERTAINMENT PROJECT

L'AVENUE 83 - TOULON-LA VALETTE

The 549,000-ft² (51,000-m²) L'Avenue 83 shopping & entertainment center in Toulon-La Valette will host a 16-screen Pathé-Gaumont multiplex cinema, 2 department stores, 14 medium-sized stores, 60 boutiques and kiosks, 20 themed restaurants with outdoor seating, a fitness center and a kids' area. This center was designed by Wilmotte & Associés as an open-air shopping street. It is part of a vast mixed-use urban renewal project that will create some 225 homes, 75,500-ft² (7,000-m²) of offices and an 80-room hotel.

549,000

A 549,000-ft² (51,000-m²) PROJECT
UNDER DEVELOPMENT

191

A PROGRAM TO BUILD 191 HOMES
ON A PRESTIGIOUS SITE

NEW NEIGHBORHOOD

PARIS 7 RIVE-GAUCHE: A NEW DOWNTOWN NEIGHBORHOOD IN THE HEART OF PARIS' 7TH ARRONDISSEMENT

Over nearly 10-acres (4-hectares), the new Laennec neighborhood will provide renewed momentum for a whole arrondissement. Altarea Cogedim teams worked to keep construction going in 2013 to revive this prestigious site with passion and the highest standards. The new neighborhood features magnificent apartment buildings, a student residence, a senior citizen facility, social housing, 151,000-ft² (14,000-m²) of greenery and more. Its many facilities have been delivered in early 2014, along with all 191 homes. In 2014, work continues on the restoration of Croix historiques, set to become Kering's head office.

SHOPPING IS CHANGING...

+13.5%

IN 2013, E-COMMERCE RECORDED GROWTH OF 13.5%

2.9%

M-COMMERCE ACCOUNTED FOR 2.9% OF THE E-COMMERCE MARKET (COMPARED TO 0.7% IN 2012)

WE OFFER A UNIQUE MULTI-CHANNEL SHOPPING EXPERIENCE

WITH ITS 56 SHOPPING CENTERS PLUS RUE DU COMMERCE, THE FIRST DIGITAL SHOPPING CENTER, ALTAREA COGEDIM OFFERS ITS CLIENTS INNOVATIVE RETAIL FORMATS TO MEET THEIR EVERY NEED.

ONLINE RETAIL

Altarea Cogedim reorganized its retail division in 2013, structuring it around a shopping center investment department and the first digital shopping center, RueduCommerce.com. With initiatives created between brick-and-mortar and online retail, Altarea Cogedim is in tune with the expectations and consumption patterns of its clients, customers and retail partners. Harnessing the Group's momentum, Rue du Commerce aims to rank among the Top 5 e-commerce sites in France by 2015.

"Ma Boutique Express" – Rue du Commerce, gare de l'Est - Paris (75)

188 million

OF ANNUAL VISITORS ON THE RUE DU COMMERCE WEBSITE IN 2013

Qwartz – Villeneuve-la-Garenne (92)

REGIONAL SHOPPING CENTERS

In 2013, the Group continued to participate in co-investment projects, creating regional-scale programs in strategic locations. Qwartz, located in Villeneuve-la-Garenne in the *département* of Hauts-de-Seine (92), will be tuned into its customers' every whim. It will offer unique digital experiences with a renowned network of domestic and international retailers (Carrefour, Primark, Marks & Spencer and more). The Cap 3000 regional shopping center, the French Riviera's number one shopping venue, stands out as another example of this strategy. With an extension in the works, Cap 3000 will ultimately offer more than 1,076,000-ft² (100,000-m²) of retail and entertainment space. Close to Nice Côte d'Azur Airport, in the heart of a powerful first-class catchment area, Cap 3000 also enjoys a substantial and constant flow of tourists.

Cap 3000 – Saint-Laurent-du-Var (06)

Bercy Village – Paris (75)

RETAIL-ENTERTAINMENT

Since its creation, the Group has developed projects for shopping centers that combine traditional retail and entertainment concepts. By redefining the shopping experience, the Group has corroborated this highly original model. Veritable living spaces, these centers add spice to our clients' shopping itineraries by combining stores and shops with restaurants, multiplex cinemas, fitness centers and entertainment concepts for children. Bercy Village in Paris and Carré de Soie near Lyon, L'Avenue 83 in Toulon-La Valette and Ponte Parodi close to Genoa, Italy serve as examples of emblematic development projects underway.

Nîmes (30)

FAMILY VILLAGE®

These groundbreaking edge-of-town shopping venues have a strong stake in the local environment, with carefully planned architecture, quality mass-market products, events organized by the lessor, and a uniform identity. They require high-quality locations and targeted catchment areas. Bolstered by the success of the four already opened in Limoges, Thiais, Aubergenville and Ruaudin (Le Mans), Altarea Cogedim has inaugurated its 5th Family Village® in Nîmes.

56

THE NUMBER OF SHOPPING CENTERS MANAGED BY ALTAREA COGEDIM

LIVING &
FLOURISHING

THE NEED FOR HOUSING IS GROWING...

THE FRENCH GOVERNMENT AIMS TO CREATE 500,000 HOMES PER YEAR

300,000

CONSTRUCTION WAS STARTED ON 300,000 NEW HOMES IN 2013

WE OFFER EVERYONE A HOME SUITED TO THEIR NEEDS

DESIGNING LIVING SPACES SUITED TO INDIVIDUALS' RHYTHM AND LIFESTYLE, ALL WHILE DEMANDING THE HIGHEST QUALITY AND INNOVATION: THIS HAS BEEN COGEDIM'S AMBITION FOR 50 YEARS.

COGEDIM CLUB® RESIDENCES

Quality also means adapting to changing lifestyles. Under the Cogedim Club® brand, Altarea Cogedim developed a unique serviced residence concept for active seniors, with vibrant downtown locations and a broad range of high-quality *à la carte* services. Seniors living in serviced residences can thus maintain their independence while taking advantage of an environment that offers a dynamic social life and active lifestyle. The Group also develops residences for students and business people, all with services tailored to their needs.


Cogedim Club® – Villejuif (94)

QUALITY FOR ALL

At Cogedim, which celebrated its 50th birthday in 2013, the quality principle extends to all price ranges. It starts with site selection – location and proximity to public transportation – and continues with durable facades, housing floor plans and outdoor living spaces. The choice of materials also plays a fundamental role, along with solutions to enhance safety, energy savings and comfort. At Cogedim, quality is in every detail.

Domaine de l'Erdre near Nantes (44)

Nouvelle Vague - Paris (75004)

Azenko - Montreuil (93)

DIVERSIFIED PRODUCT LINES

For several years now, Cogedim has enlarged its housing offering to align with the needs of purchasers in search of entry-level and mid-range products. At the same time, it has catered to active seniors looking for managed residences, and developed new neighborhoods. The Group also partners with stakeholders involved in social housing. Finally, Cogedim remains highly active in the high-end sector, its "traditional" business. In 2013, the Group was awarded the regional grand prize for its Nouvelle Vague project located on Quai Henri IV in Paris. Besides the Paris Region, the Group now has activities in 10 regional metropolitan areas: Annecy, Bordeaux, Grenoble, Lyon, Marseilles, Montpellier, Nantes, Nice, Strasbourg, and Toulouse.

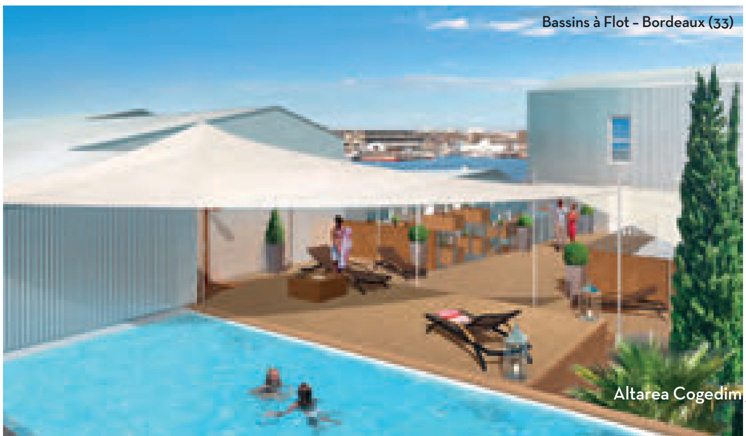
GROUP RESERVATIONS IN 2013 AMOUNTED TO

€1.016 billion (INCL. TAX)

Manhattan - Saint-Ouen (93)

NEW NEIGHBORHOODS

In both Paris and major cities throughout France, Altarea Cogedim supports local governments seeking to redevelop their territory, either by creating entirely new neighborhoods or by building housing complexes in large-scale urban projects. In these major developments, the Group builds a large number of homes (300 to 1,000) complete with public facilities and leisure activities. Operations are underway from the docks of Saint-Ouen – with the Manhattan program – to Bordeaux, with the Bassins à Flot, a new major district for the Gironde metropolis. In 2013, the launch of the Influence program at the entrance of Bassins à Flot expanded downtown Bordeaux and helped create a new urban backdrop.



Bassins à Flot - Bordeaux (33)

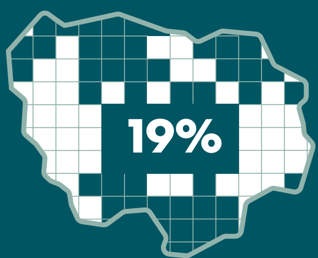
3,732

THE NUMBER OF HOMES RESERVED IN 2013

OFFICE PROPERTY: A CHANGING MARKET

€15.5 BILLION

THE MARKET FOR INVESTMENT PROPERTY RECORDED €15.5 BILLION IN VOLUMES TRADED ON THE FRENCH MARKET



THE PERCENTAGE OF NEW VS. REFURBISHED PROPERTY GRADUALLY DIMINISHED, TO 19% (PARIS REGION)

WE ANTICIPATE USERS' AND INVESTORS' EXPECTATIONS

WHEN IT COMES TO COMMERCIAL REAL ESTATE, THE GROUP ACTS AS A DEVELOPER OR INVESTOR THROUGH ITS INVESTMENT FUND, ALTAFUND.

COMPLEX RESTRUCTURING

Altarea Cogedim is a leader on the commercial real estate market. Active both in Paris and throughout France, the Group has created some of the finest office buildings in the Paris Region: the First tower, Marché Saint-Honoré, head office of Canal+, the Fondation Cartier, etc. In 2013, the Group continued renovation of an atypical and exceptional 280,000-ft^2 (26,000-m^2) complex on Rue des Archives. It also restructured 215,000-ft^2 (20,000-m^2) of offices in the historic section of the Laennec hospital site in Paris for Allianz Vie. These many projects combine technological innovation, comfort of use and high environmental quality (NF-HQE®).

The First Tour - La Défense - Paris (75)


Hôtel-Dieu – Marseilles (13)

LUXURY HOTELS

Altarea Cogedim has been developing expertise in high-end hotels for several years. The Mariott Renaissance Paris Arc de Triomphe, the conversion of the Nantes courthouse into a four-star hotel and Hôtel-Dieu in Marseilles into a five-star InterContinental are all examples of the Group's iconic programs. By the end of 2013, Altarea Cogedim consolidated its position as a major player in hotel property development.


Mercedes-Benz head office – Montigny-le-Bretonneux (78)


Mutuelle des motards head office – Montpellier (34)

MADE-TO-MEASURE HEAD OFFICES

2013 speaks to the Group's ability to develop made-to-measure head offices. This year, the Group signed a real estate development contract to build the head office of Mutuelle des motards in Montpellier, made the winning bid to create the Safran head office in Toulouse and delivered the head office of Mercedes-Benz France. The Group's expertise in this area allows it to meet the needs of investors and users: buildings with quality architecture, an environmental commitment, energy efficiency, better integration into sites, and compliance with national and international standards.


Semapa – îlot Austerlitz – Paris (75)

4,919,000-ft²

(457,000-m²)
OF PROJECTS CURRENTLY
UNDER DEVELOPMENT


Boulevard Raspail – Paris (75)

INVESTMENT FUND: ALTAFUND

Altarea Cogedim's investment fund is devoted to developing first-rate assets with high environmental value. It boasts a discretionary investment capacity of over €1.2 billion. The fund aims to address the anticipated shortage of both new and refurbished green buildings in the Paris Region, taking on limited risks and a small number of projects. Following the acquisition of one building at 128/130 Boulevard Raspail in Paris and another located at 190/192 Avenue Charles-de-Gaulle in Neuilly, AltaFund won the call for tenders launched by Semapa in 2013 for the creation of a new office building in the Paris-Rive Gauche urban development zone.

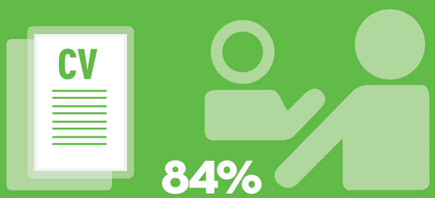
LIVING &
GETTING INVOLVED

THE RULES OF THE GAME ARE CHANGING...

+50% +100% +20%

BETWEEN 2012 AND 2020, ENERGY PRICES WILL RISE BY **50%** FOR ELECTRICITY, **100%** FOR HEATING OIL AND **20%** FOR NATURAL GAS

Estimate by the French Energy Regulation Commission



JOBS ARE A PRIORITY FOR **84%** OF PEOPLE IN FRANCE

2013 RTL Harris Interactive survey

WE MAKE A POSITIVE CONTRIBUTION TO A MORE SUSTAINABLE SOCIETY

WITH ITS STAKEHOLDERS IN MIND, ALTAREA COGEDIM STRUCTURES ITS ENVIRONMENTAL, SOCIAL AND SOCIETAL APPROACH TO PROMOTE A MORE SUSTAINABLE LIFESTYLE AND MORE RESPONSIBLE DEVELOPMENT.

A STRATEGY KNOWN AS ALTAGREEN®

Thanks to its size, growing staff, the expectations of its stakeholders and a new business (Rue du Commerce), the Group has responded to the call of Management and the Executive Committee to launch an initiative to identify and prioritize key CSR topics. The result of these efforts, expressed in the form of a "Materiality Matrix", makes it possible for Altarea Cogedim to set out priority CSR undertakings for 2014-2017.

- For the 3rd straight year, Altarea Cogedim has placed among the top three in Novethic's property company and property developer rankings, tying for **1st place among developers** and coming in 3rd for property companies.
- In the GRESB (Global Real Estate Sustainability Benchmark) "New Construction" ranking, Altarea Cogedim took 9th place worldwide (out of 276 contenders), winning **1st place in France.**
- Following initial voluntary participation in the CDP (Carbon Disclosure Project) in 2013, the Group was recognized as the **top French retail REIT,** scoring 90% for transparency and achieving a B for performance.

novethic

GRESB

CDP

PUT PEOPLE AT THE HEART OF OUR STRATEGY

Thanks to constructive social dialogue, Altarea Cogedim strives to help its employees develop professionally and to fight against all forms of discrimination. The Group promotes skill development and enhances the employability of its employees. Furthermore, Altarea Cogedim is increasing employee wellbeing by taking steps to promote a safe and quality work environment.

WOMEN ACCOUNTED FOR
51% OF PROMOTIONS AND
48% OF PROFESSIONAL MOBILITY INITIATIVES

BRING OUR REGIONS TO LIFE

Altarea Cogedim truly believes in the importance of connecting different living spaces and takes full advantage of its position as developer of retail, office, residential and hotel property. Conscious of the economic and ecological impacts of travel, the Group looks to promote more practical and economic modes of transportation with lower CO_2 emissions.

In an uncertain economic context, Altarea Cogedim has committed to quantifying and amplifying its indirect contribution to job creation. The Group's activities generate more than 13,000 indirect jobs in France.

Altarea Cogedim is a founding member of the Palladio Foundation. Created under the auspices of the Fondation de France, the Palladio Foundation addresses the challenges of building the cities and living spaces of tomorrow.

By supporting Habitat & Humanisme, Altarea Cogedim provides substantial financial resources for social housing and boarding houses skilled in helping people in difficulty achieve long-lasting reintegration.

99%

OF RESIDENTIAL PROGRAMS ARE LOCATED LESS THAN 500 YARDS FROM PUBLIC TRANSPORTATION

Indicator verified by Ernst & Young (EY)

Indicator verified by Ernst & Young (EY)

1,286
DIRECT JOBS

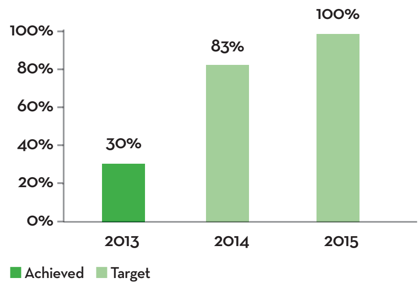
13,000
INDIRECT JOBS*

** Jobs supported by the Group.*

MAKE ENVIRONMENTAL EXCELLENCE PART OF OUR BUSINESS

To anticipate new regulations in its various activities, Altarea Cogedim is pursuing its continuous reporting initiative while limiting the environmental footprint of its operations. To do so, the Group calculates its overall carbon footprint on a yearly basis (scopes 1.2.3) for all aspects of its business. To enhance the environmental performance of its new projects and existing property portfolio, Altarea Cogedim has selected differentiated environmental or qualitative certifications suited to each stakeholder.
At the end of 2013, portfolio assets with BREEAM In-Use environmental certification accounted for 30% of the Group's portfolio in value terms.

PERCENTAGE OF PORTFOLIO ASSETS CERTIFIED BREEAM IN-USE
(in value terms)



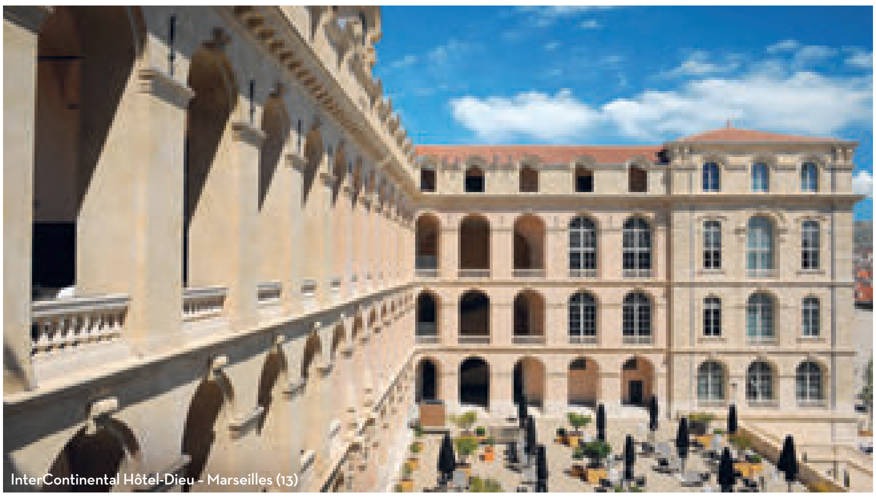
98%

OF NEW COMMERCIAL DEVELOPMENT PROJECTS* ARE CERTIFIED OR UNDERGOING THE ENVIRONMENTAL CERTIFICATION PROCESS

**Retail, offices, hotels.*

Indicator verified by Ernst & Young (EY)

The InterContinental Hôtel-Dieu in Marseilles is the first hotel redevelopment project in France to feature NF Démarche HQE® certification.



InterContinental Hôtel-Dieu - Marseilles (13)

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BUSINESS REVIEW DECEMBER 31, 2013

2

2.1. INTRODUCTION

2.1.1. EARLY APPLICATION OF IFRS 10, 11 AND 12 AS OF JANUARY 1, 2013

The Group chose to apply IFRS consolidation standards 10, 11 and 12 as of January 1, 2013 (application mandatory as of January 1, 2014).

2.1.1.1. General Principles

IFRS 10 redefines the principles used to determine control of an entity. Control is based on governance of the entity and decision-making powers on relevant activities (i.e. ones that have an impact on the entity's return).

IFRS 11 changes the principles governing consolidation of jointly controlled entities. Jointly controlled entities must be consolidated via the equity method (bringing an end to proportionate consolidation).

IFRS 12 governs disclosure of information on interests in other entities (subsidiaries, affiliate companies, structured entities), as well as on partnerships. The standard aims to provide clear information on the risks to which an entity is exposed owing to its associations with structured entities.

Application of these methods has no impact on net earnings, Group share and minority share.

2.1.1.2. Application to Group companies

The Group has carried out a control analysis of all partnerships with property companies and real estate development companies. The Group's recent transactions had already been analyzed with regard to the new standards (takeover of Cap 3000, partnership with Allianz).

The consequences on the control of companies affected by the elimination of proportionate consolidation, as well as the main impacts on the Group's consolidated financial statements, are as follows:

PROPERTY COMPANIES

Six assets or projects previously consolidated using the proportionate consolidation method have been consolidated through the equity method. The following table illustrates the impacts on the main aggregates [1].

(€ millions)	At 12/31/2013
Investment properties	(243)
Net rental income	(6)
Borrowings and financial debt [a]	(86)

(a) For the entire Group.

DEVELOPMENT COMPANIES

78 companies originally consolidated using the proportionate consolidation method have become equity-method affiliates. These include 52 entities completed more than one year ago, 3 completed during the financial year, 8 currently under construction, 4 for which land has been acquired but construction not yet begun, and 11 under preliminary agreements.

(€ millions)	At 12/31/2013
Revenue	(99.7)
Net property income	(11.8)

Unless otherwise specified, all accounting data in this report is taken from the 2012 consolidated financial statements, restated to reflect the impact of IFRS standards 10, 11 and 12.

2.1.1.3. Details on published operational indicators

To ensure greater clarity, Altarea Cogedim Group provided the following details on select operational indicators associated with adoption of IFRS standards 10, 11 and 12.

PROPERTY INVESTMENT BUSINESS

- Portfolio assets: in this Business review, the Group distinguishes between assets in which it is a shareholder and over which it exercises operational control within the meaning of accounting standards, and those in which it is a shareholder but over which it does not exercise operational control for accounting purposes. As regards these two asset categories, values are stated at 100%, specifying for each asset the share over which the Group has economic ownership.
- Pipeline: the same principle is applied as for portfolio assets, distinguishing projects over which the Group exercises operational control within the meaning of accounting standards, while indicating what falls within its economic share for both controlled and non-controlled projects.
- All data regarding management of shopping centers (revenue, footfall, leases, occupancy cost ratio, bad debt, financial vacancy rate) are calculated at 100% on the scope of assets in which Altarea is a shareholder, for both controlled and non-controlled assets. Shopping centers managed entirely for third parties are not included in this scope.

DEVELOPMENT BUSINESS

- Reservations: reservations on programs controlled by the Group within the meaning of accounting standards are recognized at 100%. Transactions on "co-development" programs (jointly controlled) are recognized according to ownership interest. This method is identical to that used in previous publications and serves notably to measure Cogedim's market share.
- Backlog, properties for sale, Property Portfolio: the principle is the same as for reservations. It is expressed at 100% for controlled programs and according to the Company's share for jointly-controlled programs.

(1) The impact primarily concerns Carré de Soie in Lyon and Qwartz in Villeneuve-La-Garenne (under development).

Costing-based profitability analysis at December 31, 2013

(€ millions)	12/31/2013			12/31/2012 Restated		
	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	174.4	-	174.4	143.9	-	143.9
Other expenses	(16.4)	-	(16.4)	(13.7)	-	(13.7)
Net rental income	**158.0**	**-**	**158.0**	**130.2**	**-**	**130.2**
External services	21.8	-	21.8	21.0	-	21.0
Own work capitalized and production held in inventory	12.3	-	12.3	9.8	-	9.8
Operating expenses	(51.4)	(1.8)	(53.2)	(48.4)	(1.5)	(49.9)
Net overhead expenses	**(17.3)**	**(1.8)**	**(19.2)**	**(17.6)**	**(1.5)**	**(19.1)**
Share of equity-method affiliates	**13.3**	**25.1**	**38.4**	**14.5**	**(5.9)**	**8.7**
Net allowances for depreciation and impairment	**-**	**(1.7)**	**(1.7)**	**-**	**(1.7)**	**(1.7)**
Income/loss on sale of assets	**-**	**8.8**	**8.8**	**-**	**3.3**	**3.3**
Income/loss in the value of investment property	**-**	**39.9**	**39.9**	**-**	**10.2**	**10.2**
Transaction costs	**-**	**(1.7)**	**(1.7)**	**-**	**9.1**	**9.1**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	153.9	68.5	222.4	127.1	13.6	140.7
Distribution and other revenue	318.6	(0.0)	318.6	315.7	(0.0)	315.7
Purchases consumed	(296.1)	-	(296.1)	(289.0)	-	(289.0)
Net charge to provisions for risks and contingencies	(1.7)	-	(1.7)	(2.3)	-	(2.3)
Retail margin	**20.8**	**(0.0)**	**20.8**	**24.4**	**(0.0)**	**24.4**
***Galerie Marchande* commissions**	**9.6**	**-**	**9.6**	**9.4**	**-**	**9.4**
Operating expenses	(42.8)	(0.3)	(43.1)	(39.9)	(0.3)	(40.2)
Net overhead expenses	**(42.8)**	**(0.3)**	**(43.1)**	**(39.9)**	**(0.3)**	**(40.2)**
Net allowances for depreciation and impairment	**-**	**(45.7)**	**(45.7)**	**-**	**(6.4)**	**(6.4)**
Transaction costs	**-**	**(1.0)**	**(1.0)**	**-**	**(1.2)**	**(1.2)**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	(12.5)	(47.0)	(59.5)	(6.0)	(7.9)	(13.9)
Revenue	883.2	-	883.2	914.4	-	914.4
Cost of sales and other expenses	(788.5)	-	(788.5)	(791.7)	-	(791.7)
Net property income	**94.7**	**-**	**94.7**	**122.7**	**-**	**122.7**
External services	0.1	-	0.1	0.6	-	0.6
Production held in inventory	54.9	-	54.9	57.4	-	57.4
Operating expenses	(92.0)	(1.4)	(93.4)	(84.9)	(1.9)	(86.8)
Net overhead expenses	**(37.0)**	**(1.4)**	**(38.5)**	**(26.9)**	**(1.9)**	**(28.8)**
Share of equity-method affiliates	**4.6**	**0.1**	**4.7**	**4.9**	**(0.0)**	**4.9**
Net allowances for depreciation and impairment	**-**	**(3.4)**	**(3.4)**	**-**	**(2.8)**	**(2.8)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	62.3	(5.2)	57.0	100.7	(4.7)	95.9
Revenue	107.5	-	107.5	74.2	-	74.2
Cost of sales and other expenses	(93.4)	-	(93.4)	(72.0)	-	(72.0)
Net property income	**14.1**	**-**	**14.1**	**2.1**	**-**	**2.1**
External services	3.3	-	3.3	5.3	-	5.3
Production held in inventory	2.7	-	2.7	5.1	-	5.1
Operating expenses	(12.9)	(0.5)	(13.4)	(12.3)	(0.7)	(13.0)
Net overhead expenses	**(6.8)**	**(0.5)**	**(7.3)**	**(1.9)**	**(0.7)**	**(2.7)**
Share of equity-method affiliates	**8.1**	**(1.1)**	**7.1**	**4.8**	**(1.9)**	**2.8**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**(0.2)**	**(0.2)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	15.5	(1.9)	13.6	5.0	(2.9)	2.1
Other (Corporate)	**(0.6)**	**(0.6)**	**(1.2)**	**(2.5)**	**(0.6)**	**(3.0)**
OPERATING INCOME	218.6	13.8	232.4	224.3	(2.5)	221.7
Net borrowing costs	**(48.2)**	**(6.6)**	**(54.8)**	**(63.9)**	**(3.3)**	**(67.2)**
Debt and receivables discounting	**-**	**(0.2)**	**(0.2)**	**-**	**(0.0)**	**(0.0)**
Change in value and income from disposal of financial instruments	**-**	**22.2**	**22.2**	**-**	**(73.9)**	**(73.9)**
Proceeds from the disposal of investments	**-**	**(0.0)**	**(0.0)**	**-**	**0.7**	**0.7**
PROFIT BEFORE TAX	170.4	29.2	199.6	160.3	(79.1)	81.2
Corporate income tax	**(2.7)**	**23.2**	**20.4**	**(1.7)**	**(19.3)**	**(21.0)**
NET PROFIT	167.7	52.3	220.0	158.6	(98.4)	60.2
Non-controlling interests	**(25.5)**	**(48.3)**	**(73.8)**	**(8.8)**	**4.5**	**(4.3)**
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	**142.2**	**4.1**	**146.2**	**149.7**	**(93.8)**	**55.9**
Average number of shares after dilution	*11,231,747*	*11,231,747*	*11,231,747*	*10,547,562*	*10,547,562*	*10,547,562*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO GROUP SHAREHOLDERS (€/share)	12.66	0.36	13.02	14.19	(8.90)	5.30

2.2. BUSINESS REVIEW

2.2.1. RETAIL

2.2.1.1. Shopping centers

KEY FIGURES AT DECEMBER 31, 2013

	In operation			Under development		
December 31, 2013	GLA in m²	Current gross rental income [d] (€ millions)	Appraisal value [e] (€ millions)	GLA in m²	Provisional gross rental income (€ millions)	Net investments [f] (€ millions)
Controlled assets (fully consolidated) [a]	657,209	175.8	3,010	332,298	115.4	1,225
Group share	*531,970*	*129.3*	*2,156*	*268,145*	*81.4*	*901*
Share of minority interests	*125,239*	*46.4*	*854*	*64,153*	*34.0*	*324*
Equity assets [b]	105,618	19.3	269	132,806	37.6	428
Group share	*49,332*	*8.8*	*127*	*58,550*	*16.2*	*190*
Share of third parties	*56,286*	*10.5*	*142*	*74,256*	*21.4*	*239*
Management for third parties [c]	211,600	40.8	693	-	-	-
Total assets under management	974,427	235.9	3,973	465,104	153.0	1,653
Group share	*581,302*	*138.2*	*2,283*	*326,695*	*97.5*	*1,090*
Share of third parties	*393,125*	*97.7*	*1,689*	*138,409*	*55.4*	*563*

Group share: economic ownership (real contribution of assets to FFO and Net Result Group Share, after impact of minority interest).
(a) Assets in which Altarea holds shares and over which Altarea exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Assets in which Altarea is not the majority shareholder, but for which Altarea exercises joint operational control. Consolidated using the equity method in the consolidated financial statements.
(c) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
(d) Rental value on signed leases at January 1, 2014.
(e) Appraisal value including transfer duties.
(f) Total budget including interest expenses and internal costs.

2.2.1.1.1. Market trends

New consumer trends that emerged over the past years have grown more pronounced in 2013. There is a persistently anemic economic climate and multi-channel purchasing (shopping centers/online/mobile) is now well established among consumers. As such:

- after dropping for several straight quarters, household consumption in France is increasing slightly. 2013 thus ended on a stable note (+0.1%) [2];
- growth has mainly benefited online retail, which recorded €51 billion in sales in France in 2013 (+13.5%) [3]. These sales are up 4.3% for general merchandise websites [4];
- however, the CNCC recorded a 2.1% drop in revenue for shopping center tenants [5].

In this context, Altarea shopping centers demonstrated solid performance (revenues up 0.7%), attesting to the strength of the Group's concentration strategy.

2.2.1.1.2. Net consolidated rental income

Net rental income (IFRS) came to €158 million at December 31, 2013. The 21.4% increase in the face value of net consolidated rental income was artificially accentuated by inclusion of IFRS standards 10, 11 and 12 in the 2012 reference financial statements.

With the takeover of Cap 3000 in late 2012, this center's contribution to net rental income in the restated 2012 financial statements was nil (equity-method consolidation), whereas the asset was fully consolidated in FY 2013.

The table below highlights this impact:

	(€ millions)	
Net rental income at December 31, 2012, restated	**130.2**	
Centers opened	4.8	
Disposals	(8.4)	
Acquisitions	0.1	
Takeover of Cap 3000	32.5	
Redevelopments	(2.2)	
Like-for-like change France	4.0	*+5.0%* [a]
Like-for-like change International	(3.0)	*(10.4%)* [b]
TOTAL CHANGE IN NET RENTAL INCOME	27.9	*+21.4%*
Net rental income at December 31, 2013	158.0	

(a) Percentage of l-f-l change France.
(b) Percentage of l-f-l change International.

Excluding the impact of Cap 3000, the overall change in rental income would come to -3.3%, owing to disposals.

(2) Source: INSEE.
(3) Source: FEVAD 2013 E-commerce review.
(4) FEVAD iCE 40 survey (like-for-like growth of leading sites).
(5) Source: CNCC, revenue development for shopping center tenants on a same-floor area basis.

CENTERS OPENED

2013 saw the delivery of the Costières Sud Family Village® in Nîmes during H1. The center developed a surface area of 296,000 ft² (27,500 m²) and hosts retailers such as Décathlon, Boulanger, Kiabi and La Grande Récré.

DISPOSALS

Two disposals were carried out in 2013, for a total of €141 million [6]. They include:

- the OKABÉ office building, located above the shopping center (which remains in the portfolio) in Le Kremlin-Bicêtre (94);
- a shopping gallery with 47 stores located in Chalon-sur-Saône.

These disposals, together with those carried out in 2012, resulted in a €8.4 million drop in net rents in 2013.

REDEVELOPMENTS

The impact of redevelopments primarily concerns three centers:

- Massy, whose surfaces are gradually being vacated in preparation for future redevelopment work for which regional authorization (CDAC) has been granted;
- Aubergenville, for which the redevelopment plan has been revised to include a brand village;
- Casale Montferrato in Italy, where a project to create mid-sized stores has made it necessary to reorganize the center's operations.

2.2.1.1.3. Operational performance

FRANCE (84% OF THE PORTFOLIO)

Change in rental income

In France, the €4 million like-for-like [7] increase in net rental income (+5.0%) was driven mainly by major regional shopping centers:

- re-letting of 21 shops in Cap 3000 and 6 shops in Bercy Village;
- increase in variable rents (particularly in Bercy Village and Gare de l'Est shops) following retailers' positive performance, etc.

Merchant sales [8] and footfall [9]

Data at 100%	Sales (incl. tax)	Footfall
Total shopping centers	**0.7%**	**0.1%**
CNCC index	(2.1)%	(1.7)%

Rental activity (gross rental income)

	Number of leases	New rent	Old rent	*Change*
Letting	156	€13.7 mil.	-	*n/a*
Lease renewals/re-lettings	69	€7.8 mil.	€7.2 mil.	*8%*
2013 total	**225**	**€21.5 mil.**	**€7.2 mil.**	***n/a***

Lease expiry schedule

(€ millions, at 100%)	Lease expiry date	% of total	Three-year termination option	% of total
Past years	12.4	*7.7%*	13.7	*8.5%*
2014	10.4	*6.5%*	26.2	*16.4%*
2015	4.7	*3.0%*	30.1	*18.8%*
2016	4.7	*2.9%*	40.5	*25.3%*
2017	17.4	*10.8%*	25.9	*16.2%*
2018	22.2	*13.8%*	9.5	*6.0%*
2019	14.4	*9.0%*	4.0	*2.5%*
2020	24.2	*15.1%*	2.3	*1.5%*
2021	16.6	*10.3%*	6.5	*4.1%*
2022	18.6	*11.6%*	-	*0.0%*
2023	9.3	*5.8%*	0.5	*0.3%*
2024	3.3	*2.1%*	-	*0.0%*
>2024	2.1	*1.3%*	1.0	*0.7%*
Total	**160.3**	**100%**	**160.3**	**100%**

Occupancy cost ratio [10], bad debt ratio [11] and financial vacancy rate [12]

	2013	2012	2011
Occupancy cost ratio	10.2%	10.1%	9.6%
Bad debt ratio	1.5%	1.5%	1.6%
Financial vacancy rate	3.4%	2.8%	3.9%

INTERNATIONAL (16% OF THE PORTFOLIO)

The international shopping center portfolio comprises 6 Italian assets, mostly located in northern Italy, and one Spanish asset in Barcelona.

In Italy, the deteriorated economic environment has seen a new drop in purchasing power (-1,5%) and in retail sales (-2,8% [13]). In this context the portfolio has experiences a higher financial vacancy rate (4.0% vs 2.6% at end 2012) and an important tenant turnover (13% of the tenants) in a dynamic asset management strategy, resulting in a 13.7% drop in net rental income in 2013.

The asset management activity nonetheless made it possible to cushion the decline in operational indicators with a drop in revenue limited to 2.9% and a 13.4% occupancy cost ratio.

The goal is to consolidate the standing portfolio by repositioning the offering (Due Torri extension project and Bellinzago redevelopment project) as well as adjusting rental values at a sustainable level with regards to the economic situation.

In Spain, merchant sales recorded an 8.0% drop. The other operational indicators considerably outperformed the market, with a 12.0% occupancy cost ratio, a 2.9% financial vacancy rate and bad debt limited to 2.5%. Net rental income was stable.

(6) At 100% including transfer duties.
(7) Excluding impact of openings, acquisitions, disposals and redevelopments.
(8) Excluding impact of openings, acquisitions, disposals and redevelopments.
(9) Shopping centers equipped with the Quantaflow system.
(10) 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.
(11) 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.
(12) Estimated rental value (ERV) of vacant lots as a percentage of total estimated rental value. Excluding property being redeveloped.
(13) ISTAT: non-food product on a sliding 12-month period at end of November 2013.

2.2.1.1.4. Management for third parties

Over the past several 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 2013, these assets represented €40.8 million in rental income for an overall value of €693 million. They contributed significantly to the growth of Altarea Commerce's fees.

(€ millions)	2013	2012[a]	2011
External services	21.8	18.0	16.5
Change (%)	*21%*	*9%*	-

(a) 2012 reported (€21 million restated).

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.

2.2.1.1.5. Assets portfolio

PORTFOLIO COMPOSITION

Asset format		2013	2012	*Change*
France	Average value	€75 mil.	€74 mil.	*1%*
	Number of assets	37	37	-
International	Average value	€72 mil.	€77 mil.	*(6)%*
	Number of assets	7	7	-

Breakdown by type (€ millions)	2013		2012		*Change*
Regional shopping centers	1,703	*52%*	1,742	*53%*	*(1) pt*
Large Retail Parks (Family Village®)	779	*24%*	697	*21%*	*2 pts*
Proximity/downtown	798	*24%*	836	*26%*	*(1) pt*
TOTAL	3,280	*100%*	3,275	*100%*	
o/w Group share	*2,283*		*2,584*		

Geographical distribution (€ millions)	2013		2012		*Change*
Paris Region	944	*29%*	1,055	*32%*	*(3) pts*
PACA/Rhône-Alpes /South	1,386	*42%*	1,221	*37%*	*5 pts*
Other French regions	443	*13%*	461	*14%*	*(1) pt*
International	506	*15%*	538	*16%*	*(1) pt*
TOTAL	3,280	*100%*	3,275	*100%*	
o/w Group share	*2,283*		*2,584*		

FINANCIAL PARTNERSHIP WITH ALLIANZ

In December 2013, Altarea Cogedim concluded a long-term partnership with Allianz Group[14] for a portfolio of five "core"shopping centers[15] owned and managed by Altarea Cogedim.

This partnership took the form of a 49% minority stake for Allianz in the structures that own these assets, representing a total equity investment of €395 million.

Under the terms of this partnership, Altarea Cogedim maintains control[16] and management of the portfolio assets, while at the same time reducing its debt and generating significant financial resources.

The impact of this transaction on the Group's LTV ratio has been estimated at approximately 800 basis points.

VALUATION

At December 31, 2013, the value of the Group's portfolio assets stood at €3.28 billion[17], slightly higher than in 2012.

(€ millions)	Value
TOTAL AT DECEMBER 31, 2012	3,275
Centers opened	70
Acquisitions	-
Disposals	(141)
Like-for-like change	**77**
o/w France	*109*
o/w Italy	*(36)*
o/w Spain	*4*
TOTAL CHANGE	5
TOTAL AT DECEMBER 31, 2013	3,280
o/w Group share	*2,283*
o/w share of third parties	*996*

CAPITALIZATION RATE[18]

Average net capitalization rate at 100%	2013	2012
France	5.98%	6.10%
International	6.75%	6.70%
TOTAL PORTFOLIO	6.10%	6.20%
o/w Group share	*6.30%*	*6.28%*
o/w share of third parties	*5.62%*	*5.88%*

APPRAISAL VALUES

The task of valuating Altarea Cogedim Group assets is entrusted to DTZ Valuation and CBRE Valuation. 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 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

(14) Through German insurance companies of Allianz Group.
(15) Bercy Village, Toulouse Gramont, Boutiques de la Gare de l'Est, Espace Chanteraines in Gennevilliers, and the Toulon – La Valette development project, representing overall asset value greater than €800 million.
(16) The five assets concerned by the transaction remain fully consolidated within the meaning of IFRS standards 10, 11 and 12.
(17) 100% of the value of assets in which the Group has an interest (controlled and equity assets).
(18) The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.

including guaranteed minimum rent, variable rent and the market rent of vacant premises, adjusted for all charges incumbent upon the owner. This second method is used to validate the results obtained with the first method.

Rental income takes into account:

- rent increases to be applied upon lease renewals;
- the normative vacancy rate;
- the impact of future rental gains resulting from 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 Institute 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 comply fully 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 breaks down by appraiser as follows:

Expert	Portfolio	% of the value, incl. transfer duties
CBRE	France	32%
DTZ	France & International	68%

2.2.1.1.6. Shopping centers under development

At December 31, 2013, the volume of projects under development by Altarea Cogedim represented a forecast net investment [19] of approximately €1.1 billion on a Group share basis which a represents a potential rental income of €98 million.

	GLA in m² [c]	Forecast gross rental income (€ millions)	Net investment (€ millions) [d]	Forecast return
Controlled projects (fully consolidated) [a]	**332,298**	**115**	**1,225**	**9.4%**
Group share	*268,145*	*81*	*901*	
Share of minority interests	*64,153*	*34*	*324*	
Equity projects [b]	**132,806**	**38**	**428**	**8.8%**
Group share	*58,550*	*16*	*190*	
Share of third parties	*74,256*	*21*	*239*	
Total	**465,104**	**153**	**1,653**	**9.3%**
Group share	*326,695*	*98*	*1,090*	

(a) Projects in which Altarea holds shares and over which Altarea exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Projects for which Altarea is not the majority shareholder. Consolidated using the equity method in the consolidated financial statements. (application of IFRS 11)
(c) Total GLA (Gross Leasable Area) built and/or redeveloped, excluding off-plan developments for third parties.
(d) Total budget including interest expenses and internal costs.

Altarea Cogedim Group only reports on projects that are underway or at the development stage [20]. 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 to commence work is only made once a sufficient level of pre-letting has been reached. In light of the progress achieved in 2013 from both an administrative and commercial point of view, most pipeline projects should be delivered in majority between 2014 and 2016.

At December 31, 2013, the level of commitments for these projects came to 29% (€320 million) on a Group-share basis.

(€ millions, net)	At 100%	Group share
Paid out	414	250
Committed, remaining to be paid out	133	70
Total commitments	**546**	**320**
%	*33%*	*29%*

INVESTMENTS MADE IN 2013 FOR PROJECTS UNDER DEVELOPMENT

Over the year, Altarea Cogedim invested [21] €109 million on a Group-share basis in its project portfolio.

These investments mainly concern the three shopping centers under construction in 2013 (Villeneuve-la-Garenne, Toulon-la Valette and the Nîmes Costières Sud Family Village®), as well as properties undergoing redevelopment and/or extension (Cap 3000, Aix en Provence, Massy).

AUTHORIZATIONS GRANTED

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

2.2.1.1.7. Operating cash flow

(€ millions)	12/31/2013		12/31/2012 restated
Rental income	174.4		143.9
Net rental income	**158.0**	*21%*	**130.2**
% of rental revenues	*90.6%*		*90.5%*
External services	21.8	*3%*	21.0
Own work capitalized and production held in inventory	12.3		9.8
Operating expenses	(51.4)	*6%*	(48.4)
Net overhead expenses	**(17.3)**		**(17.6)**
Share of affiliates	13.3		14.5
Operating cash flow	**153.9**	*21%*	**127.1**
% of rental revenues	*88.3%*		*88.3%*

Operating cash flow was up 21% compared to December 31, 2012, owing primarily to the growth of net rental income recorded over the period (particularly full consolidation of Cap 3000) compared to the 2012 restated reference financial statements (see p. 24).

2.2.1.1.8. New product line: neighborhood shops

In 2013, the Group launched a new activity by creating a structure dedicated to "neighborhood shops". This new business is the result of development synergies with Cogedim's Residential teams.

(19) Including interest expenses and internal costs.
(20) 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.
(21) Change in non-current assets net of changes in amounts payable to suppliers of non-current assets.

Projects mainly concern high-street retails or major shopping streets. Some will continue to be owned by the REIT, while others will be sold.

This activity's potential to create value is extremely promising; an initial assessment pointed to some 700,000 ft² (65,000 m²) of space in operations that have already been identified and are underway.

Breakdown of the retail portfolio managed at December 31, 2013

				O/w Altarea share		O/w share of third parties	
Center	**Surface area**	**Gross rental income[d] (€ millions)**	**Value[e] (€ millions)**	**Share**	**Value[e] (€ millions)**	**Share**	**Value[e] (€ millions)**
Toulouse Occitania	56,200			51%		49%	
Paris – Bercy Village	22,824			51%		49%	
Gare de l'Est	5,500			51%		49%	
Cap 3000	64,500			33%		67%	
Thiais Village	22,324			100%		-	
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%		-	
Toulon – Ollioules	3,185			100%		-	
Tourcoing – Espace Saint Christophe	13,000			65%		35%	
OKABÉ	15,077			65%		35%	
Villeparisis	18,623			100%		-	
Herblay – XIV Avenue	14,200			100%		-	
Pierrelaye (RP)	9,750			100%		-	
Gennevilliers (RP)	18,863			51%		49%	
Family Village® Le Mans Ruaudin (RP)	23,800			100%		-	
Family Village® Aubergenville (RP)	38,620			100%		-	
Brest – Guipavas (RP)	28,000			100%		-	
Limoges (RP)	28,000			75%		25%	
Nimes (RP)	27,500			100%		-	
Various shopping centers (4 assets)	7,491			n/a		n/a	
Sub-total France	**537,102**	**141.0**	**2,504**		**1,650**		**854**
Barcelona – San Cugat	20,488			100%		-	
Bellinzago	21,069			100%		-	
Le Due Torri	33,691			100%		-	
Pinerolo	8,106			100%		-	
Rome – Casetta Mattei	15,301			100%		-	
Ragusa	13,060			100%		-	
Casale Montferrato	8,392			100%		-	
Sub-total International	**120,107**	**34.8**	**506**		**506**		**-**
CONTROLLED ASSETS (FULLY CONSOLIDATED)[a]	657,209	175.8	3,010		2,156		854
Carré de Soie	60,800			50%		50%	
Paris – Gare du Nord shops	3,750			40%		60%	
Roubaix – Espace Grand' Rue	13,538			33%		68%	
Châlons – City Hall	5,250			40%		60%	
Various shopping centers (2 assets)	22,279			n/a		n/a	
EQUITY ASSETS (EQUITY METHOD)[b]	105,618	19.3	269		127		142
Chambourcy	33,500					100%	
Bordeaux – St Eulalie	13,400					100%	
Toulon Grand Ciel	2,800					100%	
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	13,800					100%	
Reims – Espace d'Erlon	12,000					100%	
Toulouse Saint Georges	14,500					100%	
ASSETS MANAGED FOR THIRD PARTIES[c]	211,600	40.8	693		-		693
TOTAL ASSETS UNDER MANAGEMENT	974,427	235.9	3,973		2,283		1,689

(a) Projects in which Altarea holds shares and over which Altarea exercises operational control. Fully consolidated in the consolidated financial statements.
(b) Assets in which Altarea is not the majority shareholder, but for which Altarea exercises joint operational control. Consolidated using the equity method in the consolidated financial statements.
(c) Assets held entirely by third parties who entrusted Altarea with a management mandate for an initial period of three to five years, renewable.
(d) Rental value on signed leases at January 1, 2014.
(e) Including transfer duties.
(RP) Retail Park.

Breakdown of shopping centers under development at December 31, 2013

			At 100%				Group share		
Center	SC/RP	Creation/ Redevelopment/ Extension	GLA in m²[a]	Gross rental income (€ millions)	Net invest. (€ millions)[b]	Return	GLA in m²[a]	Gross rental income (€ millions)	Net invest. (€ millions)[b]
Cap 3000	SC	Redev./ Extensions	37,094				12,365		
Aix extension	SC	Extension	9,233				6,805		
La Valette-du-Var	SC	Creation	36,844				18,790		
Family Village® Le Mans 2	RP	Creation	15,790				15,790		
Family Village® Aubergenville 2	RP	Extension	12,714				12,714		
Massy - X%	SC	Redev./ Extensions	28,369				28,369		
Paris region 1	SC	Creation	42,500				42,500		
Paris region 2	SC	Redev./ Extensions	59,000				59,000		
East France	SC	Redev./ Extensions	46,281				27,338		
Developments – France			**287,824**	**100.6**	**1,067**	**9.4%**	**223,672**	**66.6**	**743**
Ponte Parodi (Genoa)	SC	Creation	36,910				36,910		
Le Due Torri (Lombardy)	SC	Extension	7,564				7,564		
Developments – International			**44,474**	**14.8**	**158**	**9.4%**	**44,474**	**14.8**	**158**
Controlled developments (fully consolidated)			332,298	115.4	1,225	9.4%	268,145	81.4	901
Villeneuve-la-Garenne	SC	Creation	42,982				21,491		
Family Village® Roncq	RP	Creation	58,413				29,207		
Cœur d'Orly – Retail	SC	Creation	31,411				7,853		
Non-controlled developments (equity method)			132,806	37.6	428	8.8%	58,550	16.2	190
Total at December 31, 2013			465,104	153.0	1,653	9.3%	326,695	97.5	1,090
– o/w redevelopments/extensions			*200,254*	*81.3*	*847*	*9.6%*	*154,155*	*52.7*	*589*
– o/w assets creation			*264,850*	*71.7*	*806*	*8.9%*	*172,540*	*44.8*	*501*

(a) Total GLA (Gross Leasable Area) built and/or redeveloped, excluding off-plan developments for third parties.
(b) Total budget including interest expenses and internal costs.

2.2.1.2. Online retail

Altarea Cogedim Group is one of the leading names in e-commerce in France thanks to its Rue du Commerce brand, whose 2013 business volume came to €429 million (+1%).

2.2.1.2.1. Market trends[22]

In 2013, e-commerce reported sales of €51 billion in France (up 13.5%). General merchandise websites reported a 4.3% like-for-like increase in sales[23].

This growth was driven in large part by the creation of 20,500 new retail websites (+17%), for a total of 138,000 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, representing 2.9% of the e-commerce market (as opposed to 0.7% in 2012).

2.2.1.2.2. RueduCommerce.com visitor numbers

RueduCommerce.com site traffic was again on the rise, with 188 million visits[24] over the year. This 4.1% increase is higher than that of the Top 10 pure-play general merchandise sites (+3.9%[25]).

Among RueduCommerce.com visitors, mobile users represented 8% of overall traffic in 2013.

(22) FEVAD 2013 E-commerce review.
(23) FEVAD iCE 40 survey (like-for-like growth of leading sites).
(24) Total number of connections to the site, Xiti data.
(25) Médiamétrie//NetRating data, 2013 twelve-month average.

Rue du Commerce further maintained its position as a leading site, ranking among the Top 10 general merchandise sites in France[26].

General merchandise sites	Average UV per month in 2013 (in thousands)
1. Amazon	15,068
2. CDiscount	10,198
3. Fnac	9,247
4. PriceMinister	7,394
5. La Redoute	7,029
6. Carrefour	6,712
7. RueduCommerce.com	**5,631**
8. Vente-privée.com	5,496
9. Darty	4,333
10. E.Leclerc	3,848

2.2.1.2.3. Rue du Commerce performance

In 2013, the site reported €429 million in business volume (+1%), with 74% generated by own-brand distribution and 26% by the *Galerie Marchande*. 2.5 million orders were placed, for an average basket of approximately €208.

(€ millions)	2013	2012	*Change*
Own-brand business volume	318.6	315.7	*1%*
Galerie Marchande business volume	109.9	107.4	*2%*
Total business volume	**428.5**	**423.1**	***1%***
Galerie Marchande Commissions	9.6	9.4	*1%*
Commission rate	*8.8%*	*8.8%*	-
Rue du Commerce revenue	**328.1**	**325.2**	***1%***

Actively working towards a multichannel property model, Rue du Commerce completely transformed its website at the end of 2013. It thereby became the "first digital shopping center", with a new visual identity, improved navigation organized by "street", and more.

This new model relies on reference retailers from the shopping centers. With a unique concept "satisfying your desires", Rue du Commerce chooses for its clients the best brands and retailers.

The brand new site was equipped with a new IT system for managing an extensive multichannel offering.

In late 2012, initial tests were conducted on shopping walls in rail stations. Rue du Commerce is now continuing its multichannel development with the launch of the web-in-store concept "Ma Boutique Express". These digital purchase terminals will be installed in rail stations in partnership with Gares & Connexions and Relay France[27]. This unique distribution channel is designed for large public spaces, including in the Group's first "E-commerce Campus" in the Qwartz shopping center, set to open in April 2014.

To go along with these changes, Rue du Commerce continued to improve the *Galerie Marchande*'s offering, in part through greater selectivity in choosing merchants. It is thereby working to keep its promise to bring customers the best deals on the web along with major retailers, all with optimum service. Rue du Commerce recruited 340 new merchants (of which 35 retailers from the shopping centers) and delisted 189 others that no longer corresponded to its promise to customers.

High-tech products also performed well (sales up +1%) in a highly competitive market in which Rue du Commerce has a market share of between 15% and 20% depending on the product.

RUE DU COMMERCE GROUP RESULTS

(€ millions)	12/31/2013		12/31/2012 restated
Distribution revenues	318.6	*1%*	315.7
Purchases consumed and other	(297.8)		(291.3)
Gross margin	**20.8**	***(15)%***	**24.4**
% of revenues	*6.5%*		*7.7%*
Galerie Marchande commissions	9.6	*1%*	9.4
Net overhead expenses	(42.8)		(39.9)
Operating cash flow	**(12.5)**		**(6.0)**
% of revenues	*(3.9)%*		*(1.9)%*

Rue du Commerce holds fast to the roadmap established in 2012. It is continuing to make large investments (websites, mobile applications, marketing and hiring of numerous staff members, including experts, etc.), which appear in part as accounting expenses. The entity reported operating losses for the second straight year. These investments aim to significantly increase Rue du Commerce's business volume in the coming years. The return to financial equilibrium remains a medium-term objective.

Synergies between shopping centers and online retail will mainly benefit shopping centers that have made the digital transformation, as Rue du Commerce continues to strengthen its image and brand. Therefore, at December 31, 2013, it was appropriate to fully depreciate the goodwill of €37.9 million recognized for the acquisition of Rue du Commerce and attributed exclusively to the "Online Retail" cash generating unit for accounting purposes, as the standards did not permit subsequent reallocation to the "shopping centers" CGU.

(26) 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 2013.
(27) The first six "Ma Boutique Express" terminals were set up in six RELAY stores in the following train stations: Gare de l'Est, Gare Montparnasse, Gare Saint-Lazare, Gare de Lyon, Gare du Nord and Gare d'Asnières-sur-Seine.

2.2.2. RESIDENTIAL

2.2.2.1. 2013 situation and outlook

New housing sales were largely comparable to 2012[28] levels; approximately 87,700 units were sold, a 15-year low. Construction starts decreased 3%[29]. Construction began on approximately 300,000[30] units in 2013, far below the target of 500,000 homes per year set by the French president.

2014 prospects largely depend on the unforeseeable developments in the economic climate, although a number of recent government measures offer interesting perspectives. Government decrees have aimed to simplify the standards, procedures and some planning restrictions, which should speed up granting of administrative permits and reduce construction costs. Moreover, an attractive intermediate housing tax system (VAT reduced by 10%, 20-year exemption from land taxes on buildings, "life-generation" insurance policies) could encourage institutional investors to return to the new housing market. Finally, lending rates remain very low, which is the best possible support for the housing market.

2.2.2.2. Reservations up[31] 18% in a difficult market

In sharp contrast to the national market, reservations for new housing of the Group rose to €1.016 billion in 2013, up 18%.

A combination of factors account for this performance, which was achieved without external growth.

COGEDIM'S BRAND CAPITAL

Cogedim's "brand capital" underlies the 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

Cogedim has enlarged its offering of housing to align with trends in the demand 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 include truly exceptional programs;
- two entry-level and midscale ranges offer housing that upholds Cogedim's quality standards. The programs in these "A and B" offerings are specifically designed:
  - 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[32].

Altarea Cogedim is also developing a broad range of Serviced residences.

- **Cogedim Club® senior residences:** Under this brand, Altarea Cogedim is developing a serviced-residence concept for active seniors with a variety of *à la carte* services and attractive downtown locations. The first serviced senior residence opened in 2013 in Villejuif, and others will soon welcome residents in Arcachon, Sèvres, Cannes-Pégomas, Chambéry and Bénodet.

Altarea Cogedim has chosen to oversee both the design and development of these residences. It also provides **rental management**, a guarantee of quality and durability for investors and resident tenants alike.

Reservations in value terms and in number of units[33]

Group reservations in 2013 amounted to €1.016 billion (incl. tax) (+18%) and 3,732 units (+17%).

	2013	2012	*Change*
Individual reservations	€650 mil.	€646 mil.	*+1%*
Block reservations	€366 mil.	€215 mil.	*+70%*
Total in value terms	**€1.016 bil.**	**€861 mil.**	***+18%***
Individual reservations	2,286 units	2,103 units	*+9%*
Block reservations	1,446 units	1,094 units	*+32%*
Total in number of units	**3,732 units**	**3,197 units**	***+17%***

Growth in this business was driven by the **commercial launch of 61 developments** worth €1.172 billion, compared with €867 million in 2012, i.e., a 35% increase.

Individual reservations were up 9% in volume (1% in value terms), as a result of increased reservations in the "A and B" ranges and Serviced residences.

Sales to private investors were also up compared to 2012 and accounted for 42% of individual reservations in 2013 (vs. 37% in 2012).

Boosted by several large reservations, block sales to institutional investors rose by more than €150 million compared to 2012 and account for most of this year's growth.

(28) Source: Figures and Statistics – Commissariat Général au Développement Durable no. 496 - February 2014.
(29) Source: Figures and Statistics – Commissariat Général au Développement Durable no. 488 – January 2014 (Housing Construction – Results at the end of December 2013).
(30) Excluding urban renovation.
(31) Reservations net of cancellations.
(32) Operations for which the selling price is capped, after land prices have been negotiated and reduced. In 2013, Altarea Cogedim developed affordable housing operations both in the Paris Region (Nanterre, Ivry, Montreuil) and outside of Paris (Villeurbanne).
(33) Consolidated, except for jointly controlled operations, which are recognized in proportion to the interest held.

Reservations by product range

(€ millions incl. tax)	Entry-level and mid-range	High-end	Serviced residences	Total	*% by region*
Paris Region	362	244	55	660	*65%*
PACA	69	29	9	106	*10%*
Rhône-Alpes	75	61	11	147	*14%*
Grand Ouest	59	6	38	103	*10%*
Total	**565**	**339**	**112**	**1,016**	***100%***
% by range	*56%*	*33%*	*11%*		

Reservations in "A and B" ranges represented 56% of the total. Marketing was launched for a dozen managed residences in 2013. Serviced residences thus represented over €100 million in reservations in 2013, an increase of over 80% compared to 2012.

NOTARIZED SALES

(€ millions incl. tax)	Entry-level and mid-range	High-end	Serviced residences	Total	*% by region*
Paris Region	270	203	30	503	*56%*
PACA	84	31	5	120	*13%*
Rhône-Alpes	67	105	5	177	*20%*
Grand Ouest	37	19	44	101	*11%*
Total	**458**	**358**	**85**	**901**	***100%***
% by range	*51%*	*40%*	*9%*		
2012 Total				860	
Change				*+5%*	

Sales notarized in 2013 amounted to €901 million, up 5% compared to 2012.

2.2.2.3. Operating income

PERCENTAGE-OF-COMPLETION REVENUES[34]

(€ millions excl. tax)	Entry-level and mid-range	High-end	Serviced residences	Total	*% by region*
Paris Region	172	337	18	528	*60%*
PACA	83	21	-	104	*12%*
Rhône-Alpes	37	120	-	157	*18%*
Grand Ouest	49	21	24	94	*11%*
Total	**342**	**499**	**41**	**883**	***100%***
% by range	*39%*	*57%*	*5%*		
2012 Total				914	
Change				*(3)%*	

Residential property sales represent €883 million, compared to €914 million in 2012.

NET PROPERTY INCOME[35] AND OPERATING CASH FLOW

(€ millions)	12/31/2013		12/31/2012
Revenue	883.2	*(3)%*	914.4
Cost of sale	(788.5)		(791.7)
Net property income	**94.7**	***(23)%***	**122.7**
% of revenue	*10.7%*		*13.4%*
Production held in inventory	55.0		58.0
Net overhead expenses	(92.0)		(84.9)
Other	4.6		4.9
Operating cash flow	**62.3**	***(38)%***	**100.7**
% of revenues	*7.1%*		*11.0%*

In 2012, Group Net property income and operating cash flow were particularly high thanks to the completion of operations that had seen improvement in cost prices. The lower margins are due to efforts to adjust prices to the market in 2013, in particular to sell to institutional investors.

BACKLOG

At the end of 2013, the residential backlog[36] amounted to €1.331 billion, equal to 17 months of business. This level provides the Group with continued excellent visibility as to its future residential development income.

(€ millions excl. tax)	Notarized revenues not recognized	Sales reserved but not notarized	Total	% by region	Number of months
Paris Region	471	395	866	*65%*	
PACA	69	65	134	*10%*	
Rhône-Alpes	167	42	209	*16%*	
Grand Ouest	69	52	121	*9%*	
Total	**777**	**554**	**1,331**	**100%**	**17**
Breakdown	*58%*	*42%*			
2012	928	486	1,414		
Change			*(6)%*		

2.2.2.4. Commitment management

Breakdown of properties for sale at December 31, 2013 (€711 million incl. tax) by stage of completion:

	-	< Risk >		+
Operating phases	Preparation (land not acquired)	Land acquired/ project not yet started	Land acquired/ project in progress	Stock of completed residential properties
Expenses incurred (€ millions excl. tax)	12	5		
Cost price of properties for sale (€ mil. excl. tax)			286	6
Property for sale (€711 mil. incl. tax)	**321**	**38**	**344**	**8**
%	*45%*	*5%*	*48%*	*1%*
o/w to be delivered in 2014			*€53 mil.*	
in 2015			*€246 mil.*	
in 2016			*€45 mil.*	

(34) Revenues 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.
(35) Net property income is calculated after interest, after marketing and advertising fees and expenses.
(36) The backlog comprises notarized sales excluding tax to be recognized on a percentage-of-completion basis and individual and block reservations (excl. tax) to be notarized.

MANAGEMENT OF PROPERTIES FOR SALE

50% 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).

48% of properties for sale are currently being built. Only €53 million (out of €344 million) relate to units to be completed by the end of 2014.

There is virtually no stock of finished products (+1%).

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;
- 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 take-up 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 the use 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[37] AND FUTURE OFFERING[38]

(€ millions incl. tax)	< 1 year	> 1 year	Total at 12/31/2013	Number of months	At 12/31/2012
Properties for sale	711		711	8	611
Future offering	2,481	1,238	3,719	44	3,457
Total Pipeline	**3,192**	**1,238**	**4,430**	**52**	**4,068**
12/31/2012	**2,578**	**1,490**	**4,068**		
Change	*+24%*	*(17)%*	*+9%*		

The residential pipeline (properties for sale + future offering) 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.

SUPPLY

	Sales incl. tax (€ millions)	Number of units
Operations supplied in 2013	**1,779**	**8,355**
% of total future offering	***48%***	***58%***
o/w entry-level and mid-range	1,134	5,803
% of operations supplied in 2013	*64%*	*69%*

Cogedim significantly renewed its future offering in 2013, signing preliminary purchase agreements on nearly 8,400 units representing €1.8 billion in potential sales – half of its current Property Portfolio.

These agreements primarily concern entry-level and mid-range programs (about 70% of units) featuring price levels that are particularly suited to purchasers' creditworthiness.

(37) Properties for sale include units available for sale and are expressed as values including tax.
(38) 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 values including tax.

2.2.3. OFFICES

2.2.3.1. Economic conditions and Group positioning

INVESTMENT IN OFFICE PROPERTY[39]

€15.5 billion was invested in France in 2013, a volume comparable to 2012.

The economic climate has led investors to remain prudent in their investments, and to focus on "core" new or refurbished property and leased assets.

OFFICE PROPERTY TAKE-UP[40]

In 2013, take-up in the Paris Region amounted to 19.3 million ft² (1.8 million m²), down 25% from 2012.

Companies' choice to move is mainly motivated 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).

At the end of 2013, immediate supply increased to 41.9 million ft² (3.9 million m²). This trend is due to weak rental activity coupled with delivery or remarketing of new or refurbished spaces.

2.2.3.2. 2013 Activity

In 2013, the Group demonstrated the wisdom of its model, harnessing its expertise in investment (through AltaFund[41]), development (off-plan sale or lease; Property Development contracts), and services (delegated project management).

Projects under development during the year account for €597 million in potential business, i.e. more than 40% of all operations underway. These figures speak to the recovery of this activity after several years of decline.

	Surface area at 100%	Amount (Group-share)[a]
New programs under development in 2013	1,166,849 ft² (108,403 m²)	€597 mil.
Operations under development before 2013	3,753,363 ft² (348,696 m²)	€805 mil.
TOTAL	4.920.172 ft² (457,099 m²)	€1.403 billion

(a) Off-plan or under Property Development contracts: Amount signed. Delegated project management: capitalized fees. AltaFund investment: cost price at 100%.

Thanks to this broad range of activities, Altarea Cogedim Entreprise has been able to meet the needs of the clients/users who were the driving force behind the market in 2013. It has also positionned itself as an investor in projects with a high potential for value creation (Neuilly Charles-de-Gaulle, SEMAPA Paris XIII).

The highly significant build-up in Office property projects in 2013 is expected to generate its first sizable financial returns in 2015.

2.2.3.3. Sales and operational cash flow

(€ millions)	12/31/2013		12/31/2012 restated
Revenue	107.5	*45%*	74.2
Net property income	14.1	*559%*	2.1
% of revenues	*13.1%*		*2.9%*
Services to third parties	3.3	*(37)%*	5.3
Production held in inventory	2.7		5.1
Net overhead expenses	(6.8)		(1.9)
Other	8.1		4.8
Operating cash flow	15.5	*211%*	5.0
% of revenues	*14.4%*		*6.7%*

After hitting a low point in 2012, Altarea Cogedim reported revenue of €107.5 million in 2013 (up 45%), a considerable increase compared to last year.

2013 Net property income came to €14.1 million, substantially higher than FY 2012. This progression was due to developments underway offering higher profitability.

2.2.3.4. Backlog[42] (Off-plan, Property Development contracts and delegated project management)

The off-plan and Property Development contract backlog amounted to €78 million at December 31, 2013, compared with €177 million the previous year. The Group also had a stable backlog of delegated project management fees amounting to €4.7 million.

(€ millions)	2013	2012
Backlog (off-plan/Property Development contracts)	78.0	177.0
Backlog of delegated project management fees	4.7	5.3

(39) CBRE data from Q4 2013 – Investment France.
(40) CBRE data from Q4 2013 – Offices in Paris Region.
(41) Altafund is a discretionary fund managed by Altarea Cogedim Entreprise teams. It has €600 million in equity raised from among international investors, with Altarea Group holding a 17% interest.
(42) 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.

BREAKDOWN OF PROGRAMS UNDER DEVELOPMENT AT DECEMBER 31, 2013

Project	Description	Surface area at 100%	Amount (Group-share) [a]	Status
NEUILLY – Avenue Charles-de-Gaulle	AltaFund	272,500 ft² (25,300 m²)		Under development
PARIS – Semapa	AltaFund	162,000 ft² (15,050 m²)		Under development
TOULOUSE – Blagnac	Off-plan	244,500 ft² (22,700 m²)		Under development
LYON – Gerland	Off-plan	164,750 ft² (15,310 m²)		Under development
MARSEILLE	Off-plan	119,250 ft² (11,074 m²)		Under development
TOULON – Technopôle de la Mer	Off-plan	73,350 ft² (6,814 m²)		Under development
TOULON – TPM (Shops & hotel)	Off-plan	34,000 ft² (3,155 m²)		Under development
MONTPELLIER – Mutuelle des Motards	PDC	96,875 ft² (9,000 m²)		Under development
New programs under development in 2013		**1,166,849 ft² (108,403 m²)**	**€597 million**	
PARIS – Rue des Archives	PDC	284,000 ft² (26,400 m²)		Under development
MASSY – Place du Grand Ouest Hôtel	Off-plan	72,870 ft² (6,770 m²)		Under development
ANTONY – Croix de Berny (Tranche 2)	Off-plan	191,770 ft² (17,816 m²)		Under development
NANTERRE – Cœur de Quartier	Off-plan	247,570 ft² (23,000 m²)		Under development
CŒUR D'ORLY	PDC	788,387 ft² (73,243 m²)		Under development
NICE MERIDIA – Îlot Robini (Phases 2 & 3)	PDC	170,672 ft² (15,856 m²)		Under development
LYON – L3	Off-plan	100,104 ft² (9,300 m²)		Under development
MONTIGNY – Mercedes-Benz France	Off-plan	212,200 ft² (19,714 m²)		Construction underway[b]
LA DEFENSE – Blanche Tower	Delegated	319,688 ft² (29,700 m²)		Construction underway
MARSEILLE – Euromed Center (Phase 1 & hotel)	PDC	729,411 ft² (67,764 m²)		Construction underway
PARIS – Raspail	AltaFund	114,635 ft² (10,650 m²)		Construction underway
SAINT DENIS LANDY – Sisley	PDC	239,185 ft² (22,221 m²)		Construction underway
PARIS – Laënnec	Delegated	193,750 ft² (18,000 m²)		Construction underway
LYON – Opale	Off-plan	142,742 ft² (13,262 m²)		Construction underway
Operations under development before 2013		**3,753,363 ft² (348,696 m²)**	**€805 million**	
TOTAL		**4,920,172 ft² (457,099 m²)**	**€1,403 million**	

(a) Off-plan or under Property Development contracts: Amount signed Delegated project management: capitalized fees AltaFund investment: cost price.
(b) Completed in January 2014.

2.3. CONSOLIDATED RESULTS

2.3.1. RESULTS (2012 FIGURES RESTATED FOR IFRS 10,11 AND 12)

Group consolidated revenue came up 2% compared to 2012 and FFO (Group share and other) rose 6% to €167.7 million thanks to the strong performance of the retail REIT and the Office property segment growth. These figures confirm the strategic advantage of such a multibusinesses positionning, which contributes to offset partially the reorganisation underway in Housing activity.

On a Group-share basis, FFO was down slightly (–5% to €142.2 million), due to the rise in minority interests linked to partnership agreements signed for major retail projects (€16.7 million increase in minority interests).

On a per-share basis, the decline came to 11% (€12.7/share) due to the capital increase following the contribution of 15% of Bercy Village and to the impact of the partial share-based payment of the 2012 dividends leading to a 6.0%[43] dilution.

Net profit rose sharply to €220 million (+265%), driven by the increase in value of portfolio assets and financial instruments (+162% to €146.2 million on a Group share basis).

(43) 732,624 shares created in June 2012 and 536,364 shares created in June 2013, i.e. an increase of 634,494 to the average number of shares for 2013 and a 6.0% dilutive effect.

(€ millions)	12/31/2013				12/31/2012 Restated		
	Funds from operations (FFO)		Changes in value, estimated expenses & transaction costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses & transaction costs	Total
Shopping centers	196.1	*19%*		196.1	164.9	0.9	165.8
Online retail	328.1	*1%*		328.1	325.2	0.0	325.1
Residential	883.3	*(3)%*		883.3	915.0		915.0
Offices	110.8	*40%*		110.8	79.4		79.4
REVENUE	**1,518.4**	***2%***		**1,518.4**	**1,484.5**	**0.9**	**1,485.4**
Shopping centers	153.9	*21%*	68.5	222.4	127.1	13.6	140.7
Online retail	(12.5)	*106%*	(47.0)	(59.5)	(6.0)	(7.9)	(13.9)
Residential	62.3	*(38)%*	(5.2)	57.0	100.7	(4.7)	95.9
Offices	15.5	*211%*	(1.9)	13.6	5.0	(2.9)	2.1
Other	(0.6)	*(76)%*	(0.6)	(1.2)	(2.5)	(0.6)	(3.0)
OPERATING INCOME	**218.6**	***(3)%***	**13.8**	**232.4**	**224.3**	**(2.5)**	**221.7**
Net borrowing costs	(48.2)	*(25)%*	(6.6)	(54.8)	(63.9)	(3.3)	(67.2)
Discounting of debt and receivables	-		(0.2)	(0.2)	-	(0.0)	(0.0)
Changes in value and profit (loss) from disposal of financial instruments	-		22.2	22.2	-	(73.9)	(73.9)
Proceeds from the disposal of investments	-		(0.0)	(0.0)	-	0.7	0.7
Corporate income tax	(2.7)		23.2	20.4	(1.7)	(19.3)	(21.0)
NET PROFIT	**167.7**	***6%***	**52.3**	**220.0**	**158.6**	**(98.4)**	**60.2**
O/w net profit, Group Share	*142.2*	*(5)%*	*4.1*	*146.2*	*149.7*	*(93.8)*	*55.9*
Average diluted number of shares (in millions)	*11.232*				*10.548*		
FFO (GROUP SHARE) PER SHARE	**12.66**	***(11)%***		**14.19**			

2.3.1.1. Revenue: €1.518 billion (+2%)

SHOPPING CENTERS: €196.1 million (+19%)

Revenue from shopping centers included rental income of €174.4 million[44] (+21%) and €21.8 million from services provided to third parties. This also includes €14.4 million relating to sales in connection with Property Development programs (chiefly the off-plan sale to Carrefour for the Qwartz shopping center in Villeneuve-la-Garenne).

The impact of application of IFRS standards 10, 11 and 12 on retail revenue comes to €-18.6 million.

ONLINE RETAIL: €328.1 million (+1%)

Reported revenue (statutory accounts) originated mainly from own-brand distribution (€318.6 million). The remaining €9.6 million corresponds to commissions generated by the marketplace.

RESIDENTIAL PROPERTY: €883.3 MILLION (-3%)

Property Development revenue is recognized according to the percentage-of-completion method[45] 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.

The impact of application of IFRS standards 10, 11 and 12 on Residential property revenue comes to €-38.5 million.

OFFICES: €110.8 MILLION (+40%)

Revenue grew by 40%. The primary contributions came from three programs delivered in 2013 and early 2014: Hôtel-Dieu in Marseille, offices for the Laennec program in Paris and the head offices of Mercedes-Benz in Montigny-le-Bretonneux.

The impact of application of IFRS standards 10, 11 and 12 on Office property revenue comes to €-46.7 million.

2.3.1.2. Operating cash flow[46]: €218.6 million (-3%)

In 2013, operating cash flow was down 3% to €218.6 million, due to the drop in housing activity (basis effect and decline in 2012 reservations) and the waning contribution of Rue du Commerce (implementation of the investment program).

This drop was largely offset by the positive performance of the shopping centers and office property business.

(44) Recognized in accordance with IAS 17 "Leases".
(45) According to IAS 18 "Revenue" and IFRIC 15 "Agreements for the Construction of Real Estate".
(46) Or consolidated EBITDA.

2.3.1.3. FFO[47]: €167.7 million (+6%)

Funds from operations represent operating cash flow after net borrowing costs and Corporate income tax expenses.

NET BORROWING COSTS: €-48.2 million (-25%)

The drop in net borrowing costs was due to the reduction in consolidated debt (€1.837 billion compared to €2.186 billion in 2012) as well as a lower average cost of debt.

This lower average cost of debt was made possible by an improvement in the Group's borrowing conditions, as well as the restructuring of hedging instruments, with time periods being reduced.

TAX PAYMENT

This represents the tax paid by entities not having adopted the SIIC tax status, for the most part within the Altareit tax group and including in particular Property Development operations and Rue du Commerce. In 2013, the Group was able to offset its taxable income against tax loss carryforwards, limiting the amount of income tax payments to €2.7 million.

2.3.1.4. Changes in value and estimated expenses: €52.3 million

	(€ millions)
Change in value – Investment properties (France)	87.7
Change in value – Investment properties (International)	(45.0)
Change in value – Financial instruments	22.2
Rue du Commerce Goodwill	(37.9)
Asset disposals	8.8
Deferred tax	23.2
Estimated expenses[a]	(6.6)
TOTAL	**52.3**

(a) Allowances for depreciation and non-current provisions, stock grants, pension provisions, and staggering of bond issuance costs.

2.3.1.5. Average number of shares after dilution

The average number of shares after dilution is the average of number of shares in circulation plus shares under stock option and free option bonus share plans granted in 2013.

It increased by 684,185 shares due to partial payment of the dividend in shares in July 2013, as well as the capital increase following the contribution of 15% of Bercy Village (creation of 145,000 shares).

2.3.2. NET ASSET VALUE (NAV)

GROUP NAV	12/31/2013				12/31/2012	
	€ millions	*Change*	€/share	*Change/share*	€ millions	€/share
Consolidated equity, Group share	1,151.3		99.3		1,023.7	93.8
Other unrealized capital gains	317.6				381.9	
Restatement of financial instruments	71.5				177.1	
Deferred tax on the balance sheet for non-SIIC assets (international assets)	23.4				38.0	
EPRA NAV	**1,563.9**	*(3.5)%*	**134.9**	*(9.2)%*	**1,620.7**	**148.6**
Market value of financial instruments	(71.5)				(177.1)	
Fixed-rate market value of debt	(2.3)				-	
Effective tax for unrealized capital gains on non-SIIC assets[a]	(32.1)				(50.3)	
Optimization of transfer duties [a]	48.7				48.3	
Partners' share[b]	(15.4)				(15.7)	
EPRA NNNAV (liquidation NAV)	**1,491.2**	*4.6%*	**128.7**	*(1.6)%*	**1,425.9**	**130.7**
Estimated transfer duties and selling fees	63.6				86.2	
Partners' share[b]	(0.7)				(0.9)	
DILUTED GOING CONCERN NAV	**1,554.1**	*2.8%*	**134.1**	*(3.2)%*	**1,511.2**	**138.5**

(a) Varies according to the type of disposal, i.e. sale of asset or sale of securities.
(b) Maximum dilution of 120,000 shares.
(c) Number of diluted shares. 11,590,807 10,909,159

At December 31, 2013, Altarea Cogedim's EPRA NNNAV[48] stood at €1.491 billion, up 4.6% compared to December 31, 2012.

On a per share basis, EPRA NNNAV was €128.70 per share, down 1.6% after the dilutive effect of the share-based 2012 dividend payment.

(47) Funds from operations.
(48) Liquidation NAV.

2.3.2.1. Calculation basis

OTHER UNREALIZED CAPITAL GAINS OR LOSSES

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

- two hotel business franchises (Hôtel Wagram and résidence hôtelière de L'Aubette);
- the rental management and retail Property Development division (Altarea France);
- the Group's interest in the semi-public company that owns the Rungis Market (Semmaris);
- the Property Development division (Cogedim);
- the e-commerce division (Rue du Commerce);
- 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, Semmaris, Cogedim and AltaFund). Both the 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.

TAX

Most of Altarea's Property Portfolio is not subject to capital gains tax under the SIIC regime. The exceptions are a limited number of assets which are not SIIC-eligible due to 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 market value and tax value of the property assets.

Altarea Cogedim took into account the ownership methods of non-SIIC assets to determine going concern NAV after tax, since the tax reflects the tax that would effectively be paid if the shares of the company were sold or if the assets were sold building by building.

TRANSFER DUTIES

Investment properties have been recognized in the IFRS consolidated financial statements at appraisal value excluding transfer duties. To calculate going-concern NAV, however, transfer duties were added back in the same amount.

In Altarea Cogedim's EPRA NNNAV (liquidation NAV), duties are deducted either on the basis of transfer of securities or building by building.

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).

NUMBER OF DILUTED SHARES

The Group created 145,000 new shares over the year to finance acquisition of the 15% stake held by the minority shareholder in SCI Bercy Village.

The diluted number of shares also recognizes all shares subscribed in the payment of dividends in shares, i.e. 536,364 shares[49].

2.3.2.2. Change in EPRA NNNAV

EPRA NNNAV (liquidation NAV)	(€ millions)	(€/share)
At December 31, 2012	**1,426**	**130.7**
2013 dividend	(108)	(10.0)
Dilution due to dividend payout in shares	56	(1.4)
PRO FORMA POST DISTRIBUTION	**1,374**	**119.3**
FFO	142	12.7
Change in value of assets – France[a]	68	6.5
Change in value of assets – International	(48)	(4.3)
Rue du Commerce Goodwill depreciation	(38)	(3.4)
Other non-cash items[b]	(7)	(2.1)
At December 31, 2013	**1,491**	**128.7**

(a) Included equity assets.
(b) Other changes and calculated expenses (depreciation and provisions, mark-to-market of hedging instruments, deferred tax, etc.).

(49) When the 2013 dividend of €10.0 per share was paid, shareholders were offered the option of subscribing new shares at a price of €104.60 per share. This operation resulted in the creation of 536,364 new shares (with a 52.11% take-up rate), thereby increasing Group's shareholders equity by €56 million.

2.4. FINANCIAL RESOURCES

2.4.1. FINANCIAL POSITION

Altarea Cogedim Group has a solid financial position:

- €338 million in available cash and cash equivalents;
- robust consolidated bank covenants (LTV<60% and ICR>2) with significant leeway at December 31, 2013 (LTV of 41.7% and ICR of 4.5 x).

This strong position results primarily from a diversified business model (shopping centers 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.

2.4.1.1. Available cash and cash equivalents: €338 million

Available cash and cash equivalents comprised:

- €305 million in corporate sources of funds (cash and confirmed authorizations), already covering future maturities;
- €33 million in unused loan authorizations secured against specific developments.

2.4.1.2. Debt by category

Altarea Cogedim's net debt stood at €1.8 billion at December 31, 2013 compared with €2.2 billion at December 31, 2012 (-€349 million).

(€ millions)	Dec. 2013	Dec. 2012
Corporate debt	664	776
Mortgage debt	997	1,302
Debt relating to acquisitions	243	288
Property Development debt	168	142
Total gross debt	**2,072**	**2,508**
Cash and cash equivalents	(235)	(322)
Total net debt	**1,837**	**2,186**

The considerable reduction in consolidated debt was primarily due to the partnership agreement signed with Allianz, which made it possible to raise €395 million in equity in exchange for a 49% minority interest in five Group-controlled projects.

- Corporate debt is subject to consolidated bank covenants (LTV<60% and ICR>2x).
- 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-marketing threshold.
- Debt relating to the acquisition of Cogedim is subject to corporate covenants (LTV<65% and ICR>2x), and covenants specific to Cogedim (EBITDA leverage and ICR).

2.4.1.3. Financial covenants

MAIN CORPORATE DEBT COVENANTS

	Covenant	12/31/ 2013	12/31/ 2012	Delta
LTV[a]	≤ 60%	41.7%	49.3%	-762 bps
ICR[b]	≥ 2.0 x	4.5 x	3.2 x	+1.3 x

(a) LTV (Loan to Value) = Net debt/Restated value of assets, transfer duties included.
(b) ICR = Operating profit/Net cost of debt.
(Funds from operations column)

OTHER SPECIFIC COVENANTS

At December 31, 2013, the Group was in compliance with all covenants.

2.4.2. HEDGING AND MATURITY

Portfolio profile of hedging instruments:

NOMINAL AMOUNT (€ MILLIONS) AND AVERAGE HEDGE RATE[50]

Maturity	Swap	Cap/ Collar	Total hedging	Average swap rate	Av. Cap/ Collar rate
Dec. 2013	1,422	509	1,931	1.54%	3.05%
Dec. 2014	1,449	295	1,743	1.74%	2.42%
Dec. 2015	1,371	191	1,562	3.20%	3.19%
Dec. 2016	1,262	207	1,468	3.08%	4.39%
Dec. 2017	996	74	1,069	2.78%	3.75%
Dec. 2018	841	-	841	2.62%	-
Dec. 2019	550	-	550	2.43%	-
Dec. 2020	550	-	550	2.43%	-
Dec. 2021	-	-	-	-	-
Dec. 2022	-	-	-	-	-

COST OF DEBT

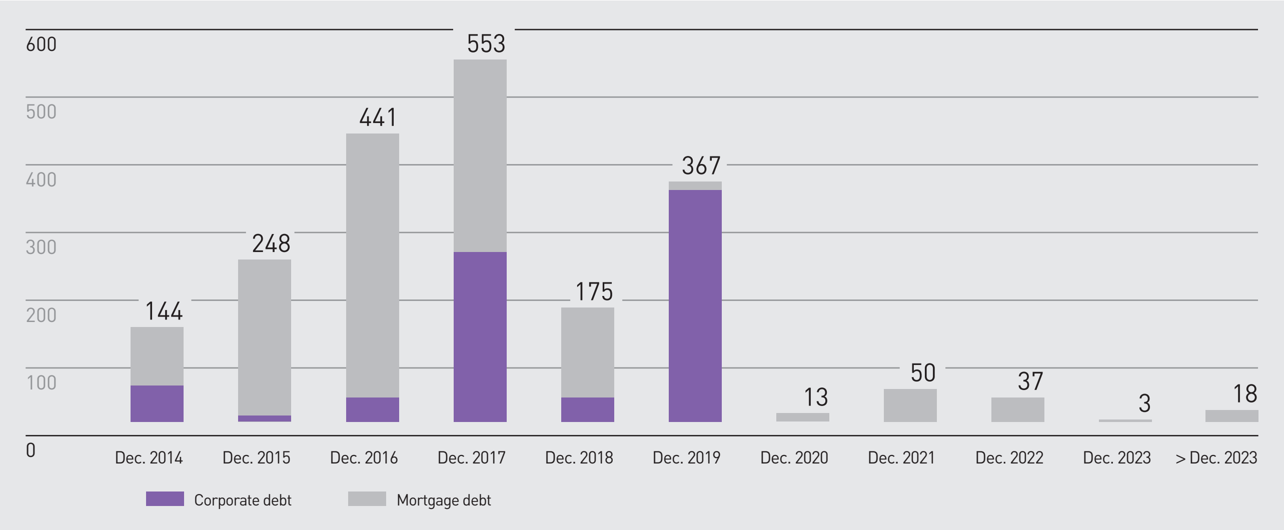
Altarea Cogedim Group's average financing cost including the credit spread was 2.80% at December 31, 2013 compared with 3.52% at the end of 2012.

This lower average cost of debt was made possible by an improvement in the Group's borrowing conditions, as well as the restructuring of hedging instruments, with time periods being reduced.

DEBT MATURITY

After accounting for renegotiations on Cogedim's acquisition debt and on two others corporate debts, average debt maturity was 4.1 years at December 31, 2013 compared with 4.3 years at December end 2012.

MATURITY SCHEDULE FOR GROUP DEBT (EXCLUDING PROPERTY DEVELOPMENT, IN € MILLIONS)



Cash available at December 31, 2013 suffices to cover all corporate loan repayments until the end of 2016.

Note:

- corporate debt to be repaid in 2014 is essentially made up of treasury Notes;
- mortgage debt to be repaid in 2015 concerns Cap 3000, for which financing must be revised owing to the renovation/extension project.

(50) Fixed-rate swaps and debt after restructuring of hedges associated with loan repayments in 2013 (mainly the Allianz transaction).

Costing-based profitability analysis at December 31, 2013

(€ millions)	12/31/2013			12/31/2012 Restated		
	Funds from operations (FFO)	Changes in value, estimated expenses & transaction costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses & transaction costs	Total
Rental income	174.4	-	174.4	143.9	-	143.9
Other expenses	(16.4)	-	(16.4)	(13.7)	-	(13.7)
Net rental income	**158.0**	**-**	**158.0**	**130.2**	**-**	**130.2**
External services	21.8	-	21.8	21.0	-	21.0
Own work capitalized and production held in inventory	12.3	-	12.3	9.8	-	9.8
Operating expenses	(51.4)	(1.8)	(53.2)	(48.4)	(1.5)	(49.9)
Net overhead expenses	**(17.3)**	**(1.8)**	**(19.2)**	**(17.6)**	**(1.5)**	**(19.1)**
Share of equity-method affiliates	**13.3**	**25.1**	**38.4**	**14.5**	**(5.9)**	**8.7**
Net allowances for depreciation and impairment	**-**	**(1.7)**	**(1.7)**	**-**	**(1.7)**	**(1.7)**
Gains (losses) on sale of assets	**-**	**8.8**	**8.8**	**-**	**3.3**	**3.3**
Gains (losses) in the value of investment property	**-**	**39.9**	**39.9**	**-**	**10.2**	**10.2**
Transaction costs	**-**	**(1.7)**	**(1.7)**	**-**	**9.1**	**9.1**
NET RETAIL PROPERTY INCOME (SHOPPING CENTERS)	153.9	68.5	222.4	127.1	13.6	140.7
Distribution and other revenue	318.6	(0.0)	318.6	315.7	(0.0)	315.7
Purchases consumed	(296.1)	-	(296.1)	(289.0)	-	(289.0)
Net charge to provisions for risks and contingencies	(1.7)	-	(1.7)	(2.3)	-	(2.3)
Retail margin	**20.8**	**(0.0)**	**20.8**	**24.4**	**(0.0)**	**24.4**
***Galerie Marchande* commissions**	**9.6**	**-**	**9.6**	**9.4**	**-**	**9.4**
Operating expenses	(42.8)	(0.3)	(43.1)	(39.9)	(0.3)	(40.2)
Net overhead expenses	**(42.8)**	**(0.3)**	**(43.1)**	**(39.9)**	**(0.3)**	**(40.2)**
Net allowances for depreciation and impairment	**-**	**(45.7)**	**(45.7)**	**-**	**(6.4)**	**(6.4)**
Transaction costs	**-**	**(1.0)**	**(1.0)**	**-**	**(1.2)**	**(1.2)**
NET RETAIL PROPERTY INCOME (ONLINE)	(12.5)	(47.0)	(59.5)	(6.0)	(7.9)	(13.9)
Revenue	883.2	-	883.2	914.4	-	914.4
Cost of sales and other expenses	(788.5)	-	(788.5)	(791.7)	-	(791.7)
Net property income	**94.7**	**-**	**94.7**	**122.7**	**-**	**122.7**
External services	0.1	-	0.1	0.6	-	0.6
Production held in inventory	54.9	-	54.9	57.4	-	57.4
Operating expenses	(92.0)	(1.4)	(93.4)	(84.9)	(1.9)	(86.8)
Net overhead expenses	**(37.0)**	**(1.4)**	**(38.5)**	**(26.9)**	**(1.9)**	**(28.8)**
Share of equity-method affiliates	**4.6**	**0.1**	**4.7**	**4.9**	**(0.0)**	**4.9**
Net allowances for depreciation and impairment	**-**	**(3.4)**	**(3.4)**	**-**	**(2.8)**	**(2.8)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	62.3	(5.2)	57.0	100.7	(4.7)	95.9
Revenue	107.5	-	107.5	74.2	-	74.2
Cost of sales and other expenses	(93.4)	-	(93.4)	(72.0)	-	(72.0)
Net property income	**14.1**	**-**	**14.1**	**2.1**	**-**	**2.1**
External services	3.3	-	3.3	5.3	-	5.3
Production held in inventory	2.7	-	2.7	5.1	-	5.1
Operating expenses	(12.9)	(0.5)	(13.4)	(12.3)	(0.7)	(13.0)
Net overhead expenses	**(6.8)**	**(0.5)**	**(7.3)**	**(1.9)**	**(0.7)**	**(2.7)**
Share of equity-method affiliates	**8.1**	**(1.1)**	**7.1**	**4.8**	**(1.9)**	**2.8**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**(0.2)**	**(0.2)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	15.5	(1.9)	13.6	5.0	(2.9)	2.1
Other (Corporate)	**(0.6)**	**(0.6)**	**(1.2)**	**(2.5)**	**(0.6)**	**(3.0)**
OPERATING INCOME	218.6	13.8	232.4	224.3	(2.5)	221.7
Net borrowing costs	**(48.2)**	**(6.6)**	**(54.8)**	**(63.9)**	**(3.3)**	**(67.2)**
Discounting of debt and receivables	**-**	**(0.2)**	**(0.2)**	**-**	**(0.0)**	**(0.0)**
Change in value and income from disposal of financial instruments	**-**	**22.2**	**22.2**	**-**	**(73.9)**	**(73.9)**
Proceeds from the disposal of investments	**-**	**(0.0)**	**(0.0)**	**-**	**0.7**	**0.7**
PROFIT BEFORE TAX	170.4	29.2	199.6	160.3	(79.1)	81.2
Corporate income tax	**(2.7)**	**23.2**	**20.4**	**(1.7)**	**(19.3)**	**(21.0)**
NET PROFIT	167.7	52.3	220.0	158.6	(98.4)	60.2
Non-controlling interests	**(25.5)**	**(48.3)**	**(73.8)**	**(8.8)**	**4.5**	**(4.3)**
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	142.2	4.1	146.2	149.7	(93.8)	55.9
Average number of shares after dilution	*11,231,747*	*11,231,747*	*11,231,747*	*10,547,562*	*10,547,562*	*10,547,562*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE (€) TO GROUP SHAREHOLDERS	12.66	0.36	13.02	14.19	(8.90)	5.30

Balance sheet at December 31, 2013

(€ millions)	12/31/2013	12/31/2012 Restated
NON-CURRENT ASSETS	**3,600.7**	**3,558.7**
Intangible assets	237.7	276.7
o/w goodwill	*128.7*	*166.6*
o/w brands	*98.6*	*98.6*
other intangible assets	*10.4*	*11.5*
Property, plant and equipment	12.6	11.3
Investment properties	3,029.0	3,021.9
o/w investment properties in operation at fair value	*2,917.9*	*2,869.6*
o/w investment properties under development and under construction at cost	*111.1*	*152.4*
Securities and investments in equity affiliates and unconsolidated interests	278.6	210.6
Loans and receivables (non-current)	6.6	6.8
Deferred tax assets	36.2	31.4
CURRENT ASSETS	**1,292.2**	**1,376.7**
Non-current assets held for sale	1.7	4.8
Net inventories and work in progress	606.4	658.8
Trade and other receivables	428.2	402.9
Income tax credit	2.3	1.8
Loans and receivables (current)	18.1	15.3
Derivative financial instruments	0.8	0.1
Cash and cash equivalents	234.9	293.0
TOTAL ASSETS	**4,892.9**	**4,935.4**
EQUITY	**1,832.9**	**1,362.0**
Equity attributable to Altarea SCA shareholders	**1,151.3**	**1,023.7**
Share capital	177.1	131.7
Other paid-in capital	437.0	481.6
Reserves	391.0	354.6
Income associated with Altarea SCA shareholders	146.2	55.9
Equity attributable to minority shareholders of subsidiaries	**681.6**	**338.2**
Reserves associated with minority shareholders of subsidiaries	498.8	224.9
Other equity components, subordinated perpetual Notes	109.0	109.0
Income associated with minority shareholders of subsidiaries	73.8	4.3
NON-CURRENT LIABILITIES	**1,782.5**	**2,259.1**
Non-current borrowings and financial liabilities	1,722.7	2,148.0
o/w participating loans	*12.7*	*13.9*
o/w non-current bond issues	*248.5*	*250.0*
o/w borrowings from credit institutions	*1,432.3*	*1,867.4*
o/w other borrowings and debt	*29.2*	*16.7*
Other non-current provisions	21.1	21.7
Deposits received	26.8	27.1
Deferred tax liability	11.9	62.3
CURRENT LIABILITIES	**1,277.6**	**1,314.3**
Current borrowings and financial liabilities	436.2	303.5
o/w borrowings from credit institutions (excluding overdrafts)	*323.4*	*264.5*
o/w treasury Notes and accrued interest	*28.0*	*-*
o/w bank overdrafts	*39.7*	*1.8*
o/w other borrowings and debt	*44.9*	*37.2*
Derivative financial instruments	73.7	171.5
Accounts payable and other operating liabilities	739.5	836.4
Tax due	28.1	2.8
Amount due to shareholders	0.0	0.0
TOTAL LIABILITIES	**4,892.9**	**4,935.4**

CONSOLIDATED FINANCIAL STATEMENTS

3

3.1. INFORMATION ABOUT THE COMPANY

Altarea is a partnership limited by shares (*Société en Commandite par Actions*, "SCA"). Its shares were admitted to trading on Segment 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*, "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 with Rue du Commerce. This activity includes asset and property management functions 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 segments. 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 March 5, 2014 reviewed the consolidated financial statements for the year ended December 31, 2013 as drawn up by the Executive Management.

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Note	12/31/2013	12/31/2012 Restated [a]	01/01/2012 Restated [a]
NON-CURRENT ASSETS		**3,600.7**	**3,558.7**	**3,056.9**
Intangible assets	8.1	237.7	276.7	264.9
o/w Goodwill		*128.7*	*166.6*	*193.1*
o/w Brands		*98.6*	*98.6*	*66.6*
o/w Other intangible assets		*10.4*	*11.5*	*5.1*
Property, plant and equipment	8.2	12.6	11.3	12.8
Investment properties	8.3	3,029.0	3,021.9	2,514.1
o/w Investment properties in operation at fair value		*2,917.9*	*2,869.6*	*2,368.4*
o/w Investment properties under development and under construction at cost		*111.1*	*152.4*	*145.8*
Securities and investments in equity affiliates and unconsolidated interests	8.4	278.6	210.6	216.7
Loans and receivables (non-current)	8.5	6.6	6.8	7.0
Deferred tax assets	9.9	36.2	31.4	41.4
CURRENT ASSETS		**1,292.2**	**1,376.7**	**1,297.8**
Non-current assets held for sale	8.3	1.7	4.8	55.3
Net inventories and work in progress	8.7	606.4	658.8	638.5
Trade and other receivables	8.8	428.2	402.9	372.6
Income tax credit		2.3	1.8	1.0
Loans and receivables (current)	8.5	18.1	15.3	7.3
Derivative financial instruments	11	0.8	0.1	0.2
Cash and cash equivalents	10	234.9	293.0	223.1
TOTAL ASSETS		**4,892.9**	**4,935.4**	**4,354.7**
EQUITY		**1,832.9**	**1,362.0**	**1,116.1**
Equity attributable to Altarea SCA shareholders	8.10	**1,151.3**	**1,023.7**	**988.1**
Share capital		177.1	131.7	120.5
Other paid-in capital		437.0	481.6	509.9
Reserves		391.0	354.6	269.5
Income associated with Altarea SCA shareholders		146.2	55.9	88.2
Equity attributable to non-controlling interests of subsidiaries		**681.6**	**338.2**	**128.0**
Reserves associated with non-controlling interests of subsidiaries		498.8	224.9	122.2
Other equity components, subordinated perpetual Notes		109.0	109.0	-
Income associated with non-controlling interests of subsidiaries		73.8	4.3	5.9
NON-CURRENT LIABILITIES		**1,782.5**	**2,259.1**	**2,037.9**
Non-current borrowings and financial liabilities	8.11	1,722.7	2,148.0	1,982.7
o/w Participating loans		*12.7*	*13.9*	*13.9*
o/w Non-current bond issues		*248.5*	*250.0*	-
o/w Borrowings from lending establishments		*1,432.3*	*1,867.4*	*1,953.0*
o/w Other borrowings and debt		*29.2*	*16.7*	*15.8*
Other non-current provisions	8.12	21.1	21.7	22.9
Deposits received	8.13	26.8	27.1	22.0
Deferred tax liability	9.9	11.9	62.3	10.3
CURRENT LIABILITIES		**1,277.6**	**1,314.3**	**1,200.6**
Current borrowings and financial debt (less than one year)	8.11	436.2	303.5	273.4
o/w Borrowings from credit institutions (excluding overdrafts)		*323.4*	*264.5*	*242.2*
o/w Treasury Notes		*28.0*	-	-
o/w Bank overdrafts	10	*39.7*	*1.8*	*5.2*
o/w Other borrowings and debt		*44.9*	*37.2*	*26.0*
Derivative financial instruments	11	73.7	171.5	122.5
Accounts payable and other operating liabilities	8.9	739.5	836.4	803.8
Tax due		28.1	2.8	1.0
Amount due to shareholders		0.0	0.0	0.0
TOTAL EQUITY		**4,892.9**	**4,935.4**	**4,354.7**

(a) The company decided to apply the new standards for consolidation (IFRS 10 and 11) as of January 1, 2013. Because the standards apply on a retrospective basis, the financial statements presented herein have been restated for the purpose of comparison.

The Notes constitute an integral part of the financial statements.

3.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	Note	12/31/2013	12/31/2012 Restated [a]
Rental income		174.4	143.9
Property expenses		(4.6)	(4.6)
Unrecoverable rental expenses		(6.2)	(3.6)
Management costs		(0.0)	(0.0)
Net charge to provisions for risks and contingencies		(5.5)	(5.5)
NET RENTAL INCOME	9.1	**158.0**	**130.2**
Revenue		990.7	989.4
Cost of sales		(831.1)	(815.6)
Selling expenses		(43.8)	(39.7)
Net charge to provisions for current assets		(5.3)	(5.3)
NET PROPERTY INCOME	9.2	**110.5**	**128.9**
Distribution and other revenue		318.6	315.7
Purchases consumed		(296.1)	(289.0)
Net charge to provisions for current assets		(1.7)	(2.3)
RETAIL MARGIN	9.3	**20.8**	**24.4**
GALERIE MARCHANDE COMMISSIONS	9.4	**9.6**	**9.4**
External services		25.3	27.0
Own work capitalized and production held in inventory		69.9	72.3
Personnel costs		(131.1)	(120.4)
Other overhead expenses		(66.3)	(67.2)
Depreciation expense on operating assets		(3.7)	(3.6)
NET OVERHEAD EXPENSES	9.5	**(106.0)**	**(91.9)**
Other income and expense		(6.8)	(5.3)
Depreciation expenses		(3.6)	(6.9)
Transaction costs		(3.3)	7.9
OTHER	9.6	**(13.7)**	**(4.3)**
Proceeds from disposal of investment properties		142.8	142.1
Book value of assets sold		(136.5)	(145.8)
Net charge to provisions for risks and contingencies		0.9	2.9
NET GAIN/(LOSS) ON DISPOSAL OF INVESTMENT ASSETS	9.6	**7.1**	**(0.8)**
Change in value of investment properties	9.6	57.7	10.6
Net impairment losses on investment properties measured at cost	9.6	(17.8)	(0.4)
Net impairment losses on other non-current assets	9.6	(4.5)	(0.1)
Net charge to provisions for risks and contingencies	9.6	(1.7)	(0.7)
Goodwill impairment	9.6	(37.9)	-
Operating profit before the share of net income of equity-method affiliates		**182.1**	**205.3**
Share in earnings of equity-method affiliates	9.6	50.2	16.4
Operating profit after the share of net income of equity-method affiliates		**232.4**	**221.7**
Net borrowing costs	9.7	(54.8)	(67.3)
Financial expenses		(60.2)	(70.4)
Financial income		5.4	3.1
Change in value and income from disposal of financial instruments	9.8	22.2	(73.9)
Discounting of debt and receivables		(0.2)	(0.0)
Proceeds from the disposal of investments	9.8	(0.0)	0.7
Dividend per share		0.0	0.0
PROFIT BEFORE TAX		**199.6**	**81.2**
Income tax	9.9	20.4	(21.0)
NET PROFIT		**220.0**	**60.2**
o/w Net income attributable to Altarea SCA shareholders		146.2	55.9
o/w Net income attributable to non-controlling interests in subsidiaries		73.8	4.3
BASIC NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	9.10	**13.16**	**5.37**
DILUTED NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	9.10	**13.02**	**5.30**

Other items contributing to comprehensive income:

	12/31/2013	12/31/2012 Restated [a]
NET PROFIT	220.0	60.2
Translation differences		
Subtotal of comprehensive income items that may be reclassified to profit or loss		
Actuarial differences on defined-benefit retirement plans	0.7	(1.0)
o/w Taxes	*(0.3)*	*0.3*
Subtotal of comprehensive income items that may not be reclassified to profit or loss	**0.7**	**(1.0)**
OTHER ITEMS CONTRIBUTING TO COMPREHENSIVE INCOME	0.7	(1.0)
COMPREHENSIVE INCOME	220.7	59.2
o/w Net comprehensive income attributable to Altarea SCA shareholders	147.0	54.9
o/w Net comprehensive attributable to non-controlling interests in subsidiaries	73.8	4.3

(a) The company decided to apply the new standards for consolidation (IFRS 10 and 11) as of January 1, 2013. Because the standards apply on a retrospective basis, the financial statements presented herein have been restated for the purpose of comparison.

The Notes constitute an integral part of the financial statements.

3.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Note	12/31/2013	12/31/2012 Restated [a]
Cash flow from operating activities			
Consolidated profit after tax		**220.0**	**60.2**
Elimination of income tax expense (income)	9.9	(20.4)	21.0
Elimination of net interest expense (income)		54.7	67.2
Profit before tax and before net interest expense (income)		**254.3**	**148.4**
Elimination of share in earnings of equity-method affiliates	8.4	(50.2)	(16.4)
Elimination of depreciation, amortization and provisions		52.6	13.1
Elimination of value adjustments	10	(64.8)	62.0
Elimination of proceeds from disposals [b]		(6.6)	4.8
Elimination of dividend income		(0.0)	(0.0)
Estimated income and expenses associated with share-based payments	8.10	4.3	4.5
Net cash flow		**189.6**	**216.3**
Tax paid	8.6	(12.4)	(1.8)
Impact of change in operating working capital requirement (WCR)	8.6	(60.8)	(20.1)
CASH FLOW FROM OPERATING ACTIVITIES		116.4	194.4
Cash flow from investment activities			
Net acquisitions of assets and capitalized expenditures	10	(133.9)	(86.5)
Acquisitions of consolidated companies, net of cash acquired	10	(6.8)	(72.8)
Increase in loans and advances		(14.0)	(160.1)
Sale of non-current assets and repayment of advances and down payments [b]	10	143.2	143.6
Disposals of consolidated companies, net of cash transferred		127.1 [e]	1.7
Reduction in loans and other financial investments		0.9	1.9
Net change in investments and derivative financial instruments	10	(72.9)	(32.6)
Dividends received	10	8.3	7.4
Interest income		4.8	2.7
CASH FLOW FROM INVESTMENT ACTIVITIES		56.7	(188.6)
Cash flow from financing activities			
Capital increase		0.0	(0.0)
Subordinated perpetual Notes		-	109.0 [c]
Minority interests' share in capital increases in subsidiaries		196.7 [e]	36.6 [d]
Dividends paid to Altarea SCA shareholders	12	(53.3)	(22.3)
Dividends paid to minority shareholders of subsidiaries		(13.3)	(0.0)
Issuance of debt and other financial liabilities	8.11	513.3	489.1
Repayment of borrowings and other financial liabilities	8.11	(850.1)	(470.2)
Net sales (purchases) of treasury shares	8.10	(7.3)	(4.4)
Net change in security deposits and guarantees received	8.13	(0.3)	0.0
Interest paid		(54.8)	(70.2)
CASH FLOW FROM FINANCING ACTIVITIES		(269.1)	67.6
Change in cash balance		(96.0)	73.3
CASH BALANCE AT THE BEGINNING OF THE YEAR	10	291.2	217.8
Cash and cash equivalents		293.0	223.1
Bank overdraft		(1.8)	(5.2)
CASH BALANCE AT PERIOD-END	10	195.2	291.2
Cash and cash equivalents		234.9	293.0
Bank overdraft		(39.7)	(1.8)

(a) The company decided to apply the new standards for consolidation (IFRS 10 and 11) as of January 1, 2013. Because the standards apply on a retrospective basis, the financial statements presented herein have been restated for the purpose of comparison.
(b) 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.
(c) Subordinated perpetual Notes issued by Altarea SCA and taken up by APG.
(d) 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.
(e) Acquisition by Allianz of a stake in the share capital of several shopping centers through a reserved rights issue and disposal of securities (net of transaction costs).

The Notes constitute an integral part of the financial statements.

3.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions)	Share capital	Additional paid-in capital	Elimination of treasury shares	Reserves and retained earnings	Equity attributable to Altarea SCA shareholders	Equity attributable to non-controlling interests of subsidiaries	Total shareholders' equity
At January 1, 2012	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)***
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* [a]	***172.4***
Subordinated perpetual Notes	-	-	-	-	**-**	*109.0* [b]	***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)** [c]	(65.3) [c]	**(67.1)**
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	(0.0)	**(0.0)**	56.0 [d]	**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
Net profit	-	-	-	*146.2*	***146.2***	*73.8*	***220.0***
Actuarial difference relating to pension obligations	-	-	-	*0.7*	***0.7***	*0.0*	***0.7***
Comprehensive income	-	-	-	146.9	**146.9**	73.8	**220.7**
Dividend distribution	-	*(106.1)*	-	*(3.3)*	***(109.4)***	*(10.5)*	***(119.9)***
Share capital increase	*10.4*	*63.0*	-	*(0.0)*	***73.4*** [e]	*0.0*	***73.4***
Measurement of share-based payments	-	-	-	*2.8*	***2.8***	*0.0*	***2.8***
Elimination of treasury shares	-	-	*(5.3)*	*(1.3)*	***(6.6)***	-	***(6.6)***
Transactions with shareholders	10.4	(43.1)	(5.3)	(1.7)	**(39.7)**	(10.5)	**(50.2)**
Changes in ownership interests without taking or losing control of subsidiaries	-	-	-	20.3	**20.3** [f]	280.1 [f]	**300.4**
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	-	**-**	-	**0.0**
Other	35.0	(1.5)	-	(33.6)	**(0.0)** [g]	0.0	**(0.0)**
At December 31, 2013	177.1	437.0	(19.0)	556.2	1,151.3	681.6	1,832.9

(a) Non-controlling interests held by Predica in the capital increase of December 13, 2012 of the subsidiary Alta Blue, which owns the Cap 3000 shopping center through its subsidiary Aldeta.
(b) Subordinated perpetual Notes issued by Altarea SCA on December 11, 2012 representing a non-controlling interest taken up by APG in Alta Blue and its subsidiary Aldeta, which owns the Cap 3000 shopping center.
(c) The impact of changes in interests not entailing the acquisition or loss of control of subsidiaries reflects the following transactions:
a. the completion of the acquisition of Rue du Commerce shares initiated in December 2011 had a -€63.2 million impact on non-controlling interests (takeover of Rue du Commerce in December 2011; finalization of the takeover resulting in a notice by the AMF on February 21, 2012);
b. acquisitions in November and December 2012 of a total stake of 20% in Altacom (holding company of Rue du Commerce) from its founders thus increasing its stake to 100% impacted equity attributable to non-controlling interests of subsidiaries by €1.9 million and equity attributable to Altarea SCA shareholders by €1.7 million;
c. the accretion in Altareit had an impact of (0.1) on equity attributable to Group shareholders and (0.2) on equity attributable to non-controlling interests.
(d) The €56 million mainly concerns the change in the consolidation method for Alta Blue and its subsidiary Aldeta that owns the Cap 3000 shopping center (equity accounting to full consolidation) following the restructuring of its shareholder base.
(e) The +€73.4 million impact on equity attributable to shareholders of the Group corresponds on the one hand to €17.3 million from the capital increase resulting from the Areal merger and on the other hand, to €56.1 million from the capital increase resulting from the conversion of dividends into shares.
(f) The impact relating to changes in interests not entailing the acquisition or loss of control of subsidiaries reflects the following transactions:
a. the acquisition of a 15% stake in SCI Bercy Village 2 by Altarea SCA from Aréal impacts equity attributable to non-controlling interests by €28.3 million and equity attributable to shareholders of Altarea SCA by €9.7 million; this transaction was carried out through the merger of Aréal into Altarea SCA on June 1, 2013 with 145,000 new Altarea SCA shares issued as consideration thereof, resulting in a net capital increase of €17 million;
b. the public purchase offer followed by a squeeze-out procedure initiated on March 28, 2013 for Rue du Commerce shares increased Altacom's holding to 100% and equity attributable to non-controlling interest was impacted by €2.7 million; equity attributable to shareholders of Altarea SCA was impacted by €1.1 million including the effect of the cancellation of rights to stock options held by employees;
c. the acquisition of non-controlling interests in Altarea Développement Italie for €1.0 million on equity attributable to Group shareholders;
d. the acquisition by Allianz of a 49% stake in several shopping centers had a net impact of +€12.7 million on equity attributable to Group shareholders and +€311.1 million on equity attributable to non-controlling interests, including +€196.7 million from the capital increase reserved for Allianz.
(g) The share capital is that of Altarea SCA and no longer of Imaffine following the reverse merger between the two companies in 2004.

The Notes constitute an integral part of the financial statements.

3.6. COSTING-BASED PROFITABILITY ANALYSIS

(€ millions)	12/31/2013			12/31/2012 Restated [a]		
	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	174.4	-	174.4	143.9	-	143.9
Other expenses	(16.4)	-	(16.4)	(13.7)	-	(13.7)
Net rental income	**158.0**	**-**	**158.0**	**130.2**	**-**	**130.2**
External services	21.8	-	21.8	21.0	-	21.0
Own work capitalized and production held in inventory	12.3	-	12.3	9.8	-	9.8
Operating expenses	(51.4)	(1.8)	(53.2)	(48.4)	(1.5)	(49.9)
Net overhead expenses	**(17.3)**	**(1.8)**	**(19.2)**	**(17.6)**	**(1.5)**	**(19.1)**
Share of equity-method affiliates	**13.3**	**25.1**	**38.4**	**14.5**	**(5.9)**	**8.7**
Net allowances for depreciation and impairment	**-**	**(1.7)**	**(1.7)**	**-**	**(1.7)**	**(1.7)**
Income/(loss) on sale of assets	**-**	**8.8**	**8.8**	**-**	**3.3**	**3.3**
Income/(loss) in the value of investment property	**-**	**39.9**	**39.9**	**-**	**10.2**	**10.2**
Transaction costs	**-**	**(1.7)**	**(1.7)**	**-**	**9.1**	**9.1**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	153.9	68.5	222.4	127.1	13.6	140.7
Retail and other revenue	318.6	(0.0)	318.6	315.7	(0.0)	315.7
Purchases consumed	(296.1)	-	(296.1)	(289.0)	-	(289.0)
Net charge to provisions for risks and contingencies	(1.7)	-	(1.7)	(2.3)	-	(2.3)
Retail margin	**20.8**	**(0.0)**	**20.8**	**24.4**	**(0.0)**	**24.4**
***Galerie Marchande* commissions**	**9.6**	**-**	**9.6**	**9.4**	**-**	**9.4**
Operating expenses	(42.8)	(0.3)	(43.1)	(39.9)	(0.3)	(40.2)
Net overhead expenses	**(42.8)**	**(0.3)**	**(43.1)**	**(39.9)**	**(0.3)**	**(40.2)**
Net allowances for depreciation and impairment	**-**	**(45.7)**	**(45.7)**	**-**	**(6.4)**	**(6.4)**
Transaction costs	**-**	**(1.0)**	**(1.0)**	**-**	**(1.2)**	**(1.2)**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	(12.5)	(47.0)	(59.5)	(6.0)	(7.9)	(13.9)
Revenue	883.2	-	883.2	914.4	-	914.4
Cost of sales and other expenses	(788.5)	-	(788.5)	(791.7)	-	(791.7)
Net property income	**94.7**	**-**	**94.7**	**122.7**	**-**	**122.7**
External services	0.1	-	0.1	0.6	-	0.6
Production held in inventory	54.9	-	54.9	57.4	-	57.4
Operating expenses	(92.0)	(1.4)	(93.4)	(84.9)	(1.9)	(86.8)
Net overhead expenses	**(37.0)**	**(1.4)**	**(38.5)**	**(26.9)**	**(1.9)**	**(28.8)**
Share of equity-method affiliates	**4.6**	**0.1**	**4.7**	**4.9**	**(0.0)**	**4.9**
Net allowances for depreciation and impairment	**-**	**(3.4)**	**(3.4)**	**-**	**(2.8)**	**(2.8)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	62.3	(5.2)	57.0	100.7	(4.7)	95.9
Revenue	107.5	-	107.5	74.2	-	74.2
Cost of sales and other expenses	(93.4)	-	(93.4)	(72.0)	-	(72.0)
Net property income	**14.1**	**-**	**14.1**	**2.1**	**-**	**2.1**
External services	3.3	-	3.3	5.3	-	5.3
Production held in inventory	2.7	-	2.7	5.1	-	5.1
Operating expenses	(12.9)	(0.5)	(13.4)	(12.3)	(0.7)	(13.0)
Net overhead expenses	**(6.8)**	**(0.5)**	**(7.3)**	**(1.9)**	**(0.7)**	**(2.7)**
Share of equity-method affiliates	**8.1**	**(1.1)**	**7.1**	**4.8**	**(1.9)**	**2.8**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**(0.2)**	**(0.2)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	15.5	(1.9)	13.6	5.0	(2.9)	2.1
Other (Corporate)	**(0.6)**	**(0.6)**	**(1.2)**	**(2.5)**	**(0.6)**	**(3.0)**
OPERATING PROFIT	218.6	13.8	232.4	224.3	(2.5)	221.7
Net borrowing costs	**(48.2)**	**(6.6)**	**(54.8)**	**(63.9)**	**(3.3)**	**(67.2)**
Discounting of debt and receivables	**-**	**(0.2)**	**(0.2)**	**-**	**(0.0)**	**(0.0)**
Change in value and income from disposal of financial instruments	**-**	**22.2**	**22.2**	**-**	**(73.9)**	**(73.9)**
Proceeds from the disposal of investments	**-**	**(0.0)**	**(0.0)**	**-**	**0.7**	**0.7**
PROFIT BEFORE TAX	170.4	29.2	199.6	160.3	(79.1)	81.2
Corporate income tax	**(2.7)**	**23.2**	**20.4**	**(1.7)**	**(19.3)**	**(21.0)**
NET PROFIT	167.7	52.3	220.0	158.6	(98.4)	60.2
Non-controlling interests	**(25.5)**	**(48.3)**	**(73.8)**	**(8.8)**	**4.5**	**(4.3)**
NET PROFIT, attributable to group shareholders	**142.2**	**4.1**	**146.2**	**149.7**	**(93.8)**	**55.9**
Average number of shares after dilution	*11,231,747*	*11,231,747*	*11,231,747*	*10,547,562*	*10,547,562*	*10,547,562*
DILUTED EARNINGS PER SHARE attributable to group shareholders (€)	12.66	0.36	13.02	14.19	(8.90)	5.30

(a) The company decided to apply the new standards for consolidation (IFRS 10 and 11) as of January 1, 2013. Because the standards apply on a retrospective basis, the financial statements presented herein have been restated for the purpose of comparison.

The Notes constitute an integral part of the financial statements.

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 IFRS standards and interpretations, as adopted by the European Union at December 31, 2013 and available at: http://ec.europa.eu/internal_market/ accounting/ias_fr.htm#adopted-commission.

The impacts of applying standards relating to consolidation (IFRS 10/11/12) are described in the note on accounting changes. No other standard or interpretation newly applicable as of January 1, 2013 and applied by the Group produced a material impact on the Company's consolidated financial statements.

Accounting standards and interpretations applied early on December 31, 2012 and mandatory for periods commencing on or after January 1, 2013:

- **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 did not have a material impact on the Group's consolidated financial statements.

Accounting standards and interpretations in force at January 1, 2012 and adopted as of January 1, 2013 without a material impact on accounting and valuation methods for the Group's consolidated financial statements:

- **IFRS 13** – Fair value measurement;
- **Amendments to I IFRS 7** – Disclosures: offsetting financial assets and 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;
- **Annual improvements to IFRS (2009-2011) (issued 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;
- **Amendment to IFRS 1** – Government loans;
- **Amendments to IAS 36** – Recoverable amount disclosures for non-financial assets;
- **Amendments to IAS 39** – Novation of derivatives and continuation of hedge accounting;
- **Investment entities** – Investment companies;
- **Amendments to IAS 32** – Offsetting financial assets and liabilities.

Accounting standards and interpretations adopted on December 31, 2013 and mandatory after December 31, 2013:

- **IFRS 10** – Consolidated financial statements;
- **IFRS 11** – Joint arrangements;
- **IFRS 12** – Disclosure of interests in other entities;
- **IAS 28R** – Investments in associates and joint ventures;
- **Amendments to IFRS 10, 11 and 12** – "Transitional provisions".

These standards were adopted on a retrospective basis as of January 1, 2012. The financial statements for the financial year ended December 31, 2012 have been restated for the purpose of comparison. The main impacts are presented in the note on accounting changes.

Accounting standards and interpretations not applied early and application of which is mandatory after December 31, 2013:

- **IAS 27R** – Separate financial statements.

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;
- **IFRIC 21** – Levies;
- **Amendments to IAS 19** – Defined benefit plans: Employee contributions;
- **Annual improvements to IFRS** (2010-2012) (released by the IASB in May 2013);
- **Annual improvements to IFRS** (2011-2013) (released by the IASB in May 2013).

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

No signs of impairment in the carrying value were detected for the Residential and Office Property CGU combinations. This segment includes goodwill and brand assets from Cogedim's acquisition in 2007. In the absence of evidence of impairment, they are tested annually at the end of the reporting period on December 31.

At December 31, 2013, the goodwill allocated to online retail originating from the takeover of Rue du Commerce in December 2011 was amortized. Management considered that after two years, the synergies representing future economic flows generated by the digitalization of the Group will accrue mainly to the brick-and-mortar retail segment and not to the Rue du Commerce CGU, which by contrast will benefit from the strengthening of its brand (see Note 7).

Measurements of other assets and liabilities

- measurement of investment property (see Notes 1.8 "Investment properties" and 8.3. "Investment properties and assets held for sale");
- measurement of inventories (see Note 1.11 "Inventories");
- measurement of deferred tax assets (see Notes 1.18 "Tax" and 9.9 "Corporate income tax");
- measurement of share-based payments (see note 8.10 "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 1.19 "Revenue and revenue-related expenses");
- measurement of the retail margin including an estimate of year-end rebates granted by suppliers (see Note 1.19 "Revenue and revenue-related expenses").

Property, plant and equipment 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. Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

- **IFRS 10** – Consolidated financial statements;
- **IFRS 11** – Joint arrangements;
- **IFRS 12** – Disclosure of interests in other Entities;
- **IAS 28R** – Investments in associates and joint ventures.

Under IFRS 10 "An investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee." The Company has power over an investee when it has existing substantive rights that give it the current ability to direct the relevant activities, defined as activities that significantly affect the investee's returns.

To assess control as defined by IFRS 10, the Company has developed a framework for analyzing the governance of entities with which the company has relations where there exist joint arrangements governed by contractual terms such as bylaws, shareholders' agreements, etc. It also takes into account the facts and circumstances. In accordance with our IFRS 10, *ad hoc* entities are consolidated when, in substance, the relation between the Company and the entity is such that the Company is considered to exercise control over the latter.

Exclusively controlled entities

Exclusively control subsidiaries are fully consolidated. All intra-group balances and transactions as well as income and expense from internal transactions and dividends are eliminated.

Any modification in the Company's interest in a subsidiary not resulting in a loss of control is recognized as a capital transaction. If the Company loses the control over a subsidiary, the assets and liabilities and equity of this former subsidiary are derecognized. Any gain or loss resulting from this loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is recognized at fair value on the date of loss of control according to the recognition method required under IFRS 11, IAS 28 or IAS 39.

Jointly controlled entities

According to IFRS 11, companies are subject to joint control when important decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint control may be exercised through joint operation or a joint venture. According to IFRS 11, the joint operation is distinguished from the joint venture by the existence or not of directly held rights to certain assets and direct obligations for certain liabilities of the entity whereas the joint venture confers a right to the entity's net assets. For joint operations, the Company records the assets, liabilities, income and expenses relating to its interests in the joint operation and its accounts. For joint ventures, the Company's interest in the entity's net assets is recognized according to the equity method described in IAS 28.

Investments in joint operations or joint ventures are presented in accordance with IFRS 12.

Entities subject to significant influence

In accordance with IAS 28, the equity method also applies to all affiliates in which the Company exercises a significant influence without possessing control, which is considered to exist when the percentage of voting rights held is greater than or equal to 20%. Each investment regardless of the percentage of interest held is analyzed, taking into account the facts and circumstances, in order to determine if the Company exercises a significant influence.

According to the equity method, the Company's interests in the affiliate is initially recognized at the acquisition cost of its proportionate share of the investee's net assets, which is then increased or decreased to reflect changes subsequent to the acquisition. Goodwill arising on an affiliate, 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. These investments are presented in the balance sheet under "Securities and investments in equity affiliates and unconsolidated interests" with the corresponding investment-related receivables.

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 policies.

Investments in affiliates are presented in accordance with IFRS 12.

1.4. 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 at least one of the other provisions portion due in less than one year; while 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.

1.5. 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 representing future economic benefits resulting from assets that are not individually identified and separately recognized. 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 and measurements 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 the Residential and Office Property development segments are a slower absorption rate for programs or a contraction in margin levels combined with a decline in new business (reservations, backlog, etc.). The principal signs of impairment for the online retail segment are a decline in business volume (revenues plus sales carried out by *Galerie Marchande* merchants on which the Company receives a commission) combined with 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 of IAS 2 – Inventories.

1.6. 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 Rue du Commerce is amortized over five years and has been fully amortized or written down;
- the brand resulting from the identification of an intangible asset acquired in the Cogedim transaction (see Notes 7.3 "Brand" and 8.1 "Intangible assets") represents an indefinite life asset and as such is not subject to amortization;
- the brand resulting from the identification of an intangible asset acquired in the Rue du Commerce transaction (see Notes 7.3 "Brand" and 8.1 "Intangible assets") represents a finite life asset and is amortized over 20 years;
- customer relationship assets resulting 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 have 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 segments and are tested for impairment at least once annually. See Note 7 "Impairment of assets under IAS 36". At December 31, 2013, 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 segment.

The brand asset and software arising from the business combination with Rue du Commerce 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". At December 31, 2013, only the brand asset remained on the balance sheet and software was fully amortized or written down.

1.7. Property, plant and equipment

Property, plant and equipment 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.

1.8. 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 & 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 (instead of the alternative cost model). Investment properties are thus measured at fair value in accordance with IFRS 13 "Fair value measurement" whenever this can be reliably determined. Otherwise, they are recorded at cost and are tested for impairment at least once per year and where evidence of impairment exists.

The fair value of investment properties used by management is based on the facts and circumstances taking into account their purpose. Management uses mainly external appraisals giving values inclusive of duties less the amount of duties corresponding to transfer taxes and expenses. In France, such duties were estimated at 6.2% (same as in 2012), in Italy 4% (same as in 2012), and in Spain 1.5% (same as in 2012). As from March 1, 2014 and in accordance with the 2014 Finance Act, French *départements* may raise real estate transaction taxes (*droits de mutation à titre onéreux*) by up to 0.7%. This increase was taken into account at December 31, 2013.

Since June 30, 2013, external measurement of Altarea Group assets has been entrusted to DTZ (in France, Italy and Spain) and CBRE (in France). Assets were measured in 2012 by DTZ and RCG for assets located in France and by RVI, a subsidiary of RCG, for assets located in Italy.

The appraisers use two methods:

- a method based on discounting projected cash flows over ten 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 a rate of return 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 from 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;
- the 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).

1.8.1. Investment property in operation

Investment property in operation is systematically measured at fair value.

At December 31, 2013, all completed investment properties in the portfolio underwent an external appraisal.

1.8.2. 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 pre-letting, 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 included within the scope of IAS 40 and is measured at fair value in accordance with IFRS 13 and 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, a material delay in project execution, 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 for the Company. 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 mainly on the basis 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".

1.9. 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 transaction 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 a 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.

1.10. 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 the Cogedim brand, 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".

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:

- cash flows (before tax) are derived from business plans generally covering five-year periods 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 normalized 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 intangible and tangible assets on a *prorata* basis for their book value. The impairment thus recognized is reversible, except for any portion charged to goodwill.

1.11. 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 Revised 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 is deemed improbable, incurred costs 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.

1.12. 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.

1.13. 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 registered in a separate equity line item under equity, "other comprehensive income". A charge is registered in the income statement upon evidence 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 and in compliance with guidance for IFRS 13 "Fair value measurement." A mathematical model is used to bring together calculation methods based on recognized financial theories. This takes into account the measurement of credit risk (or risk of default) of Altarea *vis-à-vis* its bank counterparties and the risk of its counterparties *vis-à-vis* Altarea (Credit Value Adjustment/Debit Value Adjustment). Altarea applies the probability calculation method by default used by the secondary market (according to estimated bond spreads of its counterparties).

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

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

1.14. 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.

1.15. 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 the 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.

1.16. 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 "Other comprehensive income."

1. 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, to measure the amount of its obligations, the Group uses 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) × (probability that the entity will pay the benefits) × (discounting to present value) × (payroll tax coefficient) × (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;
- 2.5% long-term rate of salary increase.

Actuarial gains and losses and valuation adjustments are recorded directly in equity under 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.

2. 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.

3. Other long-term benefits

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

4. Severance pay

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

5. Short-term benefits

Short-term benefits include in particular 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.

1.17. Provisions and contingent Liabilities

In accordance with IAS 37, a provision is recognized when an obligation to a third party will certainly or probably 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.

1.18. Tax

Following its decision to adopt the SIIC tax status, 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.

1.19. Revenue and revenue-related expenses

Income from ordinary activities is recognized when it is probable that future economic benefits will flow to the Group 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, non-recovered service charges, management fees and net allowances to provisions for doubtful receivables.

Rental revenues include gross rent payments, including the effects of spreading stepped rents over the non-cancellable lease term, rent holidays and other benefits granted by contract to the lessee by the lessor, especially reductions granted during the lease term.

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. They are recognized in income when charged. Termination fees paid to tenants in return for vacating the premises before term 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 in fees for temporary occupation permits, very long-term land (emphyteutic) leases and construction leases, both of which are treated as operating leases.

Non-recoverable 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 of the Residential and Office Property segments, plus 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 segment.

- For Property Development activities, Net property income is recognized in Altarea's financial statements using the percentage-of-completion method.

  This method is used for all off-plan (VEFA) and Property Development contract transactions.

  Losses on "new operations" are included in Net property income.

  For these programs, revenues from sales effected *via* notarial closing are recognized – in accordance with IAS 18 "Income from ordinary activities" and IFRIC Interpretation 15 "Agreements for the Construction of real Estate" – in proportion to the percentage of completion of the program, as measured by cumulative costs incurred as a percentage of the total forecast budget (updated at each balance sheet date) for costs directly related to construction (not including the cost of land) and to the percentage of sales realized, determined relative to budgeted total sales. The event that generates revenue recognition is the commencement of construction work combined with the signature of valid deeds of sale.

  In other words, 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 other party 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 non-completion).

- For property trading activities, Net property income is recognized upon delivery, that is, 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 warrantee, or the "difference reimbursed" is estimated on a statistical basis and deducted from revenue.

d) *Galerie Marchande* commissions

The commission consists of a percentage of sales carries out by online merchants on Rue du Commerce's e-commerce platform, the *Galerie Marchande*. The commission is recognized upon delivery of the goods to customers by the third-party online merchants.

e) Net overhead costs

"Net overhead costs" includes income and expense items that are inherent 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

Expense includes staff costs, overhead costs (miscellaneous fees, rent, etc.), as well as depreciation of operating assets. Capitalized production and production held in inventory are deducted from this amount.

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 portfolio assets in operation are also included in this line item.

1.20. 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 all 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 Company'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 Company therefore substantially retains all risks and rewards incidental to ownership of its investment properties.

• Treatment of contingent rent

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

• Treatment of initial lease fees

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

• Lessee 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 performance of the asset to be enhanced (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 contracts are considered finance leases if they transfer virtually all risks and rewards incidental to ownership to the lessor; otherwise, they are considered operating leases.

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

1.21. Gain/(loss) on the disposal of investment assets

The gain or loss on investment properties is the difference between:

- the net selling price received and estimated provisions for rent guarantees granted; and
- the fair value of property on the closing date of the previous reporting period.

1.22. Adjustment in the fair value and impairment of investment property

Adjustments in the value of each property measured at fair value are recognized in the income statement under "Adjustment in value of investment properties measured at fair value" and are determined as follows:

Market value excluding transfer duties at the end of the period (taking into account the impact of stepped rents and rent holidays as measured by the appraiser) minus [Market value at the end of the previous period if the property was measured at fair value, or cost if the property is marked to market for the first time + amount of construction work and expenses eligible for capitalization during the year + effect of deferral period for stepped rents and rent holidays net of the deferral of initial lease fees].

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

1.23. 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 these assets.

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

The net cost of debt includes interest incurred on borrowings including the amortization of issuance expenses, and other financial liabilities, income from loans and advances to participating interests, gains on sale 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, not to capitalize financial costs attributable to the program any longer. Management estimates the date at which the capitalization of financial costs may resume.

1.24. Discounting of payables and receivables

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

1.25. Cash flow statement

The cash flow statement is presented using the indirect method permitted under IAS 7. Tax expense is shown as a single item in 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.

1.26. 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 (unrealized or realized), 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 non-controlling 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 impairment of current assets:
  - brick-and-mortar retail: net rental income,
  - online retail: gross retail margin, *Galerie Marchande* commissions,
  - 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 defined as:
  - staff costs excluding estimated expenses and related items 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 joint ventures or 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.).

Non-controlling interests line

The share of funds from operations attributable to non-controlling owners of subsidiaries. After deduction of the share of funds from operations attributable to non-controlling 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.).

Non-controlling interests line

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

2. ACCOUNTING CHANGES

2.1. Change of accounting method in 2013

The Company decided to apply standards governing consolidation, and namely IFRS 10 (Consolidated financial statements), IFRS 11 (Joint arrangements) and IFRS 12 (Disclosure of interests in other entities) early, as of January 1, 2013 (compulsory as of January 1, 2014).

These standards were issued by the IASB on June 28, 2012 and adopted by the European Union on April 4, 2013. They call for retrospective application. In consequence, financial statements presented along with the period ended December 31, 2013 were restated for the purpose of comparison.

To apply these standards, the Company was required to reestimate the basis of consolidation for each of its entities according to the level of control exercised, regardless of the nature of the relations (equity interests or contractual agreements).

2.1.1. Consolidated financial statements (IFRS 10)

Pursuant to application of IFRS 10, the Company adopted a change in accounting method relating to the determination of control and, where applicable, to the procedure for consolidating subsidiaries and associates. IFRS 10 in effect introduces a new model for control based on the level of power exercised by the company over its subsidiary, rights to variable returns originating from its subsidiaries and the ability to use its power to affect the level of these returns.

In accordance with IFRS 10, the Company has reviewed the control it exercises over entities with which it has relations, particularly in the caseof partners. Based on this review, no changes were made in the Group structure of consolidated companies.

2.1.2. Joint arrangements (IFRS 11)

The Company has analyzed the nature of joint control exercised over the entity with partners.

IFRS 11 makes a distinction between joint operations (partnerships in which the parties exercising joint control over the operation have rights to assets and obligations for liabilities relating thereto) and joint ventures (partnerships in which the parties exercising joint control over the operation have rights to its net assets).

The Company has reviewed in consequence the structure of its partnerships, their legal form, the contractual terms along with any other contextual factors.

Based on this review, the Company is engaged exclusively in joint ventures when involved in partnerships entailing joint control.

In consequence, and in application of IFRS 11, these investments are now consolidated according to the equity method. Previously, these investments were consolidated according to the proportionate method of consolidation which no longer exists.

On January 1, 2012 (date of retrospective application), 104 companies were concerned by this change in method including 18 in the brick-and-mortar segment (the Carré de Soie shopping center and Villeneuve-la-Garenne shopping center held by Ori Alta, as well as Cap 3000 held by Alta Blue and Aldeta before the acquisition of sole control in December 2012), and 86 in the Residential and Office Property development segments (refer to Group consolidated companies).

2.1.3. Disclosure of interests in other entities (IFRS 12)

Following the application of IFRS 12, the Company adapted the Notes to its financial statements on equity affiliates (see note 8.4 "Securities and investments in equity affiliates and unconsolidated interests").

2.1.4. Impact of these changes on the statement of financial position at December 31, 2012

(€ millions)	12/31/2012 Reported	Restatements		12/31/2012 Restated
		IFRS 10	IFRS 11	
NON-CURRENT ASSETS	3,617.5	-	(58.8)	3,558.7
Investment properties	3,200.3	-	(178.4)	3,021.9
Securities and investments in equity affiliates and unconsolidated interests	84.7	-	125.8	210.6
Other non-current assets	332.4	-	(6.3)	326.2
CURRENT ASSETS	1,504.3	-	(127.6)	1,376.7
Net inventories and work in progress	702.6	-	(43.8)	658.8
Trade and other receivables	456.7	-	(53.8)	402.9
Cash and cash equivalents	321.8	-	(28.8)	293.0
Other current assets	23.2	-	(1.2)	22.0
TOTAL ASSETS	5,121.8	-	(186.4)	4,935.4
EQUITY	1,362.0	-	-	1,362.0
Equity attributable to Altarea SCA shareholders	**1,023.7**	**-**	**-**	**1,023.7**
Equity attributable to non-controlling interests of subsidiaries	**338.2**	**-**	**-**	**338.2**
NON-CURRENT LIABILITIES	2,371.8	-	(112.7)	2,259.1
Non-current borrowings and financial liabilities	2,254.2	-	(106.2)	2,148.0
Other non-current liabilities	117.7	-	(6.5)	111.1
CURRENT LIABILITIES	1,388.0	-	(73.7)	1,314.3
Current borrowings and financial liabilities	311.1	-	(7.5)	303.5
Derivative financial instruments	181.2	-	(9.7)	171.5
Accounts payable and other operating liabilities	892.9	-	(56.4)	836.4
Other current liabilities	2.8	-	(0.0)	2.8
TOTAL EQUITY AND LIABILITIES	5,121.8	-	(186.4)	4,935.4

The impacts of IFRS 10 and IFRS 11 on the Group's financial statements at December 31, 2012 result entirely from the application of IFRS 11. These impacts are due to the change in consolidation method for joint ventures, now consolidated by the equity method and previously *via* proportionate consolidation.

2.1.5. Impact of these changes on the statement of financial position at January 1, 2012

(€ millions)	01/01/2012 Reported	Restatements IFRS 10	Restatements IFRS 11	01/01/2012 Restated
NON-CURRENT ASSETS	**3,241.2**	**-**	**(184.3)**	**3,056.9**
Investment properties	2,820.5	-	(306.4)	2,514.1
Securities and investments in equity affiliates and unconsolidated interests	76.5	-	140.2	216.7
Other non-current assets	344.2	-	(18.1)	326.1
CURRENT ASSETS	**1,402.1**	**-**	**(104.3)**	**1,297.8**
Net inventories and work in progress	684.2	-	(45.8)	638.5
Trade and other receivables	390.2	-	(17.6)	372.6
Cash and cash equivalents	263.2	-	(40.1)	223.1
Other current assets	64.5	-	(0.8)	63.7
TOTAL ASSETS	**4,643.3**	**-**	**(288.6)**	**4,354.7**
EQUITY	**1,116.1**	**-**	**-**	**1,116.1**
Equity attributable to Altarea SCA shareholders	**988.1**	**-**	**-**	**988.1**
Equity attributable to non-controlling interests of subsidiaries	**128.0**	**-**	**-**	**128.0**
NON-CURRENT LIABILITIES	**2,259.8**	**-**	**(221.9)**	**2,037.9**
Non-current borrowings and financial liabilities	2,185.4	-	(202.7)	1,982.7
Other non-current liabilities	74.4	-	74.5	(74.5)
CURRENT LIABILITIES	**1,267.3**	**-**	**(66.6)**	**1,200.6**
Current borrowings and financial liabilities	275.4	-	(2.0)	273.4
Derivative financial instruments	130.2	-	(7.7)	122.5
Accounts payable and other operating liabilities	860.5	-	(56.7)	803.8
Other current liabilities	1.2	-	(0.3)	1.0
TOTAL EQUITY AND LIABILITIES	**4,643.3**	**-**	**(288.6)**	**4,354.7**

The impacts of IFRS 10 and IFRS 11 on the Group's financial statements at January 1, 2012 result entirely from the application of IFRS 11. These impacts are due to the change in consolidation method for joint ventures, now consolidated by the equity method and previously *via* proportionate consolidation.

2.1.6. Impact of these changes on the statement of comprehensive income at December 31, 2012

(€ millions)	12/31/2012 Reported	Restatements		12/31/2012 Restated
		IFRS 10	IFRS 11	
Rental income	160.4	-	(16.5)	143.9
Net rental income	**145.8**	**-**	**(15.7)**	**130.2**
Revenue	1,074.5	-	(85.1)	989.4
Net property income	**140.7**	**-**	**(11.8)**	**128.9**
Distribution and other revenue	315.7	-	-	315.7
Retail margin	**24.4**	**-**	**-**	**24.4**
***Galerie Marchande* commissions**	**9.4**	**-**	**-**	**9.4**
External services	24.0	-	3.0	27.0
Net overhead expenses	**(92.6)**	**-**	**0.7**	**(91.9)**
Other receivables	**(6.3)**	**-**	**2.0**	**(4.3)**
Net gain/(loss) on disposal of investment assets	**(0.8)**	**-**	**-**	**(0.8)**
Change in value of investment properties	**20.0**	**-**	**(9.4)**	**10.6**
Net impairment losses on investment properties measured at cost	**(0.4)**	**-**	**-**	**(0.4)**
Net impairment losses on other non-current assets	**(0.2)**	**-**	**0.1**	**(0.1)**
Net charge to provisions for risks and contingencies	**(0.8)**	**-**	**0.1**	**(0.7)**
Share in income of equity-method affiliates	**5.7**	**-**	**10.7**	**16.4**
OPERATING PROFIT AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	245.0	-	(23.3)	221.7
Net borrowing costs	**(75.5)**	**-**	**8.2**	**(67.3)**
Change in value and income from disposal of financial instruments	**(78.4)**	**-**	**4.5**	**(73.9)**
Discounting of debt and receivables	**(0.0)**	**-**	**-**	**(0.0)**
Proceeds from the disposal of investments	**0.7**	**-**	**-**	**0.7**
Tax	**(31.6)**	**-**	**10.6**	**(21.0)**
NET PROFIT	60.2	-	-	60.2
o/w Net income attributable to Altarea SCA shareholders	55.9	-	-	55.9
o/w Net income attributable to non-controlling interests in subsidiaries	4.3	-	-	4.3
BASIC NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	5.37			5.37
DILUTED NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA PER SHARE (€)	5.30			5.30

2.1.7. Impact of these changes on the costing-based profitability analysis at December 31, 2012

(€ millions)	12/31/2012 Reported			Restatements IFRS 10 and 11			12/31/2012 Restated		
	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	Funds From Operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Rental income	160.4	-	160.4	(16.5)	-	(16.5)	143.9	-	143.9
Other expenses	(14.6)	-	(14.6)	0.8	-	0.8	(13.7)	-	(13.7)
Net rental income	**145.8**	**-**	**145.8**	**(15.7)**	**-**	**(15.7)**	**130.2**	**-**	**130.2**
External services	18.0	-	18.0	3.0	-	3.0	21.0	-	21.0
Own work capitalized and production held in inventory	12.2	-	12.2	(2.4)	-	(2.4)	9.8	-	9.8
Operating expenses	(50.5)	(1.5)	(52.0)	2.1	-	2.1	(48.4)	(1.5)	(49.9)
Net overhead expenses	**(20.3)**	**(1.5)**	**(21.7)**	**2.7**	**-**	**2.7**	**(17.6)**	**(1.5)**	**(19.1)**
Share of equity-method affiliates	**9.4**	**(3.0)**	**6.4**	**5.1**	**(2.8)**	**2.3**	**14.5**	**(5.9)**	**8.7**
Net allowances for depreciation and impairment	**-**	**(1.7)**	**(1.7)**	**-**	**0.0**	**0.0**	**-**	**(1.7)**	**(1.7)**
Revenue	-	12.3	12.3	-	(11.4)	(11.4)	-	0.9	0.9
Income/(loss)from the disposal of assets[a]	**-**	**4.8**	**4.8**	**-**	**(1.4)**	**-**	**-**	**3.3**	**3.3**
Income/(loss) in the value of investment property	**-**	**19.6**	**19.6**	**-**	**(9.4)**	**(9.4)**	**-**	**10.2**	**10.2**
Transaction costs	**-**	**9.1**	**9.1**	**-**	**-**	**-**	**-**	**9.1**	**9.1**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	**135.0**	**27.3**	**162.2**	**(7.9)**	**(13.7)**	**(21.6)**	**127.1**	**13.6**	**140.7**
Retail and other revenue	315.7	(0.0)	315.7	-	-	-	315.7	(0.0)	315.7
Retail margin	**24.4**	**(0.0)**	**24.4**	**-**	**-**	**-**	**24.4**	**(0.0)**	**24.4**
***Galerie Marchande* commissions**	**9.4**	**-**	**9.4**	**-**	**-**	**-**	**9.4**	**-**	**9.4**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	**(6.0)**	**(7.9)**	**(13.9)**	**-**	**-**	**-**	**(6.0)**	**(7.9)**	**(13.9)**
Revenue	948.6	-	948.6	(34.2)	-	(34.2)	914.4	-	914.4
Cost of sales and other expenses	(820.7)	-	(820.7)	29.1	-	29.1	(791.7)	-	(791.7)
Net property income	**127.8**	**-**	**127.8**	**(5.2)**	**-**	**(5.2)**	**122.7**	**-**	**122.7**
External services	0.6	-	0.6	(0.0)	-	(0.0)	0.6	-	0.6
Production held in inventory	57.4	-	57.4	0.0	-	0.0	57.4	-	57.4
Operating expenses	(85.0)	(1.9)	(87.0)	0.1	-	0.1	(84.9)	(1.9)	(86.8)
Net overhead expenses	**(27.0)**	**(1.9)**	**(28.9)**	**0.1**	**-**	**0.1**	**(26.9)**	**(1.9)**	**(28.8)**
Share of equity-method affiliates	**(0.3)**	**-**	**(0.3)**	**5.2**	**(0.0)**	**5.2**	**4.9**	**(0.0)**	**4.9**
Net allowances for depreciation and impairment	**-**	**(2.9)**	**(2.9)**	**-**	**0.1**	**0.1**	**-**	**(2.8)**	**(2.8)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	**100.5**	**(4.8)**	**95.7**	**0.2**	**0.1**	**0.2**	**100.7**	**(4.7)**	**95.9**
Revenue	113.6	-	113.6	(39.4)	-	(39.4)	74.2	-	74.2
Cost of sales and other expenses	(106.2)	-	(106.2)	34.2	-	34.2	(72.0)	-	(72.0)
Net property income	**7.3**	**-**	**7.3**	**(5.2)**	**-**	**(5.2)**	**2.1**	**-**	**2.1**
External services	5.3	-	5.3	-	-	-	5.3	-	5.3
Production held in inventory	5.1	-	5.1	(0.0)	-	(0.0)	5.1	-	5.1
Operating expenses	(12.2)	(0.7)	(13.0)	(0.0)	-	(0.0)	(12.3)	(0.7)	(13.0)
Net overhead expenses	**(1.9)**	**(0.7)**	**(2.6)**	**(0.0)**	**-**	**(0.0)**	**(1.9)**	**(0.7)**	**(2.7)**
Share of equity-method affiliates	**(0.4)**	**-**	**(0.4)**	**5.1**	**(1.9)**	**3.2**	**4.8**	**(1.9)**	**2.8**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**0.1**	**0.1**	**-**	**(0.2)**	**(0.2)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	**5.1**	**(1.0)**	**4.1**	**(0.1)**	**(1.9)**	**(2.0)**	**5.0**	**(2.9)**	**2.1**
Other receivables	0.1	-	0.1	-	-	-	0.1	-	0.1
Other (Corporate)	(2.5)	(0.6)	(3.1)	0.0	-	0.0	(2.5)	(0.6)	(3.0)
OPERATING INCOME	**232.1**	**12.9**	**245.0**	**(7.8)**	**(15.5)**	**(23.3)**	**224.3**	**(2.5)**	**221.7**
Net borrowing costs	**(71.7)**	**(3.8)**	**(75.5)**	**7.8**	**0.5**	**8.3**	**(63.9)**	**(3.3)**	**(67.2)**
Discounting of debt and receivables	**-**	**(0.0)**	**(0.0)**	**-**	**-**	**-**	**-**	**(0.0)**	**(0.0)**
Change in value and income from disposal of financial instruments	**-**	**(78.4)**	**(78.4)**	**-**	**4.5**	**4.5**	**-**	**(73.9)**	**(73.9)**
Proceeds from the disposal of investments	**-**	**0.7**	**0.7**	**-**	**-**	**-**	**-**	**0.7**	**0.7**
PROFIT BEFORE TAX	**160.4**	**(68.6)**	**91.8**	**(0.1)**	**(10.5)**	**(10.6)**	**160.3**	**(79.1)**	**81.2**
Corporate income tax	**(1.9)**	**(29.8)**	**(31.6)**	**0.1**	**10.5**	**10.6**	**(1.7)**	**(19.3)**	**(21.0)**
NET PROFIT	**158.6**	**(98.4)**	**60.2**	**-**	**-**	**-**	**158.6**	**(98.4)**	**60.2**
Non-controlling interests	(8.9)	4.6	(4.3)	-	-	-	(8.8)	4.5	(4.3)
NET PROFIT attributable to Group shareholders	**149.7**	**(93.8)**	**55.9**	**-**	**-**	**-**	**149.7**	**(93.8)**	**55.9**
Average number of shares after dilution	*10,547,562*	*10,547,562*	*10,547,562*	-	-	-	*10,547,562*	*10,547,562*	*10,547,562*
EARNINGS PER SHARE attributable to group shareholders (€)	**14.19**	**(8.90)**	**5.30**	**-**	**-**	**-**	**14.19**	**(8.90)**	**5.30**

(a) Net property income relating to Property Development for the Group's own account in 2012 declined from €5.5 million (reported basis) to €4.1 million (restated).

2.1.8. Fair value measurement (IFRS 13)

Fair value measurement of financial instruments

In compliance with IFRS 13, interest rate hedging derivatives at December 31, 2013 were measured by taking into account the credit valuation adjustment (CVA) when positive, and the debit valuation adjustment (DVA) when negative.

This adjustment applies a probability of default to each cash flow date. It thus measures the counterparty risk, defined as an obligation to replace a hedging operation at the market rate in force following the default by one of the counterparties. CVA, calculated for a given counterparty takes into account the probability of default for this counterparty. DVA, based on the Company's credit risk, corresponds to the counterparty's exposure to loss in the event of the Company's default.

The resulting impact is a positive change in the fair value of derivative financial instruments of €1.8 million on net income for the period in 2013. Because this adjustment is not retrospective, there was no impact on the 2012 financial statements.

Application to non-financial assets

Non-financial assets measured at fair value consists of the investment properties held by the Group.

In consequence, optimal use of the asset is systematically taken into account, according to the purpose assigned by the Company's management at the end of the reporting period. The criteria for determining the first-time fair value adjustment of an asset remain unchanged in order to allow for reliable measurement.

2.1.9. Intangible assets (IAS 38)

Reflecting the broadened, multi-channel reach of the RueduCommerce brand, the amortization period was extended from 10 to 20 years. This change had an impact of €2.3 million in deferred net taxes.

3. OPERATING SEGMENTS

3.1. Income statement items by operating segment

(€ millions)	12/31/2013			12/31/2012 Restated[b]		
	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	174.4	-	174.4	143.9	-	143.9
Other expenses	(16.4)	-	(16.4)	(13.7)	-	(13.7)
Net rental income	**158.0**	**-**	**158.0**	**130.2**	**-**	**130.2**
External services	21.8	-	21.8	21.0	-	21.0
Own work capitalized and production held in inventory	12.3	-	12.3	9.8	-	9.8
Operating expenses	(51.4)	(1.8)	(53.2)	(48.4)	(1.5)	(49.9)
Net overhead expenses	**(17.3)**	**(1.8)**	**(19.2)**	**(17.6)**	**(1.5)**	**(19.1)**
Share of equity-method affiliates	**13.3**	**25.1**	**38.4**	**14.5**	**(5.9)**	**8.7**
Net allowances for depreciation and impairment	**-**	**(1.7)**	**(1.7)**	**-**	**(1.7)**	**(1.7)**
Income/(loss) on the disposal of assets	**-**	**8.8**	**8.8**	**-**	**3.3**	**3.3**
Income/(loss) in the value of investment property	**-**	**39.9**	**39.9**	**-**	**10.2**	**10.2**
Transaction costs	**-**	**(1.7)**	**(1.7)**	**-**	**9.1**	**9.1**
NET RETAIL PROPERTY INCOME (B&M FORMATS)	153.9	68.5	222.4	127.1	13.6	140.7
Retail and other revenue	318.6	(0.0)	318.6	315.7	(0.0)	315.7
Purchases consumed	(296.1)	-	(296.1)	(289.0)	-	(289.0)
Net charge to provisions for risks and contingencies	(1.7)	-	(1.7)	(2.3)	-	(2.3)
Retail margin	**20.8**	**(0.0)**	**20.8**	**24.4**	**(0.0)**	**24.4**
Galerie Marchande **commissions**	**9.6**	**-**	**9.6**	**9.4**	**-**	**9.4**
Operating expenses	(42.8)	(0.3)	(43.1)	(39.9)	(0.3)	(40.2)
Net overhead expenses	**(42.8)**	**(0.3)**	**(43.1)**	**(39.9)**	**(0.3)**	**(40.2)**
Net allowances for depreciation and impairment	**-**	**(45.7)**	**(45.7)**	**-**	**(6.4)**	**(6.4)**
Transaction costs	**-**	**(1.0)**	**(1.0)**	**-**	**(1.2)**	**(1.2)**
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	(12.5)	(47.0)	(59.5)	(6.0)	(7.9)	(13.9)
Revenue	883.2	-	883.2	914.4	-	914.4
Cost of sales and other expenses	(788.5)	-	(788.5)	(791.7)	-	(791.7)
Net property income	**94.7**	**-**	**94.7**	**122.7**	**-**	**122.7**
External services	0.1	-	0.1	0.6	-	0.6
Production held in inventory	54.9	-	54.9	57.4	-	57.4
Operating expenses	(92.0)	(1.4)	(93.4)	(84.9)	(1.9)	(86.8)
Net overhead expenses	**(37.0)**	**(1.4)**	**(38.5)**	**(26.9)**	**(1.9)**	**(28.8)**
Share of equity-method affiliates	**4.6**	**0.1**	**4.7**	**4.9**	**(0.0)**	**4.9**
Net allowances for depreciation and impairment	**-**	**(3.4)**	**(3.4)**	**-**	**(2.8)**	**(2.8)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
NET RESIDENTIAL PROPERTY INCOME	62.3	(5.2)	57.0	100.7	(4.7)	95.9
Revenue	107.5	-	107.5	74.2	-	74.2
Cost of sales and other expenses	(93.4)	-	(93.4)	(72.0)	-	(72.0)
Net property income	**14.1**	**-**	**14.1**	**2.1**	**-**	**2.1**
External services	3.3	-	3.3	5.3	-	5.3
Production held in inventory	2.7	-	2.7	5.1	-	5.1
Operating expenses	(12.9)	(0.5)	(13.4)	(12.3)	(0.7)	(13.0)
Net overhead expenses	**(6.8)**	**(0.5)**	**(7.3)**	**(1.9)**	**(0.7)**	**(2.7)**
Share of equity-method affiliates	**8.1**	**(1.1)**	**7.1**	**4.8**	**(1.9)**	**2.8**
Net allowances for depreciation and impairment	**-**	**(0.3)**	**(0.3)**	**-**	**(0.2)**	**(0.2)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
NET OFFICE PROPERTY INCOME	15.5	(1.9)	13.6	5.0	(2.9)	2.1
Other (Corporate)	**(0.6)**	**(0.6)**	**(1.2)**	**(2.5)**	**(0.6)**	**(3.0)**
OPERATING PROFIT	218.6	13.8	232.4	224.3	(2.5)	221.7
Net borrowing costs	**(48.2)**	**(6.6)**	**(54.8)**	**(63.9)**	**(3.3)**	**(67.2)**
Discounting of debt and receivables	**-**	**(0.2)**	**(0.2)**	**-**	**(0.0)**	**(0.0)**
Change in value and income from disposal of financial instruments	**-**	**22.2**	**22.2**	**-**	**(73.9)**	**(73.9)**
Proceeds from the disposal of investments	**-**	**(0.0)**	**(0.0)**	**-**	**0.7**	**0.7**
PROFIT BEFORE TAX	170.4	29.2	199.6	160.3	(79.1)	81.2
Corporate income tax	**(2.7)**	**23.2**	**20.4**	**(1.7)**	**(19.3)**	**(21.0)**
Tax due[a]	(2.7)	(33.3)	(36.0)	(1.7)	(0.2)	(1.9)
Deferred tax	-	56.5	56.5	-	(19.1)	(19.1)
NET PROFIT	167.7	52.3	220.0	158.6	(98.4)	60.2
Non-controlling interests	**(25.5)**	**(48.3)**	**(73.8)**	**(8.8)**	**4.5**	**(4.3)**
NET PROFIT attributable to Group shareholders	**142.2**	**4.1**	**146.2**	**149.7**	**(93.8)**	**55.9**
Average number of shares after dilution	*11,231,747*	*11,231,747*	*11,231,747*	*10,547,562*	*10,547,562*	*10,547,562*
DILUTED EARNINGS PER SHARE attributable to Group shareholders (€)	12.66	0.36	13.02	14.19	(8.90)	5.30

(a) The tax due under change in value is primarily due to the exit tax subsequent to Aldeta's opting for the SIIC regime in 2013; this tax was provisioned in deferred tax in 2012.
(b) The company has decided to apply the new standards for consolidation (IFRS 10 and 11) as from January 1, 2013. Because the standards apply on a retrospective basis, the financial statements presented herein have been restated for the purpose of comparison.

3.2. Balance sheet items by operating segment

At December 31, 2013

(€ millions)	Brick-and-mortar retail	Online retail	Residential property	Office property	Other	Total
Operating assets and liabilities						
INTANGIBLE ASSETS	**17.9**	**36.1**	**174.0**	**9.0**	**0.7**	**237.7**
o/w Goodwill	*15.7*	*-*	*104.0*	*9.0*	*-*	*128.7*
o/w Brands	*-*	*32.0*	*66.6*	*-*	*-*	*98.6*
o/w Other intangible assets	*2.0*	*4.2*	*3.6*	*0.0*	*0.7*	*10.4*
PROPERTY, PLANT AND EQUIPMENT	**3.7**	**3.3**	**5.5**	**0.0**	**0.1**	**12.6**
INVESTMENT PROPERTIES	**3,029.0**	**-**	**-**	**-**	**-**	**3,029.0**
o/w Investment properties in operation at fair value	*2,917.9*	*-*	*-*	*-*	*-*	*2,917.9*
o/w Investment properties under development and under construction at cost	*111.1*	*-*	*-*	*-*	*-*	*111.1*
NON-CURRENT ASSETS HELD FOR SALE	**1.7**	**-**	**-**	**-**	**-**	**1.7**
SECURITIES AND INVESTMENTS IN EQUITY AFFILIATES AND NON-CONSOLIDATED INTERESTS	**213.0**	**0.1**	**29.3**	**36.2**	**-**	**278.6**
NET DEFERRED TAX	**(11.6)**	**(10.6)**	**(58.2)**	**0.4**	**104.3**	**24.3**
o/w Deferred taxes on tax losses	*10.9*	*-*	*-*	*-*	*104.3*	*115.2*
o/w Deferred taxes on identified intangible assets	*(4.9)*	*(11.0)*	*(22.9)*	*-*	*-*	*(38.9)*
o/w Deferred taxes on other timing differences	*(17.6)*	*0.4*	*(35.3)*	*0.4*	*-*	*(52.1)*
OPERATIONAL WORKING CAPITAL REQUIREMENT	**9.7**	**(8.7)**	**301.8**	**21.2**	**2.8**	**326.7**
o/w Net inventories and work in progress	*0.9*	*35.2*	*536.3*	*33.9*	*-*	*606.4*
o/w Trade receivables and other accounts receivable	*81.4*	*53.5*	*243.4*	*34.6*	*3.4*	*416.4*
o/w Accounts payable and other operating liabilities	*72.7*	*97.5*	*478.0*	*47.3*	*0.7*	*696.1*
Total operating assets and liabilities	**3,263.3**	**20.2**	**452.4**	**66.8**	**107.8**	**3,910.6**
Gross increase in investment properties	101.2	-	-	-	-	101.2
o/w Investment properties in operation at fair value	*89.1*	*-*	*-*	*-*	*-*	*89.1*
o/w Investment properties under development and under construction at cost	*12.1*	*-*	*-*	*-*	*-*	*12.1*

At December 31, 2012 (*restated)

(€ millions)	Brick-and-mortar retail	Online retail	Residential property	Offices 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*
PROPERTY, PLANT AND EQUIPMENT	**4.1**	**1.0**	**6.0**	**0.0**	**0.1**	**11.3**
INVESTMENT PROPERTIES	**3,021.9**	**-**	**-**	**-**	**-**	**3,021.9**
o/w Investment properties in operation at fair value	*2,869.6*	*-*	*-*	*-*	*-*	*2,869.6*
o/w Investment properties under development and under construction at cost	*152.4*	*-*	*-*	*-*	*-*	*152.4*
NON-CURRENT ASSETS HELD FOR SALE	**4.8**	**-**	**-**	**-**	**-**	**4.8**
SECURITIES AND INVESTMENTS IN EQUITY AFFILIATES AND NON-CONSOLIDATED INTERESTS	**162.8**	**0.3**	**31.3**	**16.1**	**-**	**210.6**
NET DEFERRED TAX	**(49.5)**	**(12.6)**	**(62.1)**	**3.7**	**89.7**	**(30.9)**
o/w Deferred taxes on tax losses	*9.4*	*-*	*-*	*-*	*89.7*	*99.0*
o/w Deferred taxes on identified intangible assets	*(6.1)*	*(13.0)*	*(22.9)*	*-*	*-*	*(42.1)*
o/w Deferred taxes on other timing differences	*(52.8)*	*0.4*	*(39.2)*	*3.7*	*-*	*(87.9)*
OPERATIONAL WORKING CAPITAL REQUIREMENT	**20.6**	**8.2**	**208.6**	**23.8**	**5.7**	**267.0**
o/w Net inventories and work in progress	*0.9*	*38.2*	*554.4*	*65.2*	*-*	*658.8*
o/w Trade receivables and other accounts receivable	*94.1*	*47.1*	*233.8*	*15.8*	*1.9*	*392.7*
o/w Accounts payable and other operating liabilities	*74.4*	*77.1*	*579.6*	*57.3*	*(3.8)*	*784.5*
Total operating assets and liabilities	**3,181.0**	**73.8**	**357.9**	**52.7**	**95.9**	**3,761.4**
Gross increase in investment properties	66.8	-	-	-	-	66.8
o/w Investment properties in operation at fair value	*43.2*	*-*	*-*	*-*	*-*	*43.2*
o/w Investment properties under development and under construction at cost	*23.6*	*-*	*-*	*-*	*-*	*23.6*

3.3. Revenue by region

As in 2012, no single customer contributed to 10% or more of the Group's 2013 revenue.

	12/31/2013					12/31/2012 *restated				
(€ millions)	France	Italy	Spain	Other	Total	France	Italy	Spain	Other	Total
Rental income	142.7	23.7	8.0	-	174.4	109.9	26.1	7.8	-	143.9
External services	21.1	0.5	0.3	-	21.8	20.4	0.4	0.3	-	21.0
Revenues from Net property income	-	-	-	-	-	0.9	-	-	-	0.9
NET RETAIL PROPERTY INCOME (B&M FORMATS)	163.7	24.2	8.2	-	196.1	131.2	26.5	8.1	-	165.8
Overall business volume	428.5	-	-	-	428.5	423.2	-	-	-	423.2
Retail and other revenue	318.6	-	-	-	318.6	315.7	-	-	-	315.7
Galerie Marchande commissions	9.6	-	-	-	9.6	9.4	-	-	-	9.4
NET RETAIL PROPERTY INCOME (ONLINE FORMATS)	328.1	-	-	-	328.1	325.1	-	-	-	325.1
Revenue	883.2	-	-	-	883.2	914.4	-	-	-	914.4
External services	0.1	-	-	-	0.1	0.6	-	-	-	0.6
NET RESIDENTIAL PROPERTY INCOME	883.3	-	-	-	883.3	915.0	-	-	-	915.0
Revenue	107.5	-	-	-	107.5	74.2	-	-	-	74.2
External services	1.8	-	-	1.6	3.3	3.5	-	-	1.8	5.3
NET OFFICE PROPERTY INCOME	109.3	-	-	1.6	110.8	77.6	-	-	1.8	79.4
Other (Corporate)	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Other receivables	**0.1**	**-**	**-**	**-**	**0.1**	**0.1**	**-**	**-**	**-**	**0.1**
Total revenues	1,484.5	24.2	8.2	1.6	1,518.5	1,449.1	26.5	8.1	1.8	1,485.5

4. ANNUAL HIGHLIGHTS

4.1. FY 2013

Corporate

The public delisting offer and subsequent squeeze-out initiated on March 28, 2013 for Rue du Commerce shares brought Altacom's stake to 100%. Rue du Commerce's shares were delisted from Compartment C of NYSE Euronext Paris on May 3, 2013, following this transaction.

On June 27, 2013, Altarea acquired the 15% stake held by the minority shareholder in SCI Bercy Village 2. The acquisition involved the absorption of Aréal (the company holding 15%) against the issuance of 145,000 Altarea shares. The transaction was decided at the General Meeting of June 27, and took effect retroactively at June 1, 2013.

On December 3, 2013, after exclusive negotiations initiated in the first half of 2013, Altarea Cogedim Group and Allianz Real Estate concluded a long-term partnership on a portfolio of five "core" retail assets in France, held and managed by Altarea Cogedim. This portfolio includes Bercy Village, Toulouse Gramont, the Boutiques de la Gare de l'Est, Espace Chanteraines in Gennevilliers, as well as the development project in Toulon-La Valette, representing a total asset value of over €800 million. By virtue of this partnership, German insurance companies of Allianz Group acquired a 49% minority stake in the proprietary structures of the assets, for a total investment of €395 million (€360 million at December 31, 2013). Altarea Cogedim continues to control and manage the portfolio assets. This arrangement allows Altarea Cogedim Group to significantly reduce its debt and unlock financial resources essential to its continued development while retaining control of strategic assets.

Brick-and-mortar retail

Brick-and-mortar retail saw a decline in capitalization rates in France, reflecting the market trend for the most highly performing assets, and an increase abroad, reflecting the economic situation in Italy.

Amidst persistently sluggish consumer spending, the business volume (incl. tax) of shopping center tenants proved resistant, up 0.7% compared to a national index that was down 2.1%.

Disposals

Altarea continued to pursue its strategy of refocusing on large shopping center assets. It sold the Kremlin-Bicêtre business center on February 27, 2013, the shopping center in Chambéry on January 16, 2013 and the Chalon-sur-Saône center on September 30, 2013.

Acquisition

On December 19, 2013, the Group acquired a shopping center in Orgeval (78).

Delivery and developments

The Costières Family Village® in Nîmes, featuring a gross leasable area of 296,000 ft² (27,500 m²), opened to the public on April 4, 2013.

Altarea is moving forward with its developments, mainly:

- construction of the regional shopping center in Villeneuve-la-Garenne, which has been entirely taken up and will open on April 9, 2014;
- continued redevelopment work on the Cap 3000 center;
- continued redevelopment of the Massy center;
- on June 18th, administrative authorities in Alpes-Maritimes gave the green light for the extension of Cap 3000 for a GLA of 376,700 ft² (35,000 m²);
- in October 2013, the construction phase of the Toulon-La Valette center was launched;
- at the end of August 2013, work to extend the center in Aix-en-Provence began;
- in mid-2013, the Group decided to revamp the offering of the Aubergenville site with a brand village.

In addition, Altarea signed an agreement with Caisse des Dépôts et Consignations for the creation of a 350,000 ft² (32,500 m²) retail hub on Boulevard Macdonald in Paris. To carry out this project, Altarea partnered with the CDC in a structure that is today held 50/50.

Online retail

In 2013, e-commerce in France continued to record growth of +13.5%, driven mainly by new site creation.

Site traffic on RueduCommerce.com continued to grow, with 188 million visits in 2013 (up 4.1%). Rue du Commerce further maintained its position as a leading site, ranking seventh in the Top 10 general e-retailer websites in France (position calculated according to the average number of unique visitors per month).

Altarea is one of the leading names in e-commerce in France thanks to its Rue du Commerce brand, whose 2013 business volume came to €429 million (+1%).

Residential property

In 2013, reservations totaled nearly 86,000 units, comparable to 2012. Compared to the last 15 years, this performance marks a low point; it can be explained by the decline in sales to private investors due to the elimination of the Scellier tax benefit as of early 2013 and a progressive start to the Duflot scheme.

In a persistently weak market, Altarea Cogedim maintained its market share, with €1.016 billion (incl. tax) in new housing reservations, i.e. 3,732 lots, up 18% compared to 2012 (+17% in volume terms). At the end of 2013, the residential backlog amounted to €1.331 billion, equal to 17 months of business. This level provides the Group excellent visibility as to the residential development business's future performance.

Offices

In an economic context that has changed little over the past several months, investors continue to exhibit considerable caution, focusing exclusively on rented and new or refurbished "core" assets.

In 2013, Altarea Cogedim enjoyed significant business activity in development, Property Investment and as a service provider. Major projects were delivered during the year: the four-star hotel in the former Nantes courthouse and the five-star hotel in the former Hôtel-Dieu hospital in Marseille. The Group was able to meet the needs of large users (Sanofi, Safran, Mercedes) while also positioning itself as an investor (*via* AltaFund) in large-scale projects (Neuilly Charles-de-Gaulle, SEMAPA Paris XIII).

After hitting a low point in 2012, the Group reported revenue of €107.5 million in 2013 (up 45%), a considerable increase compared to the year before.

At December 31, 2013, the Group managed business volumes as a developer, project Manager or investor for a Net floor area totaling nearly 5.55 million ft² (516,000 m²), primarily office space.

At December 31, 2013 the backlog of off-plan properties and properties under development contracts represented €78 million. The Group also had a backlog of commission fees for project management services that were stable at €4.7 million.

4.2. FY 2012

Corporate

The Shareholders' Meeting of May 25, 2012 offered shareholders an option between payment of the ordinary dividend in cash or in shares to be created by Altarea SCA. The issue price for new shares delivered as payment of the dividend was set at €94.31, equal to 90% of the average opening price of the twenty trading days prior to the date of the Shareholders' Meeting, less the amount of the dividend per share of €9 decided by The Meeting.

The option of payment in shares for the dividend paid for FY 2011 was a resounding success. It was subscribed at 76.76%, resulting in a capital increase on June 11, 2012, upon exercise of the option.

732,624 new shares were created, delivered and admitted to trading on July 3, 2012. The amount of the dividend paid in cash was €22.3 million and was paid to shareholders the same day.

Brick-and-mortar retail

Brick-and-mortar retail recorded stable capitalization rates[1] (+6 bps) despite declines in consumer spending: -2.9% in 2012 vs. +0.2% in 2011.

In this challenging economy, the business volumes of tenants of Group shopping centers in France (at a constant surface area) were resilient, up 2% compared to a national index that was virtually stable at +0.2%. For the first time since 2006, Retail Park and Family Village® tenants did not fare as well; business volumes were down 0.8%. Austerity policies in Italy and Spain affected shopping center tenants and led to a decline in expert appraisals in shopping centers in both countries.

In 2012, Altarea Cogedim continued to pursue a strategy of concentrating its portfolio on large assets in dynamic areas.

Altarea thus disposed of nearly €147 million of assets in 2012, delivered the eastern extension of the Toulouse Gramont regional center, and took control of Cap 3000, a regional shopping center near Nice.

(1) The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties. The weighted average capitalization rate was 6.20% at December 31, 2012.

The following assets were sold:

- the Drouet d'Erlon shopping center in Reims, on January 6, 2012;
- the Grand'Tour 1 shopping center and its adjacent Retail Park, Grand'Tour 2, north of Bordeaux (in Sainte-Eulalie), on April 13, 2012;
- five small centers in Mantes, Plaisir, Echirolles and Rambouillet.

Following the decision to launch studies for an extension of the site and the subsequent decision to provide Alta Blue sufficient capital to do so, all agreements signed in July 2010 with APG and Predica on the governance of Alta Blue and Aldeta, owner of the center, were reworked. As a result, Altarea took control of Alta Blue and its subsidiary Aldeta. Following this transaction, the Group – in addition to its role of operator – saw its stake increase by 28.43%. It now holds 61.77% of Alta Blue alongside Predica at 33.33% and APG at 4.90% (see Note 5.2 "Changes in the scope of consolidation").

Altarea Cogedim also moved forward with its development projects, continuing to invest mainly in the construction of two shopping centers located in Villeuneuve-La-Garenne and Nîmes, in the redevelopment of certain assets (Toulouse, Cap 3000, Bercy and Massy) and in obtaining administrative authorizations for its new projects according to schedule. 2012 was marked by 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 to the Auchan superstore over a total gross leasable area of approximately 75,000 ft² (7,000 m²).

Online retail

Positioned for several months as the first multichannel property company, Altarea Cogedim and its Rue du Commerce brand laid the foundations of a development strategy based on growth in its marketplace and the reputation of its distribution business, technological innovations and cross-channel links between brick-and-mortar and online retail (internet, mobile and tablet).

In a rapidly growing market, Rue du Commerce saw business volumes grow for both its marketplace and distribution business in 2012. At the same time, the company was able to strengthen its structure to prepare for the high growth expected in the next four to five years.

See Notes 6, "Business Combinations," and 7.2, "Goodwill arising from the acquisition of Rue du Commerce."

Residential property

Continued growth in 2012 was in line with 2011 and reflects the upturn that began in 2009. The impact on revenue, however, was deferred considering the delivery times for these types of projects (18 to 24 months generally lapse between the business transaction (the reservation) and the revenues recorded in the accounts on a percentage-of-completion basis). Revenue recognized on a percentage-of-completion basis rose to €948.6 million, compared to €821.5 million at the end of December 2011. This represents a 15% increase. Net property income came to 13.5% of revenues, an increase of 1.1 points from 2011.

In France, new housing sales in 2012 slowed considerably compared to 2011, with approximately 73,300 sales[2] compared to 103,300 sales the previous year, a 30% drop. This difference can be explained by the difficult economic and financial environment and by the wait-and-see attitude of individuals and investors in the face of changing government support policies.

In a declining market, Altarea Cogedim's residential division maintained its market share, with €861 million (incl. tax) of new housing reservations[3] recorded in 2012, down 29%. At the end of December 2012, the residential backlog[4] amounted to €1.414 billion, equal to 18 months of revenues. This level provides the Group with good visibility as to its future residential development income.

Offices

In a market still in decline (-8% in 2012 to €11 billion in transactions), the Group confirmed its position as a market leader. Over the year, it signed transactions for a total Net floor area of 1,171,000 ft² (108,800 m²), including Rue des Archives in Paris, the Euromed Center in Marseille and the French head offices of Mercedes Benz. Deliveries totaled 347,900 ft² (32,325 m²) and included the head offices of Pomona in Anthony, the Radisson Blu hotel in the former Nantes courthouse and a building on Avenue Matignon. The Group managed a Net floor area of 6,071,000 ft² (564,000 m²), and the backlog had grown to €176.9 million at the end of 2012.

On July 5, 2012, the Group – as an investor, fund and asset Manager – acquired an office building at 128/120 Boulevard Raspail *via* AltaFund, in which it holds a limited 16.67% share.

Altarea Cogedim thus confirmed its ability to act in this strategic market in various roles ranging from development and delegated project management to fund and asset management.

(2) Source: French Ministry of Housing. Expressed as reservations.
(3) Reservations correspond to promises to purchase property units signed by customers during the period.
(4) The backlog comprises revenues excluding VAT from notarized sales to be recognized on a percentage-of-completion basis and individual and block reservations to be notarized.

5. SCOPE OF CONSOLIDATION

5.1. List of consolidated companies

			12/31/2013			12/31/2012		
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	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
Aldeta SAS [a]	311765762		FC	33.3%	100.0%	FC	33.3%	100.0%
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 CARRÉ DE SOIE SCI	449231463	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ALTA CHARTRES SNC	793646779		FC	100.0%	100.0%	NC	0.0%	0.0%
ALTA CITÉ 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	51.0%	100.0%	FC	100.0%	100.0%
ALTA CRP GUIPAVAS SNC	451282628		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP LA VALLETTE SNC	494539687		FC	51.0%	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 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 DÉVELOPPEMENT ITALIE SAS [b]	444561476		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTA DROUOT SAS	450042296		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA GRAMONT SAS	795254952		FC	51.0%	100.0%	NC	0.0%	0.0%
ALTA LES HUNAUDIÈRES 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 – ex Alta Ronchin)	484693841		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA SAINT HONORÉ 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%
ALTA BLUE SAS [a]	522193796		FC	33.3%	100.0%	FC	33.3%	100.0%
ALTALUX ESPAGNE SARL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTALUX ITALIE SARL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
Altarea FRANCE	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%
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%
Alta Orgeval SNC	795338441		FC	100.0%	100.0%	NC	0.0%	0.0%
BERCY VILLAGE 2 SCI	419669064		FC	100.0%	100.0%	FC	85.0%	100.0%
BERCY VILLAGE SCI	384987517		FC	51.0%	100.0%	FC	85.0%	100.0%
CENTRE D'AFFAIRE DU KB SCI	502543259		FC	65.0%	100.0%	FC	65.0%	100.0%
CIB SCI	414394486	Affiliate	EM	49.0%	49.0%	EM	49.0%	49.0%

(a) Altarea SCA holds 61.77% of the shares of Alta Blue and its subsidiary Aldeta and controls both companies; these stakes reflects the Group's economic interest in these companies.
(b) The stake in SAS Alta Développement Italie and its subsidiaries was 100% at December 31, 2013, following acquisition of minorities' interests.
FC: Full consolidation. EM: Equity method. NC: Not consolidated.

			12/31/2013			12/31/2012		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
CŒUR CHEVILLY SNC	491379624	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
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%
ESPACE GRAND RUE SCI	429348733	Joint venture	EM	32.5%	32.5%	EM	32.5%	32.5%
FONCIÈRE Altarea SAS	353900699		FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIÈRE CÉZANNE MATIGNON SNC	348024050		FC	100.0%	100.0%	PC E/S	100.0%	100.0%
FONCIÈRE CÉZANNE MERMOZ SNC	445291404		FC	100.0%	100.0%	FC	100.0%	100.0%
GALLIENI BONGARDE SAS [c]	304423791		NC	0.0%	0.0%	EM E/S	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%
HIPPODROME CARRÉ DE SOIE SARL	493455810	Joint venture	EM	50.0%	50.0%	EM	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%	FC	100.0%	100.0%
LE HAVRE Centre commercial RENÉ COTY SNC	407943620	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
LE PRÉ 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%
MATIGNON COMMERCE SNC	433506490		FC	100.0%	100.0%	FC	100.0%	100.0%
MONNET LIBERTÉ SNC	410936397	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
NANTERRE QUARTIER DE L'UNIVERSITÉ SAS	485049290	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
OPEC SARL	379873128		FC	99.9%	100.0%	FC	99.9%	100.0%
OPEC SNC	538329970		FC	100.0%	100.0%	FC	100.0%	100.0%
Ori Alta SNC	433806726	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
PETIT MENIN SCI	481017952	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ROOSEVELT SAS	524183852		FC	100.0%	100.0%	FC	100.0%	100.0%
RUE DE L'HÔTEL DE VILLE SCI	440848984	Joint venture	EM	40.0%	40.0%	EM	40.0%	40.0%
SCI CŒUR D'ORLY BUREAUX	504255118	Joint venture	EM	25.0%	25.0%	EM	25.0%	25.0%
SCI HOLDING BUREAUX Cœur d'Orly	504017807	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI LIEVIN INVEST	444402887	Affiliate	EM	49.0%	49.0%	EM	49.0%	49.0%
SIC RETAIL PARK LES VIGNOLES	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	480044981		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC CŒUR D'ORLY COMMERCE	504831207	Joint venture	EM	25.0%	25.0%	EM	25.0%	25.0%
SNC HOLDING COMMERCE Cœur d'Orly	504142274	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SNC TOULOUSE GRAMONT (ex PPI)	352076145		FC	51.0%	100.0%	FC	100.0%	100.0%
SOCOBAC SARL	352781389		FC	100.0%	100.0%	FC	100.0%	100.0%
STE AMÉNAGEMENT MEZZANINE PARIS NORD SA	422281766	Affiliate	EM	40.0%	40.0%	EM	40.0%	40.0%
SCI MACDONALD COMMERCE	524049244	Affiliate	EM	50.0%	50.0%	NC	0.0%	0.0%
Société d'Aménagement de la Gare de l'Est SNC	481104420		FC	51.0%	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%
Brick-and-mortar retail – Italy								
ALTABASILIO SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTACASALE SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTACERRO SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTAGE SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTAIMMO SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTAPINEROLO SRL [b]	NA		FC	100.0%	100.0%	FC	96.4%	100.0%
ALTAPIO SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTAPONTEPARODI SPA [b]	NA		FC	95.0%	100.0%	FC	91.2%	100.0%
ALTARAG SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
Altarea ITALIA PROGETTI SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%

(b) The stake in SAS Alta Développement Italie and its subsidiaries was 100% at December 31, 2013, following acquisition of minorities' interests.
(c) The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties (based on the consolidation rate, excluding equity-method assets).
FC: Full consolidation. EM: Equity method. NC: Not consolidated.

			12/31/2013			12/31/2012		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
Altarea ITALIA SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTARIMI SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
ALTAROMA SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
AURELIA TRADING SRL [b]	NA		FC	100.0%	100.0%	FC	96.2%	100.0%
Brick-and-mortar retail – Spain								
ALTAOPERAE II SL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAOPERAE III SL	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 SL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea ESPANA SL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea OPERAE SL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
Altarea PATRIMAE SL	NA		FC	100.0%	100.0%	FC	100.0%	100.0%
ORTIALTAE SL	NA	Joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
Online retail								
ALTA PENTHIÈVRE SAS	518991476		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTACOM SAS	537392276		FC	99.9%	100.0%	FC	99.9%	100.0%
MAXIDOME	509105375		FC	99.9%	100.0%	FC	96.8%	100.0%
RUE DU COMMERCE	422797720		FC	99.9%	100.0%	FC	96.8%	100.0%
Diversification								
ALTA CINÉ INVESTISSEMENT SAS	482277100		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA DELCASSÉ SAS	501705362		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA FAVART SAS	450042338		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA RUNGIS SAS	500539150		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA SÈVRES SNC	791885528		FC	99.9%	100.0%	NC	0.0%	0.0%
AUBETTE TOURISME RÉSIDENCE SNC	501162580		FC	65.0%	100.0%	FC	65.0%	100.0%
L'EMPIRE SAS	428133276		FC	99.9%	100.0%	FC	99.9%	100.0%
SALLE WAGRAM (former Théâtre de l'Empire)	424007425		FC	99.9%	100.0%	FC	99.9%	100.0%
SEMMARIS	662012491	Affiliate	EM	33.3%	33.3%	EM	33.3%	33.3%
Residential (excl. Cogedim)								
ALTA BOULOGNE SNC	334899457		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA CRP MOUGINS SNC	453830663		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA FAUBOURG SAS	444560874		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA MONTAIGNE SAS	790197263		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTA PERCIER SAS	538447475		FC	99.9%	100.0%	FC	99.9%	100.0%
Altareit SCA	552091050		FC	99.9%	100.0%	FC	99.9%	100.0%
MARSEILLE MICHELET SNC	792774382		FC	99.9%	100.0%	NC	0.0%	0.0%
MASSY GRAND OUEST SNC	793338146		FC	99.9%	100.0%	NC	0.0%	0.0%
SORAC SNC	330996133		FC	100.0%	100.0%	FC	100.0%	100.0%
Offices (excl. Cogedim)								
ACEP INVEST 1 (société civile)	530702455	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
ACEP INVEST 2 CDG NEUILLY/EX ACEP INVEST 4	794194274	Affiliate	EM	16.6%	16.7%	NC	0.0%	0.0%
ACEP INVEST 3 (société civile)	751731530	Affiliate	EM	16.6%	16.7%	EM	16.6%	0.0%
AF INVESTCO 4 (SCI)	798601936	Affiliate	EM	16.6%	16.7%	NC	0.0%	0.0%
AltaFund General Partner SARL	NA		FC	99.9%	100.0%	FC	99.9%	100.0%
AltaFund Holding SARL	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund Invest 1 SARL	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund Invest 2 SARL	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund Invest 3 SARL	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund Invest 4 SARL	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund Invest 5 SARL	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund Invest 6 SARL	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%
AltaFund OPCI (SPPICAV)	539124529	Affiliate	EM	16.6%	16.7%	EM	16.6%	100.0%
AltaFund Value Add I SCA	NA	Affiliate	EM	16.6%	16.7%	EM	16.6%	16.7%

(b) The stake in SAS Alta Développement Italie and its subsidiaries was 100% at December 31, 2013, following acquisition of minorities' interests.
FC: Full consolidation. EM: Equity method. NC: Not consolidated.

			12/31/2013			12/31/2012		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
Altarea Cogedim Entreprise ASSET MANAGEMENT SNC	534207386		FC	99.9%	100.0%	FC	99.9%	100.0%
Altarea Cogedim Entreprise GESTION SNC	535056378		FC	99.9%	100.0%	FC	99.9%	100.0%
Altarea Cogedim Entreprise HOLDING SNC	534129283		FC	99.9%	100.0%	FC	99.9%	100.0%
ANDROMÈDE CAMPUS SNC	798013280		FC	99.9%	100.0%	NC	0.0%	0.0%
GERLAND 1 SNC	503964629	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
GERLAND 2 SNC	503964702	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
LYON 7 GARNIER VERCORS SNC	798069365		FC	99.9%	100.0%	NC	0.0%	0.0%
MONTIGNY NEWTON SNC	750297137		FC	99.9%	100.0%	FC	99.9%	100.0%
Residential (Cogedim)								
SCCV SURESNES 111 VERDUN	507385003	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC 12 RUE OUDINOT PARIS 7E	378484653		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV BESONS GABRIEL PÉRI	793727322		FC	50.9%	100.0%	NC	0.0%	0.0%
SNC 36 RUE RIVAY LEVALLOIS	343760385		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC 46 JEMMAPES	572222347		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV TOULOUSE LES ARGOULETS	513822601		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS AIRE	444515670		NC	0.0%	0.0%	EM	49.9%	50.0%
SNC AIX LA VISITATION	452701824		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV ANGLET BELAY	512392325		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC ANTIBES 38 ALBERT 1ER	440521995		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI MIMOSAS	451063499		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV ANTIBES 4 CHEMINS	537695801	Affiliate	EM	48.9%	49.0%	EM	48.9%	49.0%
SAS ARBITRAGES ET INVESTISSEMENTS	444533152		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS ARBITRAGES ET INVESTISSEMENT 2	479815847		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV ARCACHON LAMARQUE	527725246		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI ARGENTEUIL FOCH-DIANE	484064134	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV ARGENTEUIL JEAN JAURÈS	533885604		FC	94.9%	100.0%	FC	94.9%	100.0%
SCCV VITRY ARMANGOT	789655396		FC	89.9%	100.0%	FC	89.9%	100.0%
SCI ASNIÈRES AULAGNIER ÎLOTS E, F ET H1	483537866	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI CHAUSSON A/B	517868192	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV ASNIÈRES LAURE FIOT	532710308		FC	74.9%	100.0%	FC	74.9%	100.0%
SCCV BAGNEUX – TERTRES	789328804	Affiliate	EM	48.9%	49.0%	EM	39.9%	40.0%
SCCV BAGNEUX FONTAINE GUEFFIER 1	794841189	Affiliate	EM	29.0%	29.0%	NC	0.0%	0.0%
SCCVBAGNEUX FONTAINE GUEFFIER 2	794757245		FC	50.9%	100.0%	NC	0.0%	0.0%
SCCV BAGNEUX PAUL ÉLUARD	789253549		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV BAGNEUX BLAISE PASCAL	533942884		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV BAGNOLET MALMAISON	517439402		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC BENOIT CREPU LYON	378935050		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LE HAMEAU DES TREILLES	487955965		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV BIOT ROUTE DE VALBONNE	538113473		NC	0.0%	0.0%	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	99.9%	100.0%
SCI LE BOIS SACRÉ	492998117	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SARL BOULOGNE VAUTHIER	794305185		FC	50.9%	100.0%	NC	0.0%	0.0%
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	99.9%	100.0%
SCCV BRUGES GRAND DARNAL	511302002		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS BRUN HOLDING	394648984		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV CACHAN DOLET HENOUILLE	791049000		FC	89.9%	100.0%	FC	89.9%	100.0%
SCCV CACHAN DOLET 62/66	788827111		FC	89.9%	100.0%	FC	89.9%	100.0%
SCI CALUIRE – 49 MARGNOLLES	483674891		NC	0.0%	0.0%	FC	99.9%	100.0%
SCI CANNES 2 AV SAINT-NICOLAS	482524758	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI CANNES 152/156 BOULEVARD GAZAGNAIRE	419700786	Joint venture	EM	48.9%	49.0%	EM	48.9%	49.0%
SCCV TOULOUSE CARRÉ SAINT-MICHEL	501982763		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI CHATENAY HANOVRE 1	424831717		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC CLAUDEL	504308099		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MARSEILLE LA POMMERAIE	502223522		FC	79.9%	100.0%	FC	79.9%	100.0%

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			12/31/2013			12/31/2012		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SNC COGEDIM PROVENCE	442739413		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM RÉSIDENCES SERVICES SAS	394648455		FC	99.9%	100.0%	FC	99.9%	100.0%
Cogedim SAS	054500814		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM VALORISATION	444660393		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI COLOMBES CHARLES-DE-GAULLE	489927996	Joint venture	EM	44.9%	45.0%	EM	44.9%	45.0%
SCI COLOMBES ÉTIENNE D'ORVES	479534885	Joint venture	EM	49.9%	50.0%	EM	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	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC CORIFIAL	306094079		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI COURBEVOIE – HUDRI	483107819		FC	79.9%	100.0%	FC	79.9%	100.0%
SCI COURBEVOIE ST DENIS FERRY	479626475	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC NOTRE DAME	432870061		FC	99.9%	100.0%	FC	99.9%	100.0%
CSE SAS	790172860		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC GARCHES LE COTTAGE	562105569		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV DOMAINE DE LA GARDI	535109011		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV DOMAINE DES HAUTS DE FUVEAU	535072425		FC	99.9%	100.0%	FC	99.9%	100.0%
SARL ÉCOSPACE	517616017	Affiliate	EM	10.0%	10.0%	NC	0.0%	0.0%
SCCV ESERY ROUTE D'ARCINE	751533522		FC	69.9%	100.0%	FC	69.9%	100.0%
SARL FINANCIÈRE BONNEL	400570743		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI FRANCHEVILLE-BOCHU	488154329	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC CHARENTON GABRIEL PÉRI	518408188		FC	59.9%	100.0%	FC	59.9%	100.0%
SNC GARCHES 82 GRANDE RUE	481785814	Joint venture	EM	49.9%	50.0%	EM	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	99.9%	100.0%
SNC D'ALSACE	493674196		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV HAILLAN MEYCAT	501411995		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC HEBERT	504145004		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV HOUILLES ZAC DE L'ÉGLISE	531260776	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI VILLA HAUSSMANN RIVE SUD	437674955		FC	59.9%	100.0%	FC	59.9%	100.0%
SCI ÎLOT 6BD GALLIENI FORUM SEINE	433735479	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV IVRY GUNSBOURG	793375429		FC	53.9%	100.0%	NC	0.0%	0.0%
SNC DULAC – ROUMANILLE	513406942		FC	98.9%	100.0%	FC	98.9%	100.0%
SCCV DE L'ORAISON	794048959		FC	84.9%	100.0%	NC	0.0%	0.0%
SCCV L'ÎLE VERTE	509642005		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV COGESIR	753460062		FC	69.9%	100.0%	FC	69.9%	100.0%
SCCV LEVALLOIS MARCEAU	501580583		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV LA COURNEUVE JEAN JAURÈS	793341660		FC	79.9%	100.0%	NC	0.0%	0.0%
SNC FONCIÈRE ÎLES D'OR	499385094		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 1	488424250		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 2	488423724		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 3	488424185		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 4	488423807		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 5	488423310		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA MOLE VILLAGE 6	488423260		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LA TESTE VERDUN	521333666		FC	69.9%	100.0%	FC	69.9%	100.0%
SNC LAENNEC RIVE GAUCHE	449,666,114		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI LE CHESNAY LA FERME	485387286	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI LE CLOS DU PARC	533718029	Joint venture	EM	49.9%	50.0%	NC	0.0%	0.0%
SCCV MASSY COGFIN	515231215	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI LE JARDIN DU COUVENT	533714168	Joint venture	EM	49.9%	50.0%	NC	0.0%	0.0%
SCCV LE PARADISIO	537797649		FC	89.9%	100.0%	FC	89.9%	100.0%
SCCV LES COLORIADES	538153248	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV TOULOUSE GUILHEMÉRY	512568007		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV DOUVAINE – LES FASCINES	514276369		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LES FELIBRES	531317220		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI PIERRE DUPONT N° 16 LYON	428092118		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV JEAN MOULIN 23 LES LILAS	490158839	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI PHOCÉENS	483115404		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LES ROSES DE CARROS	524599388	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS LEVALLOIS 41-43 CAMILLE PELLETAN	489473249		FC	99.9%	100.0%	FC	99.9%	100.0%

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Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCI LEVALLOIS ÎLOT 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	71.4%	100.0%
SCI 85 BIS À 89 BIS RUE DU DAUPHINÉ	429641434		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC NOVEL GENÈVE – LYON 6	481997609	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC LYON 6-145 RUE DE CRÉQUI	442179826		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV RUE JEAN NOVEL – LYON 6	490160785	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV LYON 7 – 209 BERTHELOT	750698300		FC	59.9%	100.0%	FC	59.9%	100.0%
SCCV TUILERIES – LYON 9	452819725	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV MAISON ALFORT SANGNIER	791796543	Joint venture	EM	49.9%	50.0%	NC	0.0%	0.0%
SCI MAISONS ALFORT VILLA MANSART	443937040	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV MALAKOFF DUMONT	752776591		FC	59.9%	100.0%	FC	59.9%	100.0%
SCCV MALAKOFF LAROUSSE	514145119		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC ALTA CRP MANTES-LA-JOLIE	490886322		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI MARSEILLE 514 MADRAGUE VILLE	482119567		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC MARSEILLE 275/283 PRADO	479898496		NC	0.0%	0.0%	FC	99.9%	100.0%
SCI COTÉ PARC	447789595		FC	57.9%	100.0%	FC	57.9%	100.0%
SCCV MARSEILLE SERRE	528065618		FC	69.9%	100.0%	FC	69.9%	100.0%
SCI MARSEILLE 2E ÉVÊCHÉ SCHUMANN	482568235		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV PROVENCE BORELLY	503396582		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MASSY PQR	521333930		FC	74.9%	100.0%	FC	74.9%	100.0%
SCCV MASSY MN	521333476	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS MB TRANSACTIONS	425039138		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC PRESTIGE	439921198		FC	99.9%	100.0%	FC	99.9%	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	99.9%	100.0%
SCCV – ESPACE SAINT-MARTIN	493348007	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI NANTERRE-SAINT-MAURICE	481091288		FC	71.4%	100.0%	FC	71.4%	100.0%
SCCV NANTERRE PROVINCES FRANÇAISES LOT A3	793491812	Joint venture	EM	49.9%	50.0%	NC	0.0%	0.0%
SNC NANTES CADENIERS	500650981		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV NANTES RENNES & CENS	752249482	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV NANTES RUSSEIL	514480557	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV BOURDON CHAUVEAU NEUILLY	489104125		FC	69.9%	100.0%	FC	69.9%	100.0%
SCCV BOURDON 74 NEUILLY	492900741		FC	69.9%	100.0%	FC	69.9%	100.0%
SCCV 66 CHAUVEAU NEUILLY	507552040	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC PLUTON/NICE PASTORELLI	494925662		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI VICTORIA CIMIEZ	420745820		FC	49.9%	100.0%	FC	49.9%	100.0%
SCI FRATERNITÉ MICHELET À 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	99.9%	100.0%
SNC COUR SAINT-LOUIS	531197176	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC PARIS 11E PASSAGE SAINT-AMBROISE	479985632		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI BOUSSINGAULT 28/30	452167554	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI BRILLAT SAVARIN 86 PARIS XIII	487504300	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV PARIS CAMPAGNE PREMIÈRE	530706936		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC MURAT VARIZE	492650288		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV PARIS 19 MEAUX 81-83	537989667		FC	59.9%	100.0%	FC	59.9%	100.0%
SAS PARIS 8E 35 RUE DE PONTHIEU	477630057	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI PENITENTES	379799745		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV CACHAN GABRIEL PÉRI 1	537407140		FC	89.9%	100.0%	FC	89.9%	100.0%
SCI ROTONDE DE PUTEAUX	429674021	Joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
SAS QUARTIER ANATOLE FRANCE	428711709	Joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
SCI LE CLOS DES LAVANDIÈRES	483286191		FC	79.7%	100.0%	FC	79.7%	100.0%
SNC RÉPUBLIQUE	443802392		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV REZÉ-JEAN-JAURÈS	788521375		FC	50.9%	100.0%	FC	50.9%	100.0%
SCI DU RIO D'AURON	443924774		FC	59.9%	100.0%	FC	59.9%	100.0%
SCCV RIVES D'ALLAUCH	494440464	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC RIVIÈRE SEINE	502436140		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV CŒUR DE LA BOUVERIE	490874021		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI RUE DE LA GARE	533718177	Joint venture	EM	44.9%	45.0%	NC	0.0%	0.0%
SCI ST-CLOUD 9/11 RUE DE GARCHES	444734669	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%

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Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SCI LES CÉLESTINES	481888196	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV PHŒNIX	487776551		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV SAINT-MANDÉ MOUCHOTTE	529452773	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SARL LES JARDINS DE DAUDET	444326797	Joint venture	EM	37.4%	37.5%	EM	37.4%	37.5%
SCI DOMAINE DE MÉDICIS	450964465		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV SAINTE-MARGUERITE	501662233	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI SALON DE PROVENCE – PILON BLANC	488793381		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS PIERRE ET PATRIMOINE	419461546		FC	99.9%	100.0%	NC	0.0%	0.0%
SAS ROURET INVESTISSEMENT	441581030		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS SAINT-OUEN-PARKING BATELIERS NORD	790807150	Affiliate	EM	28.2%	28.2%	NC	0.0%	0.0%
SAS SEINE AULAGNIER	504687013		NC	0.0%	0.0%	EM	33.3%	33.3%
SCCV ANTONY GRAND PARC 2	752973818		FC	50.9%	100.0%	FC	50.9%	100.0%
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	99.9%	100.0%
SCCV CARTOUCHERIE ÎLOT 1.5 A	790832190	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV FONTAINE DE LATTES	790866339		FC	50.9%	100.0%	FC	50.9%	100.0%
SCCV HOUILLES SÉVERINE	522144609	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV L'ESTEREL	489868125		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV MASSY COLCOGE	504685884		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV NICE GOUNOD	499315448		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV SAINT-ORENS LE CLOS	515347953		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV TASSIN CONSTELLATION	499796159	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI COGIMMO	480601509		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI LES CÉLESTINS A OULLINS 69	500797121		NC	0.0%	0.0%	EM	39.9%	40.0%
SCI LES OPALINES	413093170		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV HANOI GUÉRIN	499516151	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI SERRIS QUARTIER DU PARC	444639926	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV SÈVRES FONTAINES	789457538		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV SÈVRES GRANDE RUE	531294346		FC	50.9%	100.0%	FC	50.9%	100.0%
SNC A.G. INVESTISSEMENT	342912094		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC Altarea HABITATION	479108805		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC Altarea INVESTISSEMENT	352320808		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LA BUFFA	394940183	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC COGEDIM EFIPROM	388620015		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM ATLANTIQUE	501734669		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM CITALIS	450722483		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM DÉVELOPPEMENT	318301439		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM GRAND LYON	300795358		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM GRENOBLE	418868584		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM LANGUEDOC-ROUSSILLON	532818085		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM MÉDITERRANÉE	312347784		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM MIDI-PYRÉNÉES	447553207		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM PATRIMOINE	420810475		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM RÉSIDENCE	319293916		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM SAVOIES-LÉMAN	348145541		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM TRADITION	315105452		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC COGEDIM VENTE	309021277		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC CORESI	380373035		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC CSI	751560483		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC DU RHIN	501225387		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC Cogedim Gestion	380375097		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC PROVENCE L'ÉTOILE	501552947		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC RIVIERA – VILLA SOLANA	483334405		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC VILLEURBANNE CAMBON COLIN	508138740		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC SOISY AVENUE KELLERMANN	497809541		NC	0.0%	0.0%	EM	49.9%	50.0%
SARL SOLIM	517618211	Affiliate	EM	25.0%	25.0%	NC	0.0%	0.0%
SCCV SAINT-CLOUD PALISSY	792326704		FC	50.9%	100.0%	NC	0.0%	0.0%
SCCV SAINT-HERBLAIN PLAISANCE	498619444		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV SAINT-OUEN LES COULEURS DU PARC	789712528		FC	92.3%	100.0%	FC	92.3%	100.0%
SCCV TERRA MÉDITERRANÉE	503423782		FC	99.9%	100.0%	FC	99.9%	100.0%

FC: Full consolidation. EM: Equity method. NC: Not consolidated.

			12/31/2013			12/31/2012		
Company	SIREN		Method	Interest	Consolidation	Method	Interest	Consolidation
SYNDECO SAS	790128433		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC DANUBE	483158382		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI 123 AV CHARLES-DE-GAULLE	420990889		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV THONON – CLOS ALBERT BORDEAUX	512308404		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV FRIOUL/ST-MUSSE	493464440		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV RIOU	490579224		FC	99.9%	100.0%	FC	99.9%	100.0%
SCI LE PARC DE BORDEROUGE	442379244	Joint venture	EM	39.9%	40.0%	EM	39.9%	40.0%
SCCV SAINTE-ANNE	499514420		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV TOULOUSE HARAUCOURT	501635437		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV TOULOUSE HÉRÉDIA	507489375	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV TOULOUSE BUSCA	511512071		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV VALLEIRY LE VERNAY	750744575		FC	69.9%	100.0%	FC	69.9%	100.0%
SCI VANVES MARCHERON	484740295	Joint venture	EM	37.4%	37.5%	EM	37.4%	37.5%
SCCV VANVES BLEUZEN	513178830	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC VAUBAN	501548952		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC PROVENCE LUBERON	520030206		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV LC2-VÉNISSIEUX	532790052		FC	99.9%	100.0%	EM	15.0%	15.0%
SNC VERCO	504664798		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC LES AQUARELLES	492952635		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC VAUGRENIER1214 V.LOUBET	434342648		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC VILLEURBANNE LA CLEF DES PINS	961505641		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC CARNOT	433906120		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC D'ALBIGNY	528661721		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV VITRY 82	793287392		FC	74.9%	100.0%	NC	0.0%	0.0%
SCI CIRY-VIRY	490793221		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC VOREPPE – AV. STALINGRAD	490461423		NC	0.0%	0.0%	FC	99.9%	100.0%
SNC WAGRAM	500795034		FC	99.9%	100.0%	FC	99.9%	100.0%
Offices (Cogedim)								
SCCV ASNIÈRES ALPHA	529222028	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV BALMA ENTREPRISE	524105848	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC ISSY 25 CAMILLE DESMOULINS	390030542		FC	99.9%	100.0%	FC	99.9%	100.0%
SARL CLICHY EUROPE 4	442736963	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC CŒUR D'ORLY PROMOTION	504160078	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS COGEDIM OFFICE PARTNERS	491380101	Affiliate	EM	16.4%	16.5%	EM	16.4%	16.5%
SNC EUROMED CENTER	504704248	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC ISSY FORUM 10	434108767	Joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
SNC FORUM 11	434070066	Joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
SNC ISSY 11.3 GALLIENI	492450168	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI LEVALLOIS ANATOLE FRANCE FRONT DE SEINE	343926242		FC	84.9%	100.0%	FC	84.9%	100.0%
SCI AXE EUROPE LILLE	451016745	Joint venture	EM	44.9%	45.0%	EM	44.9%	45.0%
SCCV LYON 3 – LABUIRE	491187019		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC ROBINI	501765382	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCCV SAINT-ÉTIENNE – ÎLOT GRUNER	493509723		FC	99.9%	100.0%	FC	99.9%	100.0%
SARL ASNIÈRES AULAGNIER	487631996	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SAS ALTA RICHELIEU	419671011		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS CLAIRE AULAGNIER	493108492		FC	94.9%	100.0%	FC	94.9%	100.0%
SAS COP BAGNEUX	491969952	Affiliate	EM	16.4%	16.5%	EM	16.4%	16.5%
SAS COP MÉRIDIA	493279285	Affiliate	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	Affiliate	EM	16.4%	16.5%	EM	16.4%	16.5%
SCI COP MÉRIDIA	493367429	Affiliate	EM	16.4%	16.5%	EM	16.4%	16.5%
SNC COGEDIM ENTREPRISE	424932903		FC	99.9%	100.0%	FC	99.9%	100.0%
SNC SAINT-DENIS LANDY 3	494342827	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SNC DU PARC INDUSTRIEL DE SAINT-PRIEST	443204714		FC	79.9%	100.0%	FC	79.9%	100.0%
SCCV BLAGNAC GALILÉE	501180160		FC	99.9%	100.0%	FC	99.9%	100.0%
SCCV TOULOUSE GRAND SUD	499468510	Joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI ZOLA 276 – VILLEURBANNE	453440695		FC	74.9%	100.0%	FC	74.9%	100.0%

FC: Full consolidation. EM: Equity method. NC: Not consolidated.

5.2. Changes in Group structure

FY 2013

The scope of consolidation included 437 companies at December 31, 2013, compared with 416 companies at December 31, 2012.

29 companies entered the scope of consolidation. Seven were acquired, including one in the investment business (SCI MacDonald, acquired in partnership with the CDC and which provided the land and shopping center project on Boulevard Macdonald in Paris' 19th *arrondissement*) and six in the development business (SAS Pierre et Patrimoine and its subsidiaries). 22 were created, including three Foncière Altarea subsidiaries, two AltaFund VAI subsidiaries, five Faubourg subsidiaries and 12 Cogedim subsidiaries.

In addition, one company previously consolidated *via* the equity method was fully consolidated, as the Group took control of the company during the period. The company in question is SCCV LC2 Venissieux, in the residential development business (held at 100% at the end of the year).

Strengthening our stake in Rue du Commerce

The Group purchased all remaining minority interests (3.51%) in a public delisting offer followed by a mandatory squeeze-out concluded on May 3, 2013.

Strengthening our stake in Alta Développement Italie (Italian division holding company)

The Group purchased all remaining minority interests.

Strengthening our stake in Bercy Village

Altarea SCA absorbed Areal, which held a 15% minority interest in Sci Bercy Village 2, on June 28, 2013. The transaction had a retroactive effect, as of June 1, 2013. Group thus increased its interest in Bercy Village and Bercy Village 2 from 85 to 100%.

Entry of the Allianz Group into the capital of several shopping centers at 49%

This transaction took place on December 3 through a reserved capital increase and share purchase; the shopping centers involved are Bercy Village, Gare de l'Est, Gennevilliers, Toulouse Gramont and Toulon-La Valette. Following the transaction, the Group maintained control over the assets with a 51% stake. A pact between partners expiring on December 31, 2023 and renewable every five years governs this relationship and gives Altarea control over the activities of the entities bringing the assets, within the limits of the protective rights granted to Allianz. According to the agreement, the assets are inalienable until January 1, 2018, after which Altarea may sell the assets in accordance with a specified timetable.

Lastly, eight companies left the scope of consolidation through dissolution and deconsolidation; no mergers, universal transfers of assets or disposals took place over the year.

FY 2012

The scope of consolidation included 416 companies at December 31, 2012, compared with 451 companies at, December 31, 2011.

26 companies entered the scope of consolidation. One was acquired (Gallieni Bongarde, owner of land in Villeneuve-La-Garenne), and 25 were created, including Montigny Newton, which led the Mercedes project and the companies Acepinvest3 and AltaFund OPCI, subsidiaries of AltaFund Value Add I.

In addition, three companies previously consolidated *via* the equity method were fully consolidated, as the Group took control of them during the year: SCCV Bagneux Blaise Pascal in the residential development business (held at 100% at the end of the year), and Alta Blue and its subsidiary Aldeta in the brick-and-mortar retail business, for which the control and governance were reorganized at the end of the year.

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

Following the decision to launch studies for an extension of the site and the subsequent decision to provide Alta Blue sufficient capital to do so, all agreements signed in July 2010 with APG and Predica on the governance of Alta Blue and Aldeta, owner of the center, were reworked. As a result, Altarea took control of Alta Blue and its subsidiary Aldeta. Following this transaction, the Group – in addition to its irrevocable role of operator (allowing it to manage all relevant activities, including leasing and thus the return on the project) – became the irrevocable president of Alta Blue. Its stake in the company increased 28.43% to 61.77% of the voting rights in Alta Blue, alongside Predica at 33.33% and APG at 4.90%. According to the pact binding the partners, Alta Blue shares and asset are inalienable until July 30, 2020, at which time Altarea alone can decide to sell the center. Altarea Cogedim financed these transactions in part through Altarea SCA's issuance of perpetual subordinated bonds subscribed by APG. The yield of these securities is indirectly indexed to the performance of the Cap 3000 shopping center. The impact on the Group's consolidated financial position is significant, especially concerning investment properties and equity attributable to non-controlling interests of subsidiaries (refer to the statement of changes in equity). As this takeover occurred close to the period-end in mid-December 2012 and did not have a significant impact, it was booked according to the equity method throughout 2012, with the percent of ownership fixed at one-third. Had the transaction taken place on January 1, 2012, the Group's rental income would have amounted to €154.0 million, with net attributable income remaining unchanged.

Strengthening our stake in Rue du Commerce

At the same time, the Group strengthened its stake in Rue du Commerce, finalizing the takeover bid launched in October 2011. The Group definitively acquired (given the share issue following the exercise of stock options in H1 2012, net of treasury shares) 96.99% of the company through its subsidiary Altacom, which was held at 80% at the date of acquisition. At the end of the year, the Group acquired the 20% of Altacom held by the founders.

Lastly, 61 companies left the scope of consolidation: 28 were dissolved, 30 were merged (universal transfer of assets) and three were sold (8'33 and Holding Lumières, which were previously consolidated *via* the equity method, and the company Alta CRP Rambouillet, owner of a small building, sold on February 27, June 13 and June 18, 2012, respectively).

6. BUSINESS COMBINATIONS

No acquisitions of subsidiaries or investments have been recognized as business combinations since December 2011 and the takeover of Rue du Commerce.

7. IMPAIRMENT OF ASSETS UNDER IAS 36

7.1. Goodwill resulting from the acquisition of Cogedim

FY 2013

In a new housing market comparable to 2012 – a 15-year low, Cogedim recorded increases in reservations, which jumped from €861 million to €1.016 billion (incl. tax). This 18% increase was well above market trends and allowed the Company to strengthen its market share. At the end of December 2013, the residential backlog stood at €1.331 billion euros (excl. tax), i.e. 17 months of business. This offers Altarea Cogedim good visibility as to the future performance of this division. Macroeconomic perspectives in the medium term are highly favorable thanks to sustained demand (the shortage of new housing in France is estimated at 1 million homes). To prepare for this reality, the residential business was organized so as to be able to adapt quickly to any circumstance: completed inventories are virtually inexistent, commitment criteria are strictly maintained and the Property Portfolio under contract amounts to €3.7 billion – 44 months of business. Furthermore, the product ranges have been expanded and renewed to promote entry-level/mid-range products that comply with Cogedim's principle of quality in a way that meets the existing market's expectations and will benefit from future government incentives.

In a market that was stable compared to the previous year (€15.5 billion traded in France), investors remained cautious and Office property still did not regain the business level it enjoyed prior to the 2008 economic and financial crisis. At the end of 2013, the backlog of off-plan properties and properties under development contracts rose to €78.0 million and the portfolio accounted for a Net floor area of nearly 5,812,500 ft² (540,000 m²).

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

- a discount rate of 9.8%;
- free cash flow over the period of the business plan 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 segments (excl. the AltaFund investment fund) were determined using a growth rate from 2018 of 1.5% and a return on capital employed (ROCE) of between 12.8% and 16.8%.

At December 31, 2013, on the basis of these assumptions, the fair value of the economic assets in the residential and office segments were higher than their net book value at the same date regardless of the ROCE retained. 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 10.8% instead of 9.8%, would result in valuations for economic 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 11.8% and 15.8%.

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 in the acquisition of Cogedim thus remained unchanged at €128 million at December 31, 2013.

FY 2012

The market for new housing faced a significant downturn, with a nearly 25% drop in sales by volume in Q3 2013 compared to the same period the year before (FPI analysis in December 2012). This situation can be explained by a difficult economic and financial environment coupled with a pronounced wait-and-see attitude among households (unemployment rates > 10% and new government policies with a stronger social dimension than previous measures). Cogedim recorded a 29% drop in reservations, from €1.205 billion to €861 million (incl. tax). This is in line with market trends and allowed the company to preserve its market share. At the end of December 2012, the residential backlog(5) stood at €1.414 billion (incl. tax), i.e. 18 months of revenue. This offers Altarea Cogedim good visibility as to the future performance of this segment. Macroeconomic perspectives in the medium term are highly favorable thanks to sustained demand (the shortage of new housing in France is estimated at 1 million). To prepare for this reality, the residential segment was organized so as to be able to adapt quickly to any circumstance: completed inventories are virtually inexistent, commitment criteria are strictly maintained(6) and the Property Portfolio under contract amounts to €3.5 billion – 48 months of business. Furthermore, the product ranges have been expanded and renewed to promote entry-level/mid-range products that meet the existing market's expectations and will benefit from future government incentives.

In a market that was down from the year before (€11 billion in transactions in France, down 8% from the previous year), the office segment was not able to resume the levels it had enjoyed before the 2008 economic and financial crisis. At the end of 2012, the backlog of off-plan properties and properties under development contracts stood at €176.9 million, up from 2011.

(5) The backlog comprises revenues excluding VAT from notarized sales to be recognized on a percentage-of-completion basis and individual and block reservations to be notarized.
(6) Pre-letting of at least 50% before acquisition of the land and proven take-up rate.

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

- a discount rate of 11.2%;
- free cash flow over the period of the business plan 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 segments (excl. the AltaFund investment fund) were determined using a growth rate from 2018 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 these assumptions, the fair value of the economic assets in the residential and office segments were higher than their net book value at the same date regardless of the ROCE retained. 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 economic 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 in the acquisition of Cogedim thus remained unchanged at €128 million at December 31, 2012.

7.2. Goodwill arising from the acquisition of Rue du Commerce

FY 2013

In 2013, RueduCommerce.com recorded business volumes of €429 million (+1%) in a highly competitive market in which the number of online retail sites in France rose from 117,500 in 2012 to 138,000 in 2013.

RueduCommerce.com site traffic was again on the rise, with 188 million visits over the year. This 4.1% increase is higher than that of the Top 10 pure-play general merchandise sites (+3.9%).

RueduCommerce.com also maintained its position as a market leader, ranking in the Top 10 general e-retailer sites in France (in number of unique visitors, calculated monthly).

General merchandise sites	Average UV per month in 2013 (thousands)
1. Amazon	15,068
2. CDiscount	10,198
3. Fnac	9,247
4. Price Minister	7,394
5. La Redoute	7,029
6. Carrefour	6,712
7. RueduCommerce.com	5,631
8. Vente-privee.com	5,496
9. Darty	4,333
10. E.Leclerc	3,848

Rue du Commerce held fast to the roadmap established in 2012. It continued to make large investments (websites, mobile applications, support marketing and hiring of numerous staff members, including experts, etc.), which appear in part as accounting charges. The entity reported operating losses for the second straight year. These investments aim to significantly increase Rue du Commerce's business volume in the coming years. The return to financial equilibrium is still a medium-term objective.

Today, Company management considers that synergies between brick-and-mortar and online retail will mainly benefit shopping centers that have made the digital transformation, as Rue du Commerce continues to strengthen its image and brand. The value creation expected from synergies will thus be carried in the coming years through changes in the value of property measured at fair value (brick-and-mortar retail CGUs). Therefore, at December 31, 2013, it was appropriate to fully write off the goodwill of €37.9 million recognized for the acquisition of Rue du Commerce and attributed exclusively to the "Online Retail" cash generating unit for accounting purposes, as the standards did not permit subsequent reallocation to another CGU in light of new events occurring after the date of acquisition and the allocation period having expired.

At December 31, 2013, the carrying value of Rue du Commerce (including its brand and other assets) was included within the range of estimated values in support of a business plan established by Company management.

FY 2012

In France, online sales of products and services rose to €45 billion, *versus* €37.7 billion in 2011, up 19% in an environment that saw household spending drop 2.9% in 2012.

Rue du Commerce achieved 10% growth in business volumes and a respectable performance in a highly competitive market (the number of merchant sites in France increased from 100,000 in 2011 to 117,500 in 2012, and major retailers stepped up their presence in the market significantly with their own sites). The Rue du Commerce marketplace (the *Galerie Marchande*) grew 14% with commission rates up 0.8 percentage points. Rue du Commerce own-brand distribution meanwhile increased 9% amidst a downturn, especially in the high-tech sector. Rue du Commerce maintained its position as a leading site, ranking 8th among general merchandise sites in France according to number of unique visitors per month (i.e. the number of internet users who visited the site at least once in a one-month period – Médiamétrie//NetRating rankings from January to November 2012). Its transformation rate, the number of orders per number of unique visitors, was stable.

Because of large investments (website, mobile applications, marketing support and hiring of a number of employees, especially experts) in 2012 that were booked as expenses, the entity incurred an operating loss. These investments aim to significantly increase Rue du Commerce's business volume in the upcoming years, especially for the *Galerie Marchande* by broadening its range of merchants and therefore its offering. Returning to financial equilibrium is also a medium-term objective.

Amidst these profound changes and just a year after taking control of Rue du Commerce, Altarea Cogedim had not yet established a medium-term business plan that would take into account the evaluation of all expected development. Furthermore, the in absence of indicators of loss in business value and given the impossibility of assessing the utility value of the online retail CGU, no impairment in the carrying value of Rue du Commerce was reported at December 31, 2012. At this date, a year after the takeover, the value of Rue du Commerce in the Group's financial statements corresponded to the acquisition value of the shares less the loss recorded in 2012. This value took into account the amortization of the brand and software identified at the transaction.

See Note 6, "Business Combinations," especially for the monitoring of business indicators.

7.3. Brands

Cogedim Brand

A valuation of the Cogedim brand at the acquisition date in July 2007 was conducted by an independent valuation expert. It was assessed individually and as part of the residential CGU (See also Note 7.1).

Rue du Commerce brand

The Rue du Commerce brand underwent a valuation by an independent valuation expert at the date of the takeover in December 2011.

At December 31, 2013, in the absence of a value loss index (resilience of monthly unique visitors and business volume), management revised its estimate, changing the 10-year amortization schedule to 20 years. This decision took into account Rue du Commerce's multichannel reach combining online and brick-and-mortar retail, made possible thanks to the arrival of brick-and-mortar brands in the *Galerie Marchande* and the installation of terminals in shops, for a complementary offering.

The brand is tested jointly with the online retail CGU, to which it is assigned (See also Note 7.2).

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.

Investment assets under development and construction are monitored by the Company depending on whether the project is at the study stage, is "managed" (a project is completely managed when the property is under contract), has obtained administrative authorization (CNEC and CDAC commercial authorizations, building permits) or is in leasing and under construction.

At the date the financial statements were established, no impairment had been identified on projects other than those recognized in the accounts. The production cost of these projects is below the projected value of the properties. The projected value is determined on the basis of internal five-year business plans that are reviewed by management at regular intervals. The methods used are rental income capitalization or discounted cash flow.

FY 2013 and 2012

At the end-date of these financial years, net value losses on investment properties at cost correspond to the impairment of shopping center projects that were discontinued, abandoned or delayed. See Notes 8.3 "Investment properties and assets held for sale" and 9.6 "Other operating income."

8. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8.1. Intangible assets

Gross (€ millions)	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold Right	Other	Total	
At January 1, 2012	**432.7**	**66.6**	**181.6**	**11.6**	**2.2**	**3.7**	**17.4**	**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	0.1	16.5
At December 31, 2012	**406.2**	**102.1**	**181.6**	**20.7**	**2.2**	**4.0**	**26.9**	**716.8**
Acquisitions	-	-	-	4.0	-	3.6	7.6	7.6
Disposals/write-offs	-	-	-	-	-	-	-	-
Transfers	-	-	-	1.6	-	(1.8)	(0.1)	(0.1)
Changes of accounting method	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	0.0	-	-	0.0	0.0
At December 31, 2013	**406.2**	**102.1**	**181.6**	**26.4**	**2.2**	**5.8**	**34.4**	**724.2**

Impairment losses (€ millions)	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold Right	Other	Total	
At January 1, 2012	**(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)**
Impairment, depreciation and amortization	(37.9)	-	-	(8.4)	(0.2)	(0.0)	(8.6)	(46.5)
Reversals/Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	0.1	0.1	0.1
Changes of accounting method	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	(0.0)	-	-	(0.0)	(0.0)
At December 31, 2013	**(277.5)**	**(3.6)**	**(181.6)**	**(19.3)**	**(1.5)**	**(3.1)**	**(23.9)**	**(486.5)**

	Goodwill	Brands	Customer relationships	Other intangible assets				Total
				Software	Leasehold Right	Other	Total	
Net values at 01/01/2012	193.1	66.6	-	3.5	1.1	0.5	5.1	264.9
Net values at 01/01/2013	166.6	98.6	-	10.2	0.9	0.5	11.5	276.7
Net values at 12/31/2013	128.7	98.6	-	7.5	0.7	2.3	10.4	237.7

Provisional goodwill for 2011 totaling €64.4 million attributable to the acquisition of Rue du Commerce 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.) In 2013, all Rue du Commerce goodwill and software were amortized and impaired.

The remainder of goodwill concerns Cogedim SAS for €128 million and Altarea France for €0.7 million.

In addition, the Rue du Commerce brand underwent a change in its accounting estimate and is now depreciated over 20 years (instead of 10) as of January 1, 2012.

8.2. Property, plant and equipment

(€ millions)	Land and buildings	Other property, plant and equipment	Total Gross	Amortization	Net
At January 1, 2012	3.0	26.3	29.3	(16.6)	12.8
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	27.9	30.9	(19.6)	11.3
Acquisitions/Allowances	0.2	4.3	4.5	(4.8)	(0.3)
Disposals/Reversals	(0.0)	(1.3)	(1.3)	1.3	(0.1)
Transfers	(0.6)	0.6	(0.0)	1.6	1.6
Changes in scope of consolidation	-	0.1	0.1	(0.1)	0.0
At December 31, 2013	2.7	31.5	34.2	(21.6)	12.6

At December 31, 2013 and 2012, other property, plant and equipment consisted of:

- fixtures and fittings for the Group's head offices, and more particularly, the building on Avenue Delcassé (Paris, 8th *arrondissement*);
- assets constituting the Marriott hotel business franchise at Avenue de Wagram in Paris;
- Rue du Commerce operating assets.

The transfer between land and construction and other property, plant and equipment refer to the fittings of the former head offices. These fittings are entirely depreciated.

8.3. Investment properties and assets held for sale

(€ millions)	Investment properties		Non-current assets held for sale	Total investment properties and non-current assets held for sale
	Measured at fair value	Measured at cost		
At January 1, 2012	2,368.4	145.8	55.3	2,569.4
Subsequent investments and expenditures capitalized	43.2	23.6	1.1	67.9
Change in spread of incentives to buyers	(0.9)	-	-	(0.9)
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	39.6	(43.9)	3.7	(0.6)
Change in fair value	10.5	-	0.1	10.6
Change in scope of consolidation	503.8	27.3	0.0	531.1
At December 31, 2012	2,869.6	152.4	4.8	3,026.7
Subsequent investments and expenditures capitalized	89.1	12.1	-	101.2
Change in spread of incentives to buyers	0.2	-	-	0.2
Disposals/Repayment of deposits	(132.7)	(0.5)	(3.8)	(137.0)
Net impairment/project discontinuation	-	(16.2)	-	(16.2)
Transfers to assets held for sale or to or from other categories	34.2	(36.6)	0.7	(1.8)
Change in fair value	57.6	-	0.0	57.7
At December 31, 2013	2,917.9	111.1	1.7	3,030.7

During FY 2013, financial expenses amounting to €3.2 million were capitalized in respect of projects under development and construction (whether recognized at value or at cost) compared to €2.8 million in 2012.

Investment properties at fair value

In 2013

The main changes over FY 2013 related to:

- the sale of the offices in the Kremlin-Bicêtre Business Center on February 27, 2013 and the sale of a complex of commercial premises located in Chalon-sur-Saône within the Chalon Sud shopping mall on September 30, 2013;
- investments and expenditures essentially associated with:
  - the acquisition of the Art de Vivre shopping center in Orgeval on December 19, 2013,
  - redevelopment of areas in the Cap 3000 shopping center located in Saint-Laurent-du-Var and 376,750 ft² (35,000 m²) GLA redevelopment and extension of the shopping center, for which administrative authorization has been granted,
  - the Vignoles retail park in Nîmes, which opened to the public on April 4, 2013,
  - the Toulon-La Valette center under development.

Transfers mainly involved the reclassification of Toulon-La Valette from buildings valued at cost into investment propertymeasured at fair value, following the fulfillment of the Group's customary criteria for fair value assessment.

In 2012

The main changes over the period mainly related to:

- investments and expenditures associated with:
  - Nîmes, which was delivered in Q1 2013,
  - redevelopment of areas inside centers in operation (Cap 3000 – opened June 28, 2012 following redevelopment of a 32,300 ft² (3,000 m²) mall with 12 new brands; Bercy – opening of a redeveloped space for La Fnac on June 29) and/or extensions (Toulouse Gramont, for which a "drive" and eastern extension to the existing center were delivered on October 3, 2012),
  - acquisition of a C&A shell in Flins,
- disposals of the shopping center in Reims (asset held for sale at December 31, 2011) and two shopping centers north of Bordeaux (Sainte-Eulalie), as well as four small assets in Plaisir, Mantes, Echirolles and Rambouillet;
- the change in scope corresponds to the impact of the takeover (change in consolidation method) of Alta Blue and its subsidiary owning the Cap 3000 assets on December 14, 2012 (see Note 5.2 "Change in the scope of consolidation").

Investment properties measured at cost

In 2013

Investment properties measured at cost comprise properties under development or construction that do not meet the Group's criteria for determining whether their fair value can be measured reliably (see Note 1.8 "Investment properties" to the consolidated financial statements for the year ended December 31, 2013).

Assets under development or construction carried at cost mainly concern projects at the port of Genoa in Italy, the extension of the Cap 3000 center in Saint-Laurent-du-Var, the creation of the brand village in Aubergenville and the redevelopment of the center in Massy.

Transfers mainly concern the classification of the asset under construction in Toulon-La Valette as an investment property at fair value, it having met evaluation criteria.

Net impairment losses mainly concern the project at the port of Genoa in Italy.

In 2012

Assets under development or construction carried at cost mainly concerned the La Valette-du-Var project, the port of Genoa in Italy, the proposed extension of the Cap 3000 center in Saint-Laurent-du-Var, and the preliminary costs of major redevelopments at Massy that are gradually leading to voluntary vacancy.

Transfers mainly concerned the classification of assets under construction (Nîmes) as investment properties at fair value, as they had met evaluation criteria, and of the asset in Chambéry under contract in assets held for sale.

Investments and expenditures mainly concerned:

- the future Toulon-La Valette shopping center, for which construction was scheduled to start in 2013, and the Massy shopping center, for which space was gradually being vacated in preparation for major redevelopment and for which administrative authorization had already been obtained;
- acquisition of land in southern France;
- the €6.6-million expense for Altarea to exercise its option to purchase its share in the current accounts initially paid into in equal parts by Predica and APG for an amount of €200 million. These current accounts were used to finance the acquisition of the Cap 3000 shopping center in July 2010. With a face value of €66.66 million, this option was exercised following the launch of studies for the Cap 3000 extension project and overhaul of the governance of Alta Blue and its subsidiary Aldeta, owner of Cap 3000, giving Altarea control over this group. These accounts were immediately capitalized.

Non-current assets held for sale

In 2013

During FY 2013, non-current assets held for sale were affected by the disposal of the shopping center in Chambéry on January 16, 2013.

Reclassification as non-current assets held for sale related primarily to the shopping center in Beauvais.

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 asset in Échirolles, the Viallex shopping mall;
- the sale of a warehouse in Rambouillet.

Property reclassified as non-current assets held for sale corresponds to the asset in Chambéry, which had been under contract since July 2012.

Value measurement – IFRS 13

In accordance with IFRS 13 "Fair Value Measurement" and the EPRA's recommendation on IFRS 13, "EPRA Position Paper on IFRS 13 – Fair Value Measurement and Illustrative Disclosures, February 2013", Altarea Cogedim chose to present additional parameters used to measure the fair value of its real estate assets.

The Group found that classifying its assets in level 3 was most appropriate. This treatment reflects the primarily unobservable nature of the data used in the assessments, such as rents from rental statements, capitalization rates and average annual growth rate of rents. The tables below thus present a number of quantitative parameters used to determine the fair value of Altarea Cogedim's Property Portfolio. These parameters apply only to shopping centers controlled exclusively by Altarea Cogedim and therefore do not include assets consolidated *via* the equity method.

		Initial capitalization rate	Rent in € per m²	Discount rate	Capitalization rate at exit	Compound annual growth rate of net rents
		a	b	c	d	e
France	Maximum	9.4%	1,185	9.0%	8.3%	17.8%
	Minimum	4.7%	99	5.9%	4.8%	(0.7)%
	Weighted average	**5.9%**	**370**	**7.1%**	**5.5%**	**3.7%**
International	Maximum	7.5%	408	8.5%	7.3%	3.3%
	Minimum	6.5%	235	7.3%	6.5%	1.8%
	Weighted average	**6.8%**	**319**	**7.6%**	**6.7%**	**2.7%**

a – The initial capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties.
b – Average annual rent (minimum guaranteed rent and variable rent) per asset and per m².
c – Rate used to discount the future cash flows.
d – Capitalization rate used to discount the income in the exit year to calculate exit value.
e – Compound Annual Growth Rate (CAGR) of net rents.

The weighted average capitalization rate[7] excluding transfer duties came to 6.11% at December 31, 2013 as opposed to 6.22% at December 31, 2012.

Based on a weighted average capitalization rate of 6.11%, a 0.25 point increase in capitalization rate would lead to a reduction of €120.1 million in the value of investment properties (-4.11%), while a 0.25 point decrease in capitalization rates would increase the value of investment properties by €135.1 million (+4.63%).

At December 31, 2013, the entire portfolio of properties in operation underwent an external appraisal. Assets were measured by DTZ and CBRE (previously DTZ and RCG for assets located in France and RVI, a subsidiary of RCG, for assets located in Italy).

8.4. Securities and investments in equity affiliates and non-consolidated interests

The Group elected to apply IFRS 10, 11 and 12 as of January 1, 2013. This decision had a retroactive effect, as of January 1, 2012 (see Note 2, "Accounting Changes"). The following are therefore recognized under securities and investments in equity affiliates: investments in joint ventures and affiliate companies, including receivables from these holdings.

8.4.1. Changes in securities and investments in equity affiliates and non-consolidated interests

(€ millions)	Equity-accounting value of joint ventures	Equity-accounting value of affiliated companies	Value of stake in equity-method affiliates	Non-consolidated securities	Receivables from joint ventures	Receivables from affiliated companies	Receivables from equity-method subsidiaries and non-consolidated interests	Total securities and investments in equity affiliates and non-consolidated interests
At 01/01/2012	**84.1**	**76.4**	**160.5**	**0.1**	**47.3**	**8.8**	**56.1**	**216.7**
Dividend per share	(4.7)	(2.7)	(7.4)	-	-	-	-	(7.4)
Share of earnings	10.7	5.7	16.4	-	-	-	-	16.4
Capital increase	0.1	5.7	5.7	(0.0)	-	-	-	5.7
Change in financial receivables	0.0	-	0.0	(0.0)	18.1	2.7	20.7	20.7
Allocations to and reversals of provisions	-	-	-	3.8	-	-	-	3.8
Other changes	(0.8)	(3.5)	(4.4)	0.3	-	(0.0)	(0.0)	(4.0)
Change in scope of consolidation	(32.8)	(0.4)	(33.3)	(3.8)	(3.4)	(0.9)	(4.3)	(41.4)
At the end of December 2012	**56.5**	**81.1**	**137.6**	**0.4**	**61.9**	**10.6**	**72.5**	**210.6**
Dividend per share	(5.5)	(2.8)	(8.3)	-	-	-	-	(8.3)
Share of earnings	43.5	6.7	50.2	-	-	-	-	50.2
Capital increase	0.3	13.0	13.3	-	-	-	-	13.3
Change in financial receivables	(0.0)	-	(0.0)	(0.0)	14.7	(1.5)	13.2	13.2
Allocations to and reversals of provisions	-	-	-	0.3	-	-	-	0.3
Other changes	(0.9)	-	(0.9)	(0.2)	-	-	-	(1.1)
Change in scope of consolidation	0.3	(0.0)	0.3	(0.3)	0.3	0.1	0.3	0.3
At the end of December 2013	**94.2**	**98.1**	**192.2**	**0.3**	**76.9**	**9.2**	**86.1**	**278.6**

(7) The capitalization rate is the net rental yield relative to the appraisal value excluding transfer duties (based on the consolidation rate, excluding equity-method assets).

8.4.2. Equity-accounting value of joint ventures and affiliated companies

(€ millions)	Net value of equity-method affiliates 12/31/2013	Net value of equity-method affiliates 12/31/2012
Joint ventures:		
Brick-and-mortar retail	73.5	42.6
Online retail	-	-
Residential property	8.3	9.1
Offices	12.4	4.8
EQUITY-ACCOUNTING VALUE OF JOINT VENTURES	**94.2**	**56.5**
Affiliates:		
Brick-and-mortar retail	83.9	78.5
Online retail	-	-
Residential property	0.2	(0.0)
Offices	14.0	2.6
EQUITY-ACCOUNTING VALUE OF AFFILIATED COMPANIES	**98.1**	**81.1**
Value of equity investments in joint ventures and affiliated companies	**192.2**	**137.6**

The primary joint ventures are Alta Carré de Soie and Ori Alta, which own the Carré de Soie shopping center in Lyon and Qwartz in Villeneuve-la-Garenne, respectively.

8.4.3. Principal balance sheet and income statement items of joint ventures

Share of balance sheet items of joint ventures at December 31, 2013 and 2012

(€ millions)	Brick-and-mortar retail	Residential property	Offices	12/31/2013	Brick-and-mortar retail	Residential property	Offices	12/31/2012
Non-current assets	244.3	0.3	0.3	244.9	179.4	0.3	0.0	179.7
Current assets	41.5	43.0	43.8	128.3	24.7	38.4	58.0	121.2
Total assets	**285.9**	**43.3**	**44.0**	**373.2**	**204.1**	**38.8**	**58.0**	**300.9**
Equity	73.5	8.3	12.4	94.2	42.6	9.1	4.8	56.5
Non-current liabilities	143.9	10.5	4.3	158.7	121.9	11.3	5.6	138.8
Current liabilities	68.4	24.6	27.3	120.3	39.6	18.3	47.7	105.6
Total equity and liabilities	**285.9**	**43.3**	**44.0**	**373.2**	**204.1**	**38.8**	**58.0**	**300.9**

Share of income statement items at December 31, 2013

(€ millions)	Brick-and-mortar retail	Residential property development	Commercial real estate	Total 12/31/2013
Rental income	6.4	-	-	6.4
Net rental income	**6.0**	**-**	**-**	**6.0**
Revenue	14.4	38.5	46.7	99.6
Net property income	**(1.0)**	**4.2**	**8.6**	**11.8**
External services	-	-	-	-
Net overhead expenses	**(0.0)**	**-**	**-**	**(0.0)**
Other income and expense	(0.7)	(0.1)	(0.0)	(0.8)
Change in value of investment properties	26.6	-	-	26.6
Net charge to provisions for risks and contingencies	0.2	0.2	-	0.5
Operating profit	**31.1**	**4.3**	**8.6**	**44.1**
Net borrowing costs	(2.4)	(0.0)	(0.1)	(2.5)
Change in value and income from disposal of financial instruments	2.8	-	-	2.8
Profit before tax	**31.5**	**4.3**	**8.6**	**44.3**
Corporate income tax	0.1	0.2	(1.1)	(0.8)
Net profit	**31.5**	**4.5**	**7.5**	**43.5**

Share of income statement items at December 31, 2012

(€ millions)	Brick-and-mortar retail	Residential property development	Commercial real estate	Total 12/31/2012
Rental income	16.5	-	-	16.5
Net rental income	**15.7**	**-**	**-**	**15.7**
Revenue	11.4	34.2	39.4	85.0
Net property income	**1.5**	**5.2**	**5.2**	**11.9**
External services	(0.0)	0.0	-	(0.0)
Net overhead expenses	**(0.0)**	**0.0**	**-**	**(0.0)**
Other income and expense	(2.7)	(0.1)	0.0	(2.8)
Change in value of investment properties	9.4	-	-	9.4
Net charge to provisions for risks and contingencies	0.0	(0.1)	-	(0.1)
Operating profit	**23.8**	**5.0**	**5.2**	**34.1**
Net borrowing costs	(8.2)	0.0	(0.1)	(8.3)
Change in value and income from disposal of financial instruments	(4.5)	-	-	(4.5)
Profit before tax	**11.1**	**5.0**	**5.2**	**21.3**
Corporate income tax	(8.9)	0.1	(1.9)	(10.6)
Net profit	**2.3**	**5.1**	**3.3**	**10.7**

8.4.4. Investments in affiliates

During FY 2013, dividends for a total of €2.8 million were paid, primarily by SEMMARIS, Liévin and Société d'Aménagement Mezzanine Paris Nord (Gare du Nord).

The Group also subscribed to two capital increases in proportion to its share holding in the company AltaFund VAI and SCI Macdonald Commerce (retail operation located on Boulevard Macdonald in Paris, today held at 50/50).

The largest investment is Semmaris/MIN de Rungis, which amounts to €64.0 million. At December 31, 2013, the stake in SEMMARIS, measured at fair value on the acquisition date and including goodwill, was subject to an independent valuation by Accuracy, prepared in January 2014. The appraisal was conducted based on a business plan drawn up by Management for the period from 2013 to 2034, which is when the concession ends. The discount rate used was in a range from 5.7% to 6.7%. No impairment was recognized.

During FY 2012, dividends for a total of €2.7 million were paid, primarily by SEMMARIS, Liévin and Société d'Aménagement Mezzanine Paris Nord (Gare du Nord).

The change in scope corresponds to disposal of the Group's interest in 8'33, Holding Lumières and other companies in the development division.

The Group also subscribed to a capital increase in the proportion to its share holding in AltaFund VAI (€5.7 million), following an initial investment in a building to be redeveloped on Boulevard Raspail in Paris.

The largest investment was that held in Semmaris/MIN de Rungis, which amounted to €58.9 million. At December 31, 2012, the holding in SEMMARIS, valued at fair value on the acquisition date and including goodwill, was subject to an independent valuation by Accuracy, prepared in January 2013. The appraisal was conducted based on a business plan drawn up by Management for the period from 2012 to 2034, which is when the concession ends. The discount rate used was in a range from 5.7% to 6.7%. No impairment was recognized.

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

(€ 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, 2012	**8.3**	**2.1**	**4.6**	**15.0**	**0.1**	**15.2**	**(0.9)**	**14.3**
Increases/Allowances	140.3	0.2	0.3	140.8	0.9	141.7	(0.1)	141.7
Decreases/Reversals	(0.2)	(0.3)	(0.2)	(0.6)	(0.4)	(1.1)	-	(1.1)
Transfers/Reclassifications	(133.6)	(0.6)	0.3	(133.9)	(0.0)	(133.9)	-	(133.9)
Change in scope of consolidation	4.3	(0.0)	-	4.3	(0.0)	4.3	(0.6)	3.7
At December 31, 2012	**16.7**	**1.4**	**4.9**	**23.0**	**0.5**	**23.6**	**(1.5)**	**22.0**
Increases/Allowances	2.8	0.1	0.3	3.2	(0.4)	2.8	(0.0)	2.8
Decreases/Reversals	(1.6)	(0.3)	(0.1)	(1.9)	(0.3)	(2.3)	1.3	(1.0)
Transfers/Reclassifications	-	0.2	-	0.2	0.5	0.7	-	0.7
Change in scope of consolidation	0.2	-	-	0.2	(0.0)	0.2	-	0.2
At December 31, 2013	**18.0**	**1.4**	**5.1**	**24.6**	**0.4**	**25.0**	**(0.3)**	**24.7**
o/w Non-current at the end of December 2012	*1.9*	*1.4*	*4.9*	*8.3*	*0.0*	*8.3*	*(1.5)*	*6.8*
o/w Current at the end of December 2012	*14.7*	*(0.0)*	*-*	*14.7*	*0.5*	*15.3*	*-*	*15.3*
o/w Non-current at the end of June 2013	*0.4*	*1.4*	*5.1*	*6.9*	*0.0*	*6.9*	*(0.3)*	*6.6*
o/w Current at the end of June 2013	*17.7*	*(0.0)*	*-*	*17.7*	*0.4*	*18.1*	*-*	*18.1*

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.

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.

8.6. Working capital requirement

8.6.1. Summary of components of working capital requirement

(€ millions)	Net inventories and work in progress	Net trade receivables	Other operating receivables – net	Trade and other operating receivables – net	Trade payables	Other operating payables	Trade payables and other operating payables	Working capital requirement for operations
At January 1, 2012	638.5	125.2	241.3	366.5	(312.5)	(439.4)	(751.9)	253.1
Change	21.2	6.7	21.1	27.8	(85.3)	61.8	(23.5)	25.5
Net impairment losses	(0.9)	(4.5)	0.0	(4.5)	-	-	-	(5.4)
Transfers	(0.0)	(0.5)	(1.6)	(2.1)	5.2	1.3	6.4	4.4
Change in scope of consolidation	0.1	2.6	2.3	4.9	(12.8)	(2.8)	(15.6)	(10.5)
At December 31, 2012	658.8	129.6	263.1	392.7	(405.4)	(379.1)	(784.5)	267.0
Change	(52.8)	49.3	(16.7)	32.6	54.1	33.0	87.1	66.9
Net impairment losses	0.2	(5.0)	(1.4)	(6.4)	-	-	-	(6.2)
Transfers	(0.9)	0.3	(3.4)	(3.0)	11.7	(8.5)	3.2	(0.8)
Change in scope of consolidation	1.0	0.6	0.0	0.6	(0.3)	(1.4)	(1.8)	(0.3)
At December 31, 2013	606.4	174.8	241.6	416.4	(339.9)	(356.1)	(696.0)	326.8
Change in WCR at December 31, 2013	**52.5**	**(44.3)**	**18.1**	**(26.2)**	**54.1**	**33.0**	**87.1**	**(60.8)**
Change in WCR at December 31, 2012	**(20.2)**	**(2.3)**	**(21.1)**	**(23.4)**	**(85.3)**	**61.8**	**(23.5)**	**(20.1)**

Note: Presentation excluding payables and receivables on the sale or acquisition of fixed assets and/or non fully paid-up securities.

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

At December 31, 2013, operational WCR represented 21.52% of sales (over 12 months rolling) compared to 17.97% at December 31, 2012.

Changes in scope are mainly related to changes in scope in the residential development segment.

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

Working capital requirement for investments

(€ millions)	Receivables on sale of assets	Payables on acquisition of assets	WCR for investment
At January 1, 2012	6.1	(51.9)	(45.8)
Change	(1.4)	8.0	6.6
Present value adjustment	0.0	(0.1)	(0.0)
Transfers	5.4	(6.0)	(0.6)
Change in scope of consolidation	-	(1.9)	(1.9)
At December 31, 2012	10.2	(51.8)	(41.7)
Change	(127.4)	9.3	(118.2)
Present value adjustment	0.0	(0.1)	(0.0)
Transfers	1.9	0.2	2.2
Change in scope of consolidation	127.1	(1.0)	126.0
At December 31, 2013	11.7	(43.5)	(31.7)
Change in WCR at December 31, 2013	**(127.4)**	**9.3**	**(118.2)**
Change in WCR at December 31, 2012	**(1.4)**	**8.0**	**6.6**

The decline in working capital requirement for investment is mainly due to payment of invoices on centers delivered and recovery of invoices not yet received.

The change in scope relates to Rue du Commerce, and the compensation payable to employee holders of unexercised stock options under the purchase of minority interests by Altacom (mandatory squeeze-out completed during the first half of 2013).

Working capital requirement for tax

(€ millions)	Tax receivables	Tax payables	Tax WCR
At January 1, 2012	1.0	(1.0)	0.0
Tax paid over the financial year	(0.0)	1.8	1.8
Tax charge for the period	-	(1.9)	(1.9)
Other changes	-	(1.8)	(1.8)
Change in scope of consolidation	0.8	0.0	0.9
At December 31, 2012	1.8	(2.8)	(1.0)
Tax paid over the year	0.5	12.0	12.4
Tax charge for the period	-	(36.0)	(36.0)
Change in scope of consolidation	-	(1.1)	(1.1)
Accretion on receivables and payables	-	(0.2)	(0.2)
At December 31, 2013	2.3	(28.1)	(25.8)
Change in WCR at June 30, 2013	**0.5**	**12.0**	**12.4**
Change in WCR at December 31, 2012	**(0.0)**	**1.8**	**1.8**

The €33.2 million increase in debt is due to the exit tax liability following Aldeta's decision to adopt SIIC status as of January 1, 2013; the debt payable in increments of one-quarter over 4 years has been discounted by €0.4 million.

8.7. Inventories and work in progress

(€ millions)	Gross inventories	Impairment	Net
At January 1, 2012	642.9	(4.4)	638.5
Change	21.2	(0.0)	21.2
Increases	-	(1.6)	(1.6)
Reversals	-	0.6	0.6
Change in scope of consolidation	0.1	0.0	0.1
At December 31, 2012	664.2	(5.3)	658.8
Change	(52.8)	(0.0)	(52.8)
Increases	-	(2.7)	(2.7)
Reversals	-	3.0	3.0
Reclassifications	(0.9)	-	(0.9)
Change in scope of consolidation	1.0	-	1.0
At December 31, 2013	611.5	(5.1)	606.4

Generally, inventories are intended for sale by 2016.

Inventories came to €606.4 million at December 31, 2013, compared to €658.8 million at December 31, 2012. This decline is mainly due to the Property Development business and in particular to the decrease in stocks of "operations in the land stage" and "operations under development" due to the start of construction.

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

At December 31, 2013	Brick-and-mortar retail	Online retail	Residential property development	Office property	Total net inventories and work in progress
New programs	-	-	33.4	0.8	34.2
Programs at land stage	-	-	50.7	11.7	62.4
Ongoing programs	0.8	-	429.6	7.1	437.5
Completed programs	-	-	5.5	7.9	13.5
Dealer programs	-	-	17.1	6.5	23.5
Goods and merchandise	0.1	35.2	-	-	35.3
Total	0.9	35.2	536.3	33.9	606.4

At December 31, 2012	Brick-and-mortar retail	Online retail	Residential property development	Office property	Total net inventories and work in progress
New programs	-	-	22.2	0.5	22.8
Programs at land stage	-	-	94.0	8.5	102.6
Ongoing programs	-	-	408.1	51.2	459.3
Completed programs	-	-	2.3	(0.0)	2.3
Dealer programs	0.9	-	27.8	4.9	33.6
Goods and merchandise	0.1	38.2	-	-	38.3
Total	0.9	38.2	554.4	65.2	658.8

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

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

"Ongoing programs" correspond to programs for which land has been acquired and construction work has begun.

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

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

Inventories in the brick-and-mortar retail segment 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 Rue du Commerce.

8.8. Trade receivables and other accounts receivable

(€ millions)	12/31/2013	12/31/2012
Brick-and-mortar retail clients	54.4	52.7
Online retail clients	34.5	31.9
Residential clients	88.5	58.8
Office property clients	21.6	5.4
Gross trade receivables	**198.9**	**148.7**
Opening impairment	**(19.2)**	**(14.6)**
Increases	(8.4)	(8.2)
Changes in scope of consolidation	-	(0.1)
Reversals	3.4	3.7
Closing impairment	**(24.1)**	**(19.2)**
Net trade Receivables	174.8	129.6
Advances and down payments paid	31.7	45.2
VAT receivables	132.9	135.6
Sundry debtors	35.6	32.8
Prepaid expenses	20.7	27.9
Principal accounts in debit	25.8	25.4
Total other operating receivables	**246.8**	**266.9**
Opening impairment	**(3.8)**	**(3.8)**
Increases	(1.6)	0.0
Reversals	0.2	0.0
Closing impairment	**(5.2)**	**(3.8)**
Net operating receivables	241.6	263.1
Trade and other receivables	416.4	392.7
Receivables on the sale of assets	11.7	10.2
Trade and other receivables	428.2	402.9

Net allocations to net 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:

(€ millions)	12/31/2013
Total gross trade receivables	**198.9**
Impairment of trade receivables	(24.1)
Total net trade receivables	174.8
Trade accounts to be invoiced	(11.8)
Receivables lagging completion	(46.4)
Trade accounts receivables due	116.7

(€ millions)	Total	On time	30 days	60 days	90 days	More than 90 days
Trade accounts receivables due	116.7	87.7	4.0	7.2	6.3	11.4

Advances and down payments paid

Advances and down payments correspond primarily to indemnities paid by Cogedim to the vendors of land at 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.

Sundry debtors

The line item "Sundry debtors" 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. As concerns online retail, sundry debtorsmainly relate to credit Notes to be received from suppliers as part of the distribution business.

Prepaid expenses

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

Principal accounts in debit

As part of its property management business, real estate transactions and online retail activities, the Group presents the cash balance it manages for third parties on its balance sheet.

8.9. Accounts payable and other operating liabilities

(€ millions)	12/31/2013	12/31/2012
Trade payables and related accounts	339.9	405.4
Trade payables and related accounts	**339.9**	**405.4**
Advances and downpayments received from clients	194.8	249.0
VAT collected	61.9	50.7
Other tax and social security payables	37.4	34.2
Prepaid income	4.0	3.3
Other payables	31.8	16.5
Principal accounts in credit	26.3	25.3
Other operating payables	**356.1**	**379.1**
Amounts payable on non-current assets	43.5	51.9
Accounts payable and other operating liabilities	**739.5**	**836.4**

Advances and down payments received from clients

This 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 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 item decreases mainly in the development business as projects advance; amounts of payment requests progress more slowly relative to the percentage of completion of 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.

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

Share capital

(number of shares and in €)	Number of shares	Nominal amount	Share capital
Number of shares outstanding at January 1, 2012	**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**
Capital increase relating to the Areal merger	145,000	15.28	2,215,600
New share issue following exercise of the option for dividend payment in shares	536,364	15.28	8,195,642
Number of shares outstanding at December 31, 2013	**11,592,805**	**15.28**	**177,146,239**

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 Company aims to maintain its current level of LTV, i.e. below 45%. Banking covenants on corporate loans require an LTV ratio of less than 60%.

Share-based payments

Four new free share plans were implemented during FY 2013.

The gross cost recorded on the income statement for share-based payments was €4.4 million in 2013, compared to €4.8 million in 2012.

Assumptions used to value the new free share plans

	12/31/2013
Expected dividend yield	6.84%
Expected volatility	NA
Risk-free interest rate	from 0.79% to 1.27%
Model used	Cox-Ross-Rubinstein binomial model

Stock option plan

No stock option plan was implemented in 2013.

Stock option plan	Number of options awarded	Option strike price (€)	Exercise dates	Options outstanding at 12/31/2012	Awarded	Options exercised	Options canceled	Options outstanding at 12/31/2013
Stock option plans on Altarea shares								
March 13, 2006	1,950	119.02	03/13/2010 & 03/13/2013	550	-	-	(550)	-
Additional options – capital increase	557	170.00	03/13/2010 & 03/13/2013	156	-	-	(156)	-
January 30, 2007	3,800	175.81	01/30/2011 & 01/30/2014	850	-	-	-	850
Additional options – capital increase	1,086	170.00	01/30/2011 & 01/30/2014	242	-	-	-	242
Friday, March 5, 2010	5,500	104.50	03/05/2010 & 03/05/2013	4,100	-	(4,100)	-	-
Total	**12,893**			**5,898**	**-**	**(4,100)**	**(706)**	**1,092**

Bonus share grants

During FY 2013,
- four new plans were put in place for a total of 108,900 rights to bonus shares;
- 15,863 shares were delivered through plans implemented in previous years; and
- 33,450 rights were canceled.

Award date	Number of rights awarded	Vesting date	Rights in issue at 12/31/2012	Awarded	Delivery	Rights canceled (a)	Rights in issue at 12/31/2013
Stock grant plans on Altarea shares							
March 5, 2010	20,000	December 20, 2013	20,000	-	(3,000)	(17,000)	-
March 5, 2010	20,000	December 20, 2014	20,000	-	-	(14,000)	6,000
December 16, 2010	15,400	June 30, 2013	13,200	-	(12,450)	(750)	-
March 29, 2011	413	March 29, 2013	413	-	(413)	-	-
December 15, 2011	1,000	December 15, 2014	1,000	-	-	-	1,000
June 1, 2012	1,125	October 31, 2014	1,125	-	-	-	1,125
February 18, 2013	82,900	February 18, 2016	-	82,900	-	(1,700)	81,200
April 2, 2013	14,000	April 02, 2015	-	14,000	-	-	14,000
May 15, 2013	9,000	June 15, 2015	-	9,000	-	-	9,000
June 17, 2013	3,000	April 17, 2016	-	3,000	-	-	3,000
Total	**166,838**		**55,738**	**108,900**	**(15,863)**	**(33,450)**	**115,325**

(a) Rights canceled for reasons of departure, lack of certainty that performance criteria have been met, or changes in plan terms.

Treasury shares

The acquisition cost of treasury shares was €19 million at December 31, 2013 for 156,047 shares (including 154,049 shares intended for allotment to employees under stock grant or stock option plans and 1,998 shares allocated to a liquidity contract), compared with €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). 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 €2 million before tax at December 31, 2013 (€1.3 million after tax) compared with a loss of €17.5 million before tax at December 31, 2012 (€11.5 million after tax).

The negative impact on cash flow from purchases and disposals over the period comes to €7.3 million at December 31, 2013 compared to €4.4 million in 2012.

8.11. Financial liabilities

Current and non-current borrowings and financial liabilities

(€ millions)	Participating loans and Shareholders' advances under option	Bond issues	Treasury notes	Borrowings from lending establish-ments	Finance lease debt	Bank Overdrafts	Bank debt, private and bond investment	Other borrowings and financial debts	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, 2012	**13.9**	**-**	**-**	**1,979.4**	**45.0**	**161.9**	**2,186.4**	**40.7**	**2,241.0**	**5.2**	**8.8**	**1.1**	**2,256.1**
Increase	-	250.0	-	164.6	0.1	60.6	475.3	11.0	486.3	-	1.4	1.6	489.3
o/w Spreading of issue costs	*-*	*-*	*-*	*3.4*	*-*	*-*	*3.4*	*-*	*3.4*	*-*	*-*	*-*	*3.4*
o/w Appropriation of income to current accounts	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*(2.8)*	*(2.8)*	*-*	*-*	*-*	*(2.8)*
Decrease	-	-	-	(327.6)	(2.1)	(137.1)	(466.7)	(0.1)	(466.9)	(3.4)	(4.9)	(2.5)	(477.7)
Reclassifications	(200.0)	-	-	(0.0)	-	-	(0.0)	(0.2)	(200.2)	-	(0.0)	0.0	(200.2)
Change in scope of consolidation	200.0	-	-	180.7	-	-	180.7	(0.3)	380.5	-	1.1	2.5	384.1
At December 31, 2012	**13.9**	**250.0**	**-**	**1,997.2**	**43.1**	**85.4**	**2,375.6**	**51.1**	**2,440.6**	**1.8**	**6.3**	**2.8**	**2,451.5**
Increase	0.0	0.1	101.0	202.9	-	105.7	409.6	101.5	511.0	37.9	1.1	1.5	551.5
o/w Spreading of issue costs	*-*	*-*	*-*	*6.6*	*-*	*-*	*6.6*	*-*	*6.6*	*-*	*-*	*-*	*6.6*
o/w Appropriation of income to current accounts	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*(0.2)*	*(0.2)*	*-*	*-*	*-*	*(0.2)*
Decrease	(1.2)	0.4	(73.0)	(640.7)	(2.2)	(42.9)	(758.4)	(81.9)	(841.5)	-	(1.7)	(0.9)	(844.1)
Reclassifications	-	(1.8)	-	1.7	-	-	(0.2)	0.4	0.3	-	-	(0.4)	(0.2)
Change in scope of consolidation	-	-	-	-	-	-	-	0.1	0.1	0.0	-	-	0.1
At December 31, 2013	**12.7**	**248.6**	**28.0**	**1,561.0**	**40.8**	**148.2**	**2,026.7**	**71.1**	**2,110.5**	**39.7**	**5.8**	**3.0**	**2,158.9**
o/w Non-current at the end of December 2012	*13.9*	*250.0*	*-*	*1,768.8*	*40.7*	*57.9*	*2,117.4*	*16.7*	*2,148.0*	*-*	*-*	*-*	*2,148.0*
o/w Non-current at the end of December 2013	*12.7*	*248.5*	*-*	*1,298.1*	*38.4*	*95.9*	*1,680.8*	*29.2*	*1,722.7*	*-*	*-*	*-*	*1,722.7*
o/w Current at the end of December 2012	*-*	*-*	*-*	*228.4*	*2.3*	*27.5*	*258.2*	*34.4*	*292.6*	*1.8*	*6.3*	*2.8*	*303.5*
o/w Current at the end of December 2013	*-*	*0.1*	*28.0*	*263.0*	*2.5*	*52.4*	*345.9*	*41.9*	*387.8*	*39.7*	*5.8*	*3.0*	*436.2*

Bond issues

During FY 2013, this item remained unchanged except for the reclassification of staggered issue costs.

The debt consists of bonds subscribed by Altarea SCA for €100 million and the private placement subscribed by Foncière Altarea with ABP for €150 million.

Treasury Notes

During FY 2013, Altarea SCA subscribed treasury Notes for a net balance of €28 million.

Borrowings from lending establishments

In FY 2013, the principal transactions were the following:

Corporate financing

- Concerning Altarea SCA: bank borrowings came to €259 million net of issue costs at the closing date, following reimbursement of €140 million during the year (€262 million before spreading of issue costs, including €165 million with Natixis, €15 million with BECM, €22 million with LCL and €60 million with Société Générale). At year-end, the company had an available balance of €98 million in undrawn confirmed credit (€60 million with Natixis, €20 million with BECM and €18 million with LCL).
- Concerning Foncière Altarea: reimbursement of the €18-million balance on an HSBC loan. At year-end, the company had an available balance of €60 million in undrawn confirmed credit with HSBC.

Acquisition loans

- Concerning Penthièvre: the acquisition loan taken out by Rue du Commerce came to €52.5 million net of issue costs and after repayment of €11.1 million during the financial year.
- Concerning Cogedim SAS: the acquisition loan stood at €189.9 million at year-end (net of staggered issue costs) after a €33.4 million reduction in the course of the financial year.

Operating loans

- Concerning Aldeta: debt stood at €208.5 million at year-end, net of issue costs and after drawdown of €11.8 million in the course of the financial year to finance redevelopment work.
- Concerning the Kremelin Bicêtre shopping center: debt stood at €66.4 million net of issue costs at year-end, after repayment of €11.9 million during the financial year.
- Concerning the Kremelin Bicêtre Business Center, sold in the course of the year: the loan has been fully repaid (-€64.3 million).
- Concerning Retail Park les Vignoles in Nîmes: full repayment of the bank loan, replaced by intra-group debt.
- Concerning Bercy Village, Gare de l'Est and Gennevilliers shopping centers, of which Allianz Group has taken 49% of the capital ("Operation Platinum"): full repayment of loans for a total of €99.5 million.
- Concerning Montigny (Mercedes program in Montigny-le-Bretonneux): full repayment of the €23.6 million drawdown from 2012.

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 the 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 commitments 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.

Other borrowings and financial debts

These are loans or 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.

(€ millions)	Bond issues	Treasury notes	Bank debt excl. accrued interest and overdrafts	Bank debt, private and bond placement excl. accrued interest and overdrafts	Accrued interest on bank debt, private and bond investment	Bank debt, private and bond placement excl. overdrafts	Cash and cash equivalents (assets)	Bank overdraft (cash liabilities)	Net cash	Bank debt, private and bond investment	Participating loans and shareholders' advances under option	Other borrowings and financial debt	Accrued interest on other financial debt	Net financial debt
Cash assets	-	-	-	-	-	-	(293.0)	-	(293.0)	(293.0)	-	-	-	(293.0)
Non-current financial liabilities	250.0	-	1,867.4	2,117.4	-	2,117.4	-	-	-	2,117.4	13.9	16.7	-	2,148.0
Current financial liabilities	-	-	258.2	258.2	6.3	264.5	-	1.8	1.8	266.3	-	34.4	2.8	303.5
At December 31, 2012	**250.0**	**-**	**2,125.6**	**2,375.6**	**6.3**	**2,381.9**	**(293.0)**	**1.8**	**(291.2)**	**2,090.8**	**13.9**	**51.1**	**2.8**	**2,158.5**
Cash assets	-	-	-	-	-	-	(234.9)	-	(234.9)	(234.9)	-	-	-	(234.9)
Non-current financial liabilities	248.5	-	1,432.3	1,680.8	-	1,680.8	-	-	-	1,680.8	12.7	29.2	-	1,722.7
Current financial liabilities	0.1	28.0	317.8	345.9	5.8	351.6	-	39.7	39.7	391.3	-	41.9	3.0	436.2
At December 31, 2013	**248.6**	**28.0**	**1,750.1**	**2,026.7**	**5.8**	**2,032.5**	**(234.9)**	**39.7**	**(195.2)**	**1,837.3**	**12.7**	**71.1**	**3.0**	**1,924.0**

Breakdown of bank and bond debt by maturity

(€ millions)	12/31/2013	12/31/2012
< 3 months	114.0	56.5
3 to 6 months	13.7	145.4
6 to 9 months	210.8	25.9
9 to 12 months	53.1	38.7
Less than 1 year	**391.6**	**266.5**
2 years	319.0	308.8
3 years	461.2	261.0
4 years	530.2	585.8
5 years	97.8	458.0
1 to 5 years	**1,408.2**	**1,613.6**
More than 5 years	**284.0**	**521.4**
Issue costs to be amortized	(11.7)	(17.7)
Total gross bank debt	**2,072.2**	**2,383.8**

The bank and bond debt analyzed in the table opposite is made up of the following elements:

- bond borrowings (including private placements);
- treasury Notes;
- bank borrowings;
- accrued interest;
- bank overdrafts (cash liabilities).

Breakdown of bank and bond debt by guarantee

(€ millions)	12/31/2013	12/31/2012
Mortgages	1,131.1	1,475.4
Mortgage commitments	146.9	84.1
Moneylender lien	4.6	4.6
Pledging of receivables	-	-
Pledging of securities	262.0	384.8
Altarea SCA security deposit	153.2	164.5
Not guaranteed	386.1	288.1
Total	**2,083.9**	**2,401.5**
Issue costs to be amortized	(11.7)	(17.7)
Total gross bank debt	**2,072.2**	**2,383.8**

Pledges on securities mainly refer to the following transactions: €72 million on shares in Foncière Altarea and Altareit given as security against the Natixis tranche B, BECM and LCL loans subscribed by Altarea SCA, and €190 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. Altarea SCA has granted joint solidarity guarantee to Deutsche Bank in the amount of €100 million and to Société Générale in the amount of €53.2 million for the Rue du Commerce acquisition loan.

Breakdown of bank and bond debt by interest rate

	Gross bank debt		
(€ millions)	Variable rate	Fixed rate	Total
At December 31, 2013	1,822.2	250.0	2,072.2
At December 31, 2012	2,133.8	250.0	2,383.8

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.

Fixed-rate market value of debt

Fixed-rate bonds	Carrying amount	Market value
At December 31, 2013	250.0	252.3
At December 31, 2012	250.0	251.1

The carrying amount is equal to the gross value before deduction of non-amortized issuance costs and excluding accrued interest.

Accrued interest is not recognized in market value.

Average cost of debt

The average cost of debt including the impact of interest rate hedging instruments amounted to 2.80% compared with 3.50% in 2012.

Schedule of future interest expenses

(€ millions)	12/31/2013	12/31/2012
< 3 months	11.5	14.1
3 to 6 months	11.7	14.0
6 to 9 months	12.1	13.6
9 to 12 months	11.9	13.6
Less than 1 year	**47.1**	**55.3**
2 years	58.7	57.4
3 years	53.3	68.3
4 years	32.4	59.1
5 years	14.9	39.6
1 to 5 years	**159.2**	**224.4**

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 in finance leases

(€ millions)	Liabilities *vis-à-vis* credit institutions on finance leases	
	At 12/31/2013	At 12/31/2012
Debt at less than 1 year	2.5	2.3
Debt at between 1 and 5 years	10.0	9.5
Debt at more than 5 years	28.3	31.2
Total	**40.8**	**43.1**

Future lease payments

(€ millions)	Future lease payments	
	At 12/31/2013	At 12/31/2012
Debt at less than 1 year	2.7	2.6
Debt at between 1 and 5 years	11.2	10.9
Debt at more than 5 years	28.4	31.4
Total, gross	**42.3**	**44.9**
Debt at less than 1 year	2.7	2.6
Debt at between 1 and 5 years	10.8	10.4
Debt at more than 5 years	24.8	25.5
Total, present value	**38.3**	**38.5**

Accounting value of assets held under finance lease

(€ millions)	Accounting value of assets held under finance lease	
	At 12/31/2013	At 12/31/2012
Other property, plant and equipment	-	1.1
Assets held for sale	-	-
Investment properties	67.7	66.9
Total	**67.7**	**68.0**

8.12. Provisions

(€ millions)	Provision for benefits payable at retirement	Other provisions				Total Other provisions	Total
		Brick-and-mortar retail	Online retail	Residential	Offices		
At January 1, 2012	**6.3**	**4.4**	**0.5**	**7.5**	**4.1**	**16.6**	**22.9**
Increases	0.8	1.2	0.4	1.2	0.0	2.8	3.6
Reversals used	(0.1)	(2.0)	(0.2)	(1.7)	(0.2)	(4.0)	(4.1)
Reversals of unused provisions	-	(1.7)	-	-	-	(1.7)	(1.7)
Transfers to another heading	-	-	-	(0.5)	(3.1)	(3.5)	(3.5)
Change in scope of consolidation	-	-	3.5	-	-	3.5	3.5
Actuarial gains and losses	1.0	-	-	-	-	-	1.0
At December 31, 2012	**8.1**	**1.9**	**4.2**	**6.6**	**0.8**	**13.6**	**21.7**
Increases	1.0	1.8	0.6	1.6	0.5	4.4	5.4
Reversals used	(0.2)	(1.4)	(0.3)	(1.8)	(0.0)	(3.6)	(3.8)
Reversals of unused provisions	-	(0.5)	-	(0.2)	(0.4)	(1.2)	(1.2)
Transfers to another heading	-	-	-	-	-	-	-
Change	-	-	-	0.0	-	0.0	0.0
Actuarial gains and losses	(1.0)	-	-	-	-	-	(1.0)
At December 31, 2013	**7.9**	**1.7**	**4.5**	**6.1**	**0.9**	**13.2**	**21.1**
o/w Non-current at the end of December 2012	*8.1*	*1.9*	*4.2*	*6.6*	*0.8*	*13.6*	*21.7*
o/w Current at the end of December 2012	-	-	-	-	-	-	-
o/w Non-current at the end of June 2013	*7.9*	*1.7*	*4.5*	*6.1*	*0.9*	*13.2*	*21.1*
o/w Current at the end of June 2013	-	-	-	-	-	-	-

Provisions for benefits payable at retirement

See Note 15.1 "Pension obligations".

Brick-and-mortar retail provisions

As was the case at the close of the previous year, at December 31, 2013, provisions in the brick-and-mortar retail segment primarily covered the risk of payment of rent guarantees granted upon the sale of shopping centers, along with disputes with tenants.

Online retail provisions

Provisions in the online retail segment cover disputes with employees or suppliers. Some of these provisions had been identified during the evaluation conducted when Altarea acquired Rue du Commerce in 2011.

Residential and Office Property provisions

Provisions for these businesses 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, definitive general statement, etc.) are also included.

The Company may be subject to claims or litigation for which no provision has been recognized at the date of the financial statements, insofar as the Company considers these liabilities contingent and improbable. The situation is reassessed at each balance sheet date.

8.13. Deposits and security interests received

(€ millions)	Deposits and security interests received
At January 1, 2012	**22.0**
Change	5.0
At December 31, 2012	**27.1**
Change	(0.3)
At December 31, 2013	**26.8**

Deposits and security interest 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 COMPREHENSIVE STATEMENT OF INCOME

9.1. Net rental income

Net rental income stood at €158.0 million at December 31, 2013, compared with €130.2 million in 2012. This increase is due in part to the controlling interest taken in the Cap 3000 shopping center (consolidated *via* the equity method in 2012 and fully consolidated at 100% in 2013) for €32.5 million. The residual change is mainly due to disposals carried out in 2012 and 2013 representing €8.4 million (see Note 9.6 "Other operating income"), deliveries in 2012 (Toulouse Gramont eastern extension) and 2013 (Nîmes) representing €3.8 million, redevelopment of centers (Massy, Aubergenville, Mulhouse in France and Casale Monferrato in Italy) representing €2.2 million, and like-for-like net rental income, which increased by €2.3 million year-on-year in France and decreased by €3.0 million abroad.

The particularly pronounced increase in France was driven for the most part by the major regional shopping centers (Gramont Toulouse, Bercy Village, etc.), where asset management initiatives were especially intense. In Italy (and to a lesser extent in Spain), this like-for-like change is negative and was the combined result of a single tenant incident in the Due Torrie shopping center (Lombardy) with a home goods store that generated a loss of €0.9 million and increasing financial vacancy and property taxes partially rebilled to tenants.

(€ millions)	
Net rental income at 12/31/2012	**130.2**
a – Centers opened in 2012/2013	4.8
b – Disposals	(8.4)
c – Acquisitions	0.1
d – Redevelopments	(2.2)
e – Change in consolidation method for Cap 3000	32.5
f – Like-for-like change – France	4.0
g – Like-for-like change – International	(3.0)
Total – Change in net rental income	27.9
Net rental income at 12/31/2013	**158.0**

9.2. Net property income

Group Net property income came to €110.5 million at December 31, 2013, as opposed to €128.9 million the year before.

This change is mainly due to a significant increase in the office operating segment to €14.1 million compared to €2.1 million at December 31, 2012. The latter benefited from the development project to build Mercedes-Benz's French head offices in Montigny-le-Bretonneux.

Net property income from the Office property operating segment decreased to €94.7 million at December 31, 2013, compared to €122.7 million at December 31, 2012. The decrease was due to high-margin projects completed in 2012, falling prices and sales assistance granted to certain programs since H2 2012, and to a greater advertising budget.

Net property income for brick-and-mortar retail includes off-plan sales linked to shopping center development. It came to €0.7 million at December 31, 2013, compared to €5.5 million a year earlier.

9.3. Retail margin

The retail margin is the margin for the online retail operating segment arising from the incorporation of Rue du Commerce's proprietary retail business at January 1, 2012. It came to €20.8 million at December 31, 2013, compared to €24.4 million at December 31, 2012.

9.4. *Galerie Marchande* commissions

Galerie Marchande commissions represent a percentage of sales carried out by online merchants partnering with the Galerie. They came to €9.6 million at December 31, 2013, compared to €9.4 million at December 31, 2012. Commission rates were stable.

9.5. Net overhead expenses

Net overhead expenses relating to the Group's service providers came to €106 million at December 31, 2013, compared to €91.9 million at December 31, 2012.

External services

External services came to €25.3 million at December 31, 2013, compared to €27 million at December 31, 2012.

Own work capitalized and production held in inventory

At December 31, 2013, own work capitalized and production held in inventory came to €69.9 million compared to €72.3 million at December 31, 2012. This decrease is primarily due to the residential operating segment, where production held in inventory came to €54.9 million at December 31, 2013, compared to €57.4 million at December 31, 2012.

Personnel expense

(€ millions)	12/31/2013	12/31/2012
Personnel compensation	(83.3)	(76.6)
Social security contributions	(36.4)	(33.2)
Share-based payments to personnel	(4.4)	(4.8)
Profit-sharing net of tax credits	0.4	(0.4)
Other personnel costs	(6.7)	(4.6)
Benefits payable at retirement (IFRS)	(0.8)	(0.8)
Personnel expense	**(131.1)**	**(120.4)**

Personnel expense came to €131.1 million at December 31, 2013, compared to €120.4 million at December 31, 2012. This increase is mainly due to the employer's contribution of 30% to the grant of rights to free shares, representing €3.4 million, and to hiring in the residential, e-commerce and brick-and-mortar retail segments.

Other overhead expenses

Other Group overhead expenses fell by €1.1 million over the period. At December 31, 2013, they stood at €66.3 million as opposed to €67.4 million a year earlier.

Allowance for depreciation on operating assets

At December 31, 2013, depreciation expenses on operating assets amounted to €3.7 million, compared to €3.6 million at the end of 2012, stable over the period.

9.6. Other items contributing to operating profit

Other income and expense

Other income and expenses came to €6.8 million compared to €5.3 million at December 31, 2012. 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

At December 31, 2013, depreciation expenses came to €8.1 million compared to €6.9 million at December 31, 2012. This change is mainly due to the increase in depreciation expenses in the online retail segment. Software previously depreciated over 5 years was entirely impaired in 2013, for €4.4 million. The Group did not recognize any impairment on the Rue du Commerce brand in 2013, as opposed to 2012, for which impairment of €3.5 million was booked.

Transaction costs

Transaction costs came to €3.3 million at December 31, 2012. They were tied to additional transaction costs generated by the equity investment in Rue du Commerce and to uncompleted operations.

At December 31, 2012, transaction indemnities came to €7.9 million and reflected the equity investment in Rue du Commerce, along with compensation received following a dispute with an Italian company.

Proceeds from disposal of investment properties

During FY 2013, four commercial assets were sold for a total of €143.7 million (excluding net allowances for impairment), generating gains of €7.1 million. These disposals concerned the Kremlin-Bicêtre business center, shopping centers in Chambéry and Chalon-sur-Saône, and a small asset in Toulouse.

Change in value of investment properties measured at fair value

The value of investment properties represented a gain of €57.7 million in at December 31, 2013. This item amounted to €87.7 million in France and was mainly due to positive rent indexation to the ICC and ILC indices, as well as the effect of asset management operations. Outside of France (Spain and Italy), the change in value of investment properties represented a €30.0 million loss, which reflects economic conditions in these areas, impacted by austerity policies.

The value of investment properties represented a gain of €10.6 million in at December 31, 2012.

Net impairment losses on investment properties measured at cost

At December 31, 2013, €17.8 million in net impairment losses on investment properties measured at cost represented impairment of shopping center projects that had been delayed, discontinued or abandoned, primarily in Italy.

In 2012, net impairment losses on investment properties measured at cost came to €0.4 million and represented impairment of Italian and French shopping center projects that had been discontinued or abandoned.

Net impairment losses on other non-current assets

In 2013, net impairment losses on other assets mainly correspond to the full impairment of the residual goodwill recorded on Rue du Commerce IT developments.

Net allowances for provisions

At December 31, 2013, the negative balance of €1.6 million was principally due to allocations to and reversals of provisions for the residential operating segment, in the amount of €0.2 million, and for the brick-and-mortar retail operating segment, in the amount of €0.5 million.

During FY 2012, the net balance for the period was -€0.7 million.

Impairment of goodwill

Goodwill impairment of €37.9 million represents the full impairment of goodwill from the acquisition of Rue du Commerce.

Share in income of affiliates

The share of earnings of equity-method affiliates accounted for income of €50.2 million at December 31, 2013, compared to €16.4 million at December 31, 2012 (see Note 8.4 "Investments in affiliates and non-consolidated investments").

9.7. Net borrowing costs

(€ millions)	12/31/2013	12/31/2012
Interest paid to credit institutions	(49.6)	(47.0)
Interest on partners' advances	(0.7)	(0.9)
Interest on rate hedging instruments	(13.8)	(27.2)
Stand-by fees	(2.9)	(1.9)
Other financial expenses	(0.1)	(0.2)
Capitalized finance costs	6.9	6.9
Financial expenses	(60.2)	(70.4)
Net proceeds from the sale of marketable securities	0.5	0.7
Interest on partners' advances	1.9	1.8
Other interest income	0.3	0.3
Interest income on bank current accounts	0.1	0.4
Interest on rate hedging instruments	2.6	0.0
Financial income	5.4	3.1
NET BORROWING COSTS	(54.8)	(67.3)

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 segments) 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. Net borrowing costs fell, primarily thanks to termination and restructuring of interest-rate hedging instruments, along with lower interest rates.

Altarea Cogedim Group's average financing cost including the credit spread was 2.80% at December 31, 2013 compared with 3.50% at the end of 2012. This rate is a result of financing contracted in 2012 and hedging that was realigned with market conditions in 2012 and 2013.

9.8. Other components of profit before tax

The change in value of financial instruments and gains/losses on disposal of these instruments came to a net gain of €22.2 million at December 31, 2013, compared to a net charge of €73.9 million at December 31, 2012. These figures reflect the aggregate changes in value of interest-rate economic hedging instruments used by the Group and amounts paid to restructure several hedging instruments. At December 31, 2013, balancing cash payments came to €34.9 million compared to €70.0 million a year earlier.

Income from disposals of equity investments came to €0.0 million at December 31, 2013, compared to €0.7 million at December 31, 2012, essentially concerning disposal of Holding Lumières securities.

9.9. 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):

(€ millions)	12/31/2013 Total	12/31/2012 Total
Tax due	**(36.0)**	**(1.9)**
Tax loss carryforwards and/or use of deferred losses	16.1	(1.3)
Valuation differences	3.2	2.4
Fair value of investment properties	38.0	4.1
Fair value of hedging instruments	(5.5)	(3.9)
Net property income on a percentage-of-completion basis	(10.3)	(13.8)
Other temporary differences	15.0	(6.7)
Deferred tax	**56.5**	**(19.1)**
Total tax income/(expense)	20.4	(21.0)

Tax due in 2013 primarily corresponded (€33.1 million) to the present value of the exit tax resulting from Aldeta's decision to adopt the SIIC regime as of January 1, 2013 (Aldeta owns Cap 3000). As management made the decision to adopt SIIC status in 2012, this expense was provided for in the balance sheet at December 31, 2012. In the 2013 financial statements, it is covered by a reversal of deferred taxes in an equivalent amount (deferred tax on the fair value of investment property).

The net deferred tax income recognized in 2013 on the losses primarily related to loss carryforwards used in the Altareit tax consolidation group: a total of €14.6 million, including the recognition of losses previously made on Alta-faubourg (+€25.3 million) and the use of loss carryforwards on Cogedim (-€8.1 million) and Altareit SCA (-€2.6 million).

Effective tax rate

(€ millions)	12/31/2013	12/31/2012
Profit before tax of companies included in the consolidated financial statements	**149.4**	**64.8**
Group tax savings (expense)	**20.4**	**(21.0)**
Effective tax rate	13.67%	32.43%
Tax rate in France	34.43%	34.43%
Theoretical tax charge	**(51.4)**	**(22.3)**
Difference between theoretical and effective tax charge	**71.8**	**1.3**
o/w Differences related to entities' SIIC status	*88.2*	*6.5*
o/w Differences related to treatment of losses	*(13.3)*	*(8.3)*
Other permanent differences and rate differences	(3.0)	3.0

Differences related to entities' SIIC status correspond to tax savings accumulated by the French companies having opted for SIIC status.

Differences related to the treatment of losses correspond to the tax expense for unrecognized losses incurred in the period and/or to tax savings from use or recognition of a previously unrecognized loss.

Deferred tax assets and liabilities

(€ 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 01/01/2012	100.4	(29.8)	(27.2)	14.2	(30.7)	4.3	31.1
Expense/(income) recognized in the income statement	(1.3)	2.4	4.1	(3.9)	(13.8)	(6.7)	(19.1)
Deferred taxes recognized in equity	-	-	-	-	-	4.8	4.8
Other changes	-	-	(0.0)	(0.2)	(0.0)	(0.4)	(0.5)
Change in scope of consolidation	(0.0)	(14.8)	(33.6)	-	(0.3)	1.4	(47.2)
At 12/31/2012	99.0	(42.1)	(56.7)	10.1	(44.8)	3.5	(30.9)
Expense/(income) recognized in the income statement	16.1	3.2	38.0	(5.5)	(10.3)	15.0	56.5
Deferred taxes recognized in equity	-	-	-	-	-	(1.1)	(1.1)
Other changes	-	-	(0.0)	-	0.0	(0.6)	(0.6)
Change in scope of consolidation	-	-	-	-	(0.3)	0.6	0.4
At 12/31/2013	115.2	(38.9)	(18.7)	4.6	(55.4)	17.5	24.3

(€ millions)	Deferred tax assets	Deferred tax	Net deferred tax
At 12/31/2012	31.4	62.3	(30.9)
At 12/31/2013	36.2	11.9	24.3

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).

Differed tax relating to valuation differences corresponds mainly to the brands recognized in the 2007 acquisition of Cogedim and 2011 acquisition of Rue du Commerce.

Deferred taxes relating to recognition of tax losses primarily relate to losses recognized in the Altareit tax group: a total of €104.3 million including €12.9 million for the group's overall tax loss, €66.0 million in Cogedim SAS losses, €0.2 million in Mb transactions losses and €25.2 million in Alta-faubourg losses. The deadline for using these losses was extended by tax provisions limiting the annual use of available loss carryforwards to 50% of taxable income for the year. The Group estimates that Cogedim SAS will use its losses by 2017 and that Alta Faubourg will use its losses by 2019.

Proposed revisions

Altarea and four of its subsidiaries have undergone a tax audit.

In their proposed adjustments dated December 31, 2011, tax authorities mainly called into question the appraised market value of Cogedim used during the 2008 restructuring. The result was additional income tax in the base amount of €133.9 million.

On the advice of its tax counsel, the Group contests this adjustment in its entirety. Following a meeting with tax authorities on November 29, 2012, the latter reiterated their position in letters dated December 17, 2012 and March 29, 2013.

On October 3, 2013, a special regional tax review board (*Commission Départementale des Impôts Directs et des Taxes sur le Chiffre d'Affaires*) examined the disagreement between the taxpayers and the tax authorities and rendered four opinions that were entirely in favor of the former. The tax authorities nevertheless maintained their position.

On January 31, 2014, a national tax review board (*Commission Nationale des Impôts Directs et des Taxes sur le Chiffre d'Affaires*) was convened to examine the disagreement between Altarea SCA and the administration and also issued an opinion in favor of the former. The tax authorities nevertheless maintained their position.

In accordance with the recommendations of its counsel and supported by the opinions issued by the national tax review board entirely in its favor, the Group maintains its position and continues the challenge procedure.

As a result, no provision was allocated at December 31, 2013.

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 is 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.

	12/31/2013	12/31/2012
Numerator		
Total net income attributable to Altarea SCA shareholders	146.2	55.9
Denominator		
Weighted average number of shares before dilution	11,110,742	10,400,370
Effect of potential dilutive shares		
Stock options	*389*	*324*
Rights to stock grant awards	*120,616*	*146,868*
Total potential dilutive effect	121,005	147,192
Weighted fully-diluted average number of shares	11,231,747	10,547,562
Basic earnings per share (in €)	**13.16**	**5.37**
Diluted earnings per share (in €)	**13.02**	**5.30**

At December 31, 2013, 1,092 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

(€ millions)	Cash at bank and in hand	Marketable securities	Total cash assets	Bank overdraft (cash liabilities)	Cash and cash equivalents
At January 1, 2012	89.5	133.6	223.1	(5.2)	217.8
Change during the period	(13.8)	82.6	68.7	3.4	72.2
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	(0.0)	(0.0)	(0.0)	-	(0.0)
At December 31, 2012	76.8	216.2	293.0	(1.8)	291.2
Change during the period	5.9	(70.9)	(65.0)	(37.9)	(102.8)
Change in fair value	-	-	-	-	-
Cash of acquired companies	0.6	6.2	6.9	-	6.9
Cash of companies sold	(0.0)	-	(0.0)	-	(0.0)
At December 31, 2013	83.4	151.5	234.9	(39.7)	195.2
Net change at end of December 2012	(12.7)	82.6	69.9	3.4	73.3
Net change at end of December 2013	6.6	(64.7)	(58.1)	(37.9)	(96.0)

Marketable securities classified as cash equivalents are recognized at fair value at each reporting date and consist of money market and short-term money market funds.

In 2013, cash of acquired companies relates to cash from Pierre et Patrimoine, and in 2012 to cash from Rue du Commerce.

Breakdown of elimination of fair value adjustments

(€ millions)	12/31/2013	12/31/2012
Elimination of value adjustments on:		
Change in fair value of financial instruments (excluding marketable securities)	(23.6)	73.9
Change in value of investment properties	(57.6)	(10.5)
Change in value of assets held for sale	(0.0)	(0.1)
Impairment losses on investment properties	16.2	(1.4)
Present value adjustment	0.2	0.0
Total	(64.8)	62.0

Net acquisitions of assets and capitalized expenditures

(€ millions)	12/31/2013	12/31/2012
Type of non-current assets acquired:		
Intangible assets	(7.6)	(2.7)
Property, plant and equipment	(4.5)	(2.0)
Investment properties	(108.5)	(75.0)
Non-current assets held for sale	-	(1.1)
Long-term investments (excluding consolidated interests)	(13.3)	(5.7)
Total	(133.9)	(86.5)

In 2013, investment expenditure mainly concerned:

- the Orgeval shopping center acquired during the year;
- the Nîmes shopping center delivered during the period;
- centers under development (mainly La Valette-du-Var and Aix);
- shopping centers undergoing redevelopment or improvements (mainly Cap 3000 in Nice, Massy and Bercy Village).

Investments in financial assets represent the Group's share in the capital increases of equity affiliates (mainly AltaFund VAI for €11.7 million and SCI Mac Donald Commerce for €1.3 million).

Breakdown of investments and change in debt on non-current assets:

(€ millions)	Intangible assets	Property, plant and equipment	Investment properties	Long-term investments (excluding participating interests)	Total acquisitions of non-current asset (excluding consolidated participating interests)
Investments during the period	(7.6)	(4.5)	(101.3)	(13.3)	(126.7)
Change in debt relating to non-current assets			(7.2)		(7.2)
Acquisition of net non-current assets	**(7.6)**	**(4.5)**	**(108.5)**	**(13.3)**	**(133.9)**

In 2012, investment expenditure mainly concerned:

- shopping centers delivered in 2010-2011 and over the period (particularly the shopping centers in Kremlin-Bicêtre, Stezzano (Italy) Tourcoing and Toulouse);
- shopping centers under development (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 represent the Group's share in the capital increases of equity affiliates (mainly AltaFund VAI, purchased by Faubourg for €5.7 million).

Net acquisitions of consolidated companies, net of cash acquired

(€ millions)	12/31/2013	12/31/2012
Investment in consolidated securities	(11.6)	(75.9)
Debt on acquisition of consolidated participating interests	(2.1)	1.2
Cash of acquired companies	6.9	1.2
Impact of changes in consolidation method	-	0.8
Total	**(6.8)**	**(72.8)**

In 2013, investment in consolidated securities corresponded to the Rue du Commerce compulsory delisting and squeeze-out, the purchase of minority stakes in Altarea Développement Italie, and the acquisition of SAS Pierre et Patrimoine with its subsidiaries. The debt on acquisition of consolidated interests relates to the termination fee paid to employees who had not exercised their stock options at the date of the repurchase offer and squeeze-out, in addition to the balance paid in 2013 on the 2012 acquisition of minority interests in Altacom. Cash of acquired companies corresponds to Pierre et Patrimoine.

In 2012, investments in consolidated securities primarily concerned the business combination with Rue du Commerce, including the purchase of minority shares held by the founders of the company. They also include Altarea SCA's purchase from ABP of a stake in the company AltaBlue for €5.4 million. The debt on acquisition of consolidated interests represented the portion ultimately payable for the purchase of Rue du Commerce founders' stake in Altacom, the Rue du Commerce holding company. Cash of acquired companies corresponded to Rue du Commerce. The impact of changes in consolidation method corresponded to the transition from consolidation *via* the equity method to full consolidation of AltaBlue and its subsidiary Aldeta.

Sale of non-current assets and repayment of advances and down payments

Breakdown of reconciliations between gains/(losses) on disposals in the consolidated statement of comprehensive income and the total of disposals and repayment of advances and down payments from the consolidated statement of cash flows:

(€ millions)	12/31/2013	12/31/2012
Income from disposal of investment assets in net income (net of transfer duties and allocations to and reversals of provisions)	**142.8**	**142.1**
Disposal proceeds recognized in other income statement aggregates	0.8	0.1
Neutralization of items reclassified in proceeds from disposals (including rent guarantees granted to buyers)	(1.2)	0.
Repayments of advances and down payments	0.5	0.0
Gross proceeds from disposals and repayments of advances and down payments	**142.8**	**142.2**
Receivables on sale of assets	0.4	1.4
Sale and repayments of advances and down payments	**143.2**	**143.6**

In 2013, the Group sold the assets located in Kremlin-Bicêtre, Chalon-sur-Saône and Chambéry. Repayment of advances and down payments concerned Italian companies. Proceeds from disposals of assets were linked to the sale of assets located in Kremlin-Bicêtre, Chambéry and Chalon-sur-Saône.

In 2012, assets located in Reims, Bordeaux, Echirolles, Rambouillet, Plaisir and Mantes-La-Jolie were sold. Proceeds from disposals of assets were linked to the sale of assets located in Thionville, Toulouse, Mantes-La-Jolie and Le Kremlin-Bicêtre.

Net change in investments and derivative financial instruments

In 2013, the net change in investments and derivative financial instruments (€72.9 million) corresponded to premiums and balancing cash payments incurred during the year (€35 million) and balancing cash payments made in 2013 and incurred in 2012 (€37.8 million).

In 2012, the 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.

Dividends received

Dividends received for a total of €8.3 million in 2013 (*versus* €7.4 million in 2012) corresponded to dividends paid in cash by joint ventures and affiliates.

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.

Financial instruments by category

At December 31, 2013

(€ 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	Liabilities at amortized cost	Assets available for sale	Assets and liabilities at fair value through profit and loss	Level1 (a)	Level2 (b)	Level 3 (c)
NON-CURRENT ASSETS	**285.3**	**192.3**	**92.7**	**-**	**0.3**	**-**	**-**	**-**	**0.3**
Securities and investments in equity affiliates and unconsolidated interests	278.6	192.3	86.1	-	0.3	-	-	-	0.3
Receivable and other short-term investments	6.6	-	6.6	-	-	-	-	-	-
CURRENT ASSETS	**681.9**	**-**	**529.6**	**-**	**-**	**152.3**	**151.5**	**0.8**	**-**
Trade and other receivables	428.2	-	428.2	-	-	-	-	-	-
Receivables and other short-term investments	18.1	-	18.1	-	-	-	-	-	-
Derivative financial instruments	0.8	-	-	-	-	0.8	-	0.8	-
Cash and cash equivalents	234.9	-	83.4	-	-	151.5	151.5	-	-
NON-CURRENT LIABILITIES	**1,728.7**	**-**	**-**	**1,728.7**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	1,701.9	-	-	1,701.9	-	-	-	-	-
Deposits and security interests received	26.8	-	-	26.8	-	-	-	-	-
CURRENT LIABILITIES	**1,270.3**	**-**	**-**	**1,196.6**	**-**	**73.7**	**-**	**73.7**	**-**
Borrowings and financial liabilities	457.0	-	-	457.0	-	-	-	-	-
Derivative financial instruments	73.7	-	-	-	-	73.7	-	73.7	-
Accounts payable and other operating liabilities	739.5	-	-	739.5	-	-	-	-	-
Amount due to shareholders	0.0	-	-	0.0	-	-	-	-	-

(a) Financial instruments quoted on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques.
(c) 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, 2012

(€ 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	Liabilities at amortized cost	Assets available for sale	Assets and liabilities at fair value through profit and loss	Level 1[a]	Level 2[b]	Level 3[c]
NON-CURRENT ASSETS	**217.3**	**137.6**	**79.3**	**-**	**0.4**	**-**	**-**	**-**	**0.4**
Securities and investments in equity affiliates and unconsolidated interest	210.6	137.6	72.5	-	0.4	-	-	-	0.4
Receivable and other short-term investments	6.8	-	6.8	-	-	-	-	-	-
CURRENT ASSETS	**711.2**	**-**	**495.0**	**-**	**-**	**216.3**	**216.2**	**0.1**	**-**
Trade and other receivables	402.9	-	402.9	-	-	-	-	-	-
Receivables and other short-term investments	15.3	-	15.3	-	-	-	-	-	-
Derivative financial instruments	0.1	-	-	-	-	0.1	-	0.1	-
Cash and cash equivalents	293.0	-	76.8	-	-	216.2	216.2	-	-
NON-CURRENT LIABILITIES	**2,175.1**	**-**	**-**	**2,175.1**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	2,148.0	-	-	2,148.0	-	-	-	-	-
Deposits and security interests received	27.1	-	-	27.1	-	-	-	-	-
CURRENT LIABILITIES	**1,311.5**	**-**	**-**	**1,177.7**	**-**	**133.7**	**-**	**133.7**	**-**
Borrowings and financial liabilities	303.5	-	-	303.5	-	-	-	-	-
Derivative financial instruments	171.5	-	-	37.8	-	133.7	-	133.7	-
Accounts payable and other operating liabilities	836.4	-	-	836.4	-	-	-	-	-
Amount due to shareholders	-	-	-	-	-	-	-	-	-

(a) Financial instruments quoted on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques.
(c) 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.

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 did not elect to account for these swaps as cash flow hedges under IAS 39.

Derivatives are carried at fair value.

Position in derivative financial instruments

(€ millions)	12/31/2013	12/31/2012
Interest-rate swaps	(67.7)	(123.5)
Interest-rate collars	(3.9)	(6.8)
Interest-rate caps	0.1	0.1
Accrued interest not yet due	(1.4)	(3.4)
Outstanding premiums and balancing cash payments	-	(37.8)
Total	**(72.9)**	**(171.5)**

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at December 31, 2013.

Maturity of derivative financial instruments (notional amounts)

At December 31, 2013

	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
Altarea – pay fixed – swap	1,249.0	1,268.8	1,193.6	1,186.0	922.0	840.5
Altarea – pay fixed – collar	-	-	-	-	-	-
Altarea – pay fixed – cap	439.4	217.3	113.9	26.3	-	-
Total	**1,688.5**	**1,486.1**	**1,307.4**	**1,212.3**	**922.0**	**840.5**
Average hedge ratio	1.74%	1.71%	3.17%	3.11%	2.77%	2.62%

At December 31, 2012

	Dec. 2012	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017
Altarea – pay fixed – swap	2,005.4	1,524.4	1,543.9	1,348.1	1,239.8	950.1
Altarea – pay fixed – collar	185.0	-	-	-	-	-
Altarea – pay fixed – cap	321.7	413.2	192.1	89.6	3.0	-
Total	**2,512.0**	**1,937.6**	**1,736.0**	**1,437.7**	**1,242.8**	**950.1**
Average hedge ratio	1.75%	1.57%	1.71%	3.11%	3.09%	2.75%

Management position

At December 31, 2013

	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
Fixed-rate bond debt and bank loans	(249.3)	(249.3)	(249.3)	(249.3)	(149.3)	(149.3)
Floating-rate bank loans	(1,822.9)	(1,431.4)	(1,112.4)	(651.1)	(221.0)	(123.4)
Cash and cash equivalents (assets)	234.9					
Net position before hedging	**(1,837.3)**	**(1,680.7)**	**(1,361.7)**	**(900.4)**	**(370.3)**	**(272.7)**
Swap	1,249.0	1,268.8	1,193.6	1,186.0	922.0	840.5
Collar	-	-	-	-	-	-
Cap	439.4	217.3	113.9	26.3	-	-
Total derivative financial instruments	**1,688.5**	**1,486.1**	**1,307.4**	**1,212.3**	**922.0**	**840.5**
Net position after hedging	**(148.8)**	**(194.6)**	**(54.3)**	**311.9**	**551.7**	**567.8**

At December 31, 2012

	Dec. 2012	Dec. 2013	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017
Fixed-rate bond debt and bank loans	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(150.0)
Floating-rate bank loans	(2,133.8)	(1,867.4)	(1,558.6)	(1,297.6)	(711.8)	(354.2)
Cash and cash equivalents (assets)	293.0					
Net position before hedging	**(2,090.8)**	**(2,117.4)**	**(1,808.6)**	**(1,547.6)**	**(961.8)**	**(504.2)**
Swap	2,005.4	1,524.4	1,543.9	1,348.1	1,239.8	950.1
Collar	185.0	-	-	-	-	-
Cap	321.7	413.2	192.1	89.6	3.0	-
Total derivative financial instruments	**2,512.0**	**1,937.6**	**1,736.0**	**1,437.7**	**1,242.8**	**950.1**
Net position after hedging	**421.3**	**(179.8)**	**(72.6)**	**(109.9)**	**281.0**	**445.8**

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
12/31/2013	+50 bps	-€1.5 million	+€32.2 million
	-50 bps	+€1.8 million	-€33.7 million
12/31/2012	+50 bps	-€1.2 million	+€44.8 million
	-50 bps	+€1.4 million	-€46.6 million

Liquidity risk

Cash

The Group had €234.9 million in cash on its balance sheet at December 31, 2013, compared to €293 million at December 31, 2012. This represents the main tool for liquidity risk management (see the statement of cash flows and Note 10, "Notes to the statement of cash flows").

Part of this cash is classified as restricted for the Group, though is available to those subsidiaries that carry it. At December 31, 2013, this restricted cash totaled €138.9 million including €91.2 million in the residential segment, €6.7 million in the Office property segment and €41 million in the other segments.

At December 31, 2013, Altarea also had €158 million of confirmed credit lines that had not been drawn upon and remained unallocated to specific development projects.

Bank covenants

The main financial covenants to be met relate to the credit facilities subscribed by Altarea SCA, Foncière Altarea and the acquisition loan for Cogedim and, to a lesser extent, the loans obtained to finance shopping centers in operation or under development.

- Specific covenants for corporate loans held by Altarea SCA for amounts totaling €450 million (including €98 million undrawn):
  - Counterparty: CIB IXIS/BECM/LCL/Société Générale/AMUNDI (fixed-rate debt).

Principal covenants applicable to Altarea Group

- Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) ≤ 60% (41.7% at December 31, 2013);
- Operating Result (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (4.5 at December 31, 2013).

- Specific covenants for corporate loans held by Foncière Altarea for amounts totaling €210 million (including €60 million undrawn):
  - Counterparty: HSBC/Société Générale/private placement (fixed rate borrowing).

Principal covenants applicable to Altarea Group

- Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) ≤ 60% (41.7% at December 31, 2013);
- Operating Result (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (4.5 at December 31, 2013).

Principal covenants applicable to Foncière Altarea

- Ratio of Group net debt to net asset value (Consolidated Foncière Altarea LTV ratio) ≤ 50% (27.45% at December 31, 2013);
- Operating Result (FFO column)/Cost of net debt (FFO column) of Foncière Altarea ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (5.27 at December 31, 2013).

- Covenants specific to the €189.9 million acquisition loan for Cogedim:
  - Counterparty: CIB IXIS.

Principal covenants applicable to Altarea Group

- Ratio of Group net debt to net asset value (Consolidated Altarea LTV ratio) ≤ 60% (41.7% at December 31, 2013);
- Operating Result (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (4.5 at December 31, 2013).

Principal covenants applicable to Cogedim

- Leverage: Ratio of net debt to EBITDA for Cogedim and its subsidiaries ≤ 5.50 (3.1 at December 31, 2013);
- Gearing: Ratio of net debt to equity ≤ 1.5 (0.7 at December 31, 2013);
- ICR: EBITDA/Net finance costs for Cogedim and its subsidiaries ≥ 2 (9.2 at December 31, 2013);
- DSCR: EBITDA/Debt servicing costs for Cogedim and its subsidiaries ≥ 1.1 (1.7 at December 31, 2013).

- Covenants specific to the loans obtained to finance shopping centers in operation or under development:
  - DSCR = Net rental income of the Group/(net finance costs + principal repayment) > normally 1.10 or 1.15 (up to 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% for certain loans). If there is equity invested, the required LTV may be lower.

At December 31, 2013, the company met all its covenants. If it becomes highly probable that partial repayment of certain mortgage debt will be made later on, the amount of these repayments is recorded as a current liability until the due date.

Counterparty risk

The use of derivatives to limit interest-rate risk exposes the Group to a possible default by a counterparty. The Group mitigates this risk by selecting only major financial institutions as counterparties in hedging transactions.

Currency risk

Because the Group operates exclusively in the euro zone, it has not entered into any currency hedges.

12. DIVIDENDS PROPOSED AND PAID

In 2013, payment of a dividend of €10 per share, representing a total of €114.4 million, will be put to a vote at the forthcoming Shareholders' Meeting on May 7, 2014, called to approve the financial statements for the financial year ended December 31, 2013. It will be accompanied by a proportional payment to the sole General Partner, Altafi 2, of €1.7 million, representing 1.5% of the amount paid to limited partners. The above amounts were calculated on the basis of 11,436,790 shares with dividend rights for FY 2013, and will be adjusted by Management in accordance with the number of shares with dividend rights at the date of effective payment of the dividend.

The General Meeting will also offer shareholders an option between payment of the ordinary dividend in cash or in shares to be created by the Group. The issue price for new shares delivered as payment of the dividend will be equal to 90% of the average opening price of the twenty trading days prior to the date of the Shareholders' Meeting less the amount of the dividend per share of €10 to be decided by The Meeting.

A dividend of €10 per share for FY 2012 was proposed and approved by the General Meeting of June 27, 2013. The total dividend payout came to €107.7 million according to the number of shares entitled to a dividend on the date of actual payment. It was accompanied by a proportional payment to the General Partner, Altafi 2, of €1.6 million, representing 1.5% of the amount paid to limited partners.

The General Meeting also offered shareholders an option between payment in cash or in shares to be created by the Group. The issue price for these new shares was set at €104.60, which corresponds to 90% of the average opening price of the twenty trading days prior to the date of The Meeting, less the amount of the dividend per share of €10.

The option period took place between July 4 and July 15, 2013. The option of payment of the dividend in shares was subscribed for 52% of all outstanding shares and resulted in the creation of 536,364 new shares.

Cash payment of the dividend occurred on July 22, 2013 for €51.6 million. The General Partner received its dividend of €1.6 million on July 25, 2013.

13. RELATED PARTIES

Ownership structure of Altarea SCA

Ownership of Altarea's shares and voting rights is as follows:

(percentage)	12/31/2013 % share capital	12/31/2013 % voting rights	12/31/2012 % share capital	12/31/2012 % voting rights
Founding shareholders [a]	46.99	47.63	49.33	49.85
Crédit Agricole Group	27.00	27.37	18.75	18.95
Foncière Régions	-	-	8.20	8.29
ABP	8.17	8.28	7.92	8.01
Opus Investment BV	0.86	0.88	0.84	0.85
Treasury shares	1.35	-	1.06	-
Employee investment mutual fund (FCPE) + free-float	15.62	15.84	13.90	14.05
Total	**100.0**	**100.0**	**100.0**	**100.0**

(a) In their own name (or the name of relatives) or *via* legal entities they control; the founding shareholders are Alain Taravella and Jacques Nicolet, acting in concert.

Related party transactions

The main related parties are the companies of the founding shareholders that own a stake in Altarea:

- AltaGroupe, AltaPatrimoine and 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 concern services rendered by Altafi 2 as Co-Manager of the Company and, to a lesser extent, services and rebillings by the Company to Altafi 2.

Executive compensation

As of 2013, Altarea and its subsidiaries compensate Management – Altafi 2, as Co-Manager, represented by Mr Alain Taravella according to the sixth resolution of the General Meeting of June 27, 2013 (previously under Article 14 of the Company's Articles of Association). In this respect, the following expense was recognized:

	Altafi 2 SAS	
(€ millions)	FY 2013	FY 2012
Fixed executive compensation	2.5	1.7
- o/w Amount recognized in other overhead costs	*2.5*	*1.7*
Variable executive compensation[a]	1.0	4.5
- o/w Amount based on Property Development sales (recognized in other overhead costs)		*2.0*
- o/w Amount based on property asset disposals (shopping centers) (recognized in gains on disposals)		0.4
- o/w Amount based on investments over the period (capitalized amounts)		*2.1*
TOTAL	**3.5**	**6.2**

(a) As of 2013, the variable compensation of management is calculated in proportion to net income (FFO) for the year.

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 €0.1 million. Services invoiced to related parties by the Altarea Group are invoiced on an arm's length basis:

	Altafi 2 SAS	
(€ millions)	FY 2013	FY 2012
Trade and other receivables	0.1	0.1
TOTAL ASSETS	**0.1**	**0.1**
Account payable and other operating liabilities[a]	2.0	1.8
TOTAL EQUITY	**2.0**	**1.8**

(a) 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 own a stake in Altarea.

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

(€ millions)	FY 2013	FY 2012
Gross salaries[a]	4.4	4.0
Social security contributions	2.0	1.8
Share-based payments[b]	1.8	2.9
Number of shares delivered during the period	*3,413*	*88,000*
Post-employment benefits[c]	0.1	0.1
Other short- or long-term benefits and compensation[d]	0.0	-
Termination indemnities[e]	-	-
30% employer contribution for stock grants	1.7	-
Loans	0.1	0.1
Post-employment benefit liability	0.9	0.8

(a) Fixed and variable compensation; variable compensation corresponds to performance-related pay.
(b) Charge calculated in accordance with IFRS 2.
(c) Pension service cost according to IAS 19, life insurance and medical care.
(d) Benefits in kind, director attendance fees and other compensation vested but payable in the future.
(e) Post-employment benefits, including social security costs.

In number of rights in circulation	FY 2013	FY 2012
Rights to Altarea's stock grant awards	56,000	40,413
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[8] from Altarea or its subsidiaries. The composition of the company's Strategy Committee can be found in the registration document.

Compensation paid to senior executives excludes dividends.

(8) This concerns only Mr. Jacques Nicolet, Chairman of the Supervisory Board.

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 Company to secure certain loans.

These commitments are shown in Note 6.7 "Financial liabilities," under "Breakdown of borrowings and liabilities *vis-à-vis* credit institutions by guarantee."

In addition, the company has received commitments from banks for unused credit lines, which are described in Note 9, "Financial Instruments and Market Risks."

All other material liabilities are set out below:

(€ millions)	12/31/2012	12/31/2013	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	**35.4**	**59.4**	**23.0**	**35.4**	**1.0**
Commitments received relating to operating activities	**101.0**	**72.7**	**53.3**	**3.4**	**16.0**
Security deposits received from FNAIM (Hoguet Law)	50.0	50.0	50.0	-	-
Security deposits received from tenants	21.5	20.5	1.4	3.4	15.7
Payment guarantees received from customers	12.6	1.5	1.5	-	-
Unilateral land sale undertakings received and other commitments	16.7	0.5	0.2	-	0.3
Other commitments received relating to operating activities	0.2	0.2	0.2	-	-
Total	136.4	132.1	76.3	38.8	17.0
Commitments given					
Commitments given relating to financing (excl. borrowings)	**60.1**	**49.0**	**27.3**	**6.0**	**15.7**
Commitments given relating to company acquisitions	**95.0**	**137.8**	**0.3**	**55.4**	**82.1**
Commitments given relating to operating activities	**448.8**	**245.0**	**136.2**	**83.7**	**25.1**
Construction work completion guarantees (given)	288.2	157.9	103.6	54.3	-
Guarantees given on forward payments for assets	72.0	8.2	2.1	6.1	-
Guarantees for loss of use	31.8	21.9	14.5	7.2	0.1
Other sureties and guarantees granted	56.8	57.0	15.9	16.0	25.0
Total	603.9	431.8	163.7	145.1	122.9
Bilateral property purchase and other undertakings relating to operating activities	**19.5**	**29.8**	**17.5**	**12.2**	**-**
o/w Altarea as seller	*12.5*	*15.7*	*15.7*	*-*	*-*
o/w Altarea as purchaser	*7.0*	*14.0*	*1.8*	*12.2*	*-*
Total	19.5	29.8	17.5	12.2	-

Commitments received

Commitments received relating to acquisitions/disposals

The Group benefits from representations and warranties obtained when acquiring subsidiaries and equity interests:

- the representations and warranties provided by Affine group for the sale of the controlling interest in Imaffine on September 2, 2004 were transferred as part of the merger; as such, 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, for any damage or loss originating from the business activities effectively incurred by Altareit with a cause or origin predating March 20, 2008.

Upon entering the capital of certain shopping centers, Allianz guaranteed the Group that it would contribute up to €35 million to the budget yet to be spent in the Property Development contract for the Toulon-La Valette shopping center.

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.

• 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 of €38 million to cover hedging transactions and of €11 million to cover overdraft facilities granted to its subsidiaries.

Commitments given relating to acquisitions

The Group makes representations and warranties or contingent consideration when disposing of shares in subsidiaries and affiliates.

When the Group considers it 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 commitments include a commitment to subscribe to the capital of AltaFund VAI, a commercial real estate investment company, in the amount held by the Group (16.66%) for a total of €82.1 million, as well as a guarantee of liabilities for €55 million following Allianz's entry into the capital of certain shopping centers.

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.

• 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 because of the guarantees granted by companies to the Italian government regarding their VAT position, as well as a guarantee granted to an investor as part of the Group's involvement in the real estate investment company (AltaFund).

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.

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 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:

(€ millions)	12/31/2013	12/31/2012
Less than 1 year	154.3	159.2
Between 1 and 5 years	283.7	284.3
More than 5 years	79.5	83.2
Guaranteed minimum rent	**517.5**	**526.7**

Rents receivable relate only to shopping centers owned by the Group.

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:

(€ millions)	12/31/2013	12/31/2012
Less than 1 year	12.8	11.7
Between 1 and 5 years	41.2	44.2
More than 5 years	17.8	0.2
Minimum future rents to be paid	**71.8**	**56.1**

Rents to be paid concern:

- 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.

The increase in rents to be paid corresponds to the lease signed in view of relocating Cogedim Club Serviced residences that had been previously sold off-plan by Altarea.

14.2. Litigation and claims

No new significant litigation or claim arose in 2013 other than those for which a provision has been recognized (see Note 8.12 "Provisions") and those that have been effectively challenged or are being challenged by the Company (see Notes 9.9 "Corporate income tax" and 8.12 "Provisions – Residential property").

15. COMMITMENTS TO EMPLOYEES

15.1. Pension commitments

At December 31, 2013 and December 31, 2012, the Group engaged an outside actuary to calculate employees' post-employment benefits.

The pension system is a defined benefit plan. When an employee retires, Altarea Group pays a sum defined in the collective agreement to which the employee belongs, based on his or her seniority and monthly salary at retirement.

The main assumptions used when evaluating this commitment are turnover, rate of wage increase and discount rate. Significant discrepancy with these assumptions is the main threat to the scheme.

Weighted-average assumptions used to calculate pension obligations

	2013	2012
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	3.12%	2.80%
Expected return on investments	2.80%	4.89%
Average rate of salary increase	2.50%	3.00%
Corporate and Property Development employee turnover in France	3.72%	2.64%
Property Development employee turnover in Italy	4.00%	4.00%
Rue du Commerce turnover	14.80%	17.27%
Cogedim employee turnover	5.68%	7.97%
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 2.80%, 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 expected investment return would not have a significant effect on the value of plan assets.

Change in commitment

(€ millions)	12/31/2013	12/31/2012
Gross liability at the beginning of the year	**9.1**	**7.3**
Rights vested during the year	0.8	0.6
Interest expense	0.2	0.3
Service cost	(0.8)	(0.1)
Transfer	-	-
Actuarial differences observed	(0.5)	(0.0)
Actuarial differences assumed	(0.5)	1.0
Actuarial gains and losses	(1.0)	1.0
Gross liability at the end of the year	**8.4**	**9.1**
Plan assets at the beginning of the year	**1.0**	**1.0**
Withdrawal of funds for payment purposes	(0.5)	-
Return on assets	0.0	0.0
Actuarial gains and losses	-	-
Plan assets at the end of the year	**0.5**	**1.0**
Net provisions at the beginning of the year	**8.1**	**6.3**
Net provisions at the end of the year	**7.9**	**8.1**
Income/(expense) for the period	**0.8**	**(0.8)**

The existing fund covers pension commitments for COGEDIM employees up to €0.5 million. This brings the total commitment to €6.5 million and a net commitment for COGEDIM of €6.0 million. Moreover, no contributions to the insurance contract are expected to be made during the year.

Sensitivity of results to assumptions used

Here, we highlight the sensitivity of measuring retirement benefits. A plus or minus 0.25% change to the following assumptions: discount rate, turnover, rate of wage increase.

(€ millions)	12/31/2013
Value of the commitment at December 31, 2013	**8.4**
Discount rate of -0.25%	0.2
Discount rate of +0.25%	(0.2)
Rate of wage increase of -0.25%	(0.2)
Rate of wage increase of +0.25%	0.2
Turnover rate of -0.25%	0.1
Turnover rate of +0.25%	(0.1)

History of the provision

(€ millions)	2013	2012	2011	2010	2009
Commitment	8.4	9.1	7.3	6.3	5.5
Financial assets	(0.5)	(1.0)	(1.0)	(0.9)	(1.4)
FINANCIAL COVER	7.9	8.1	6.3	5.4	4.1
Actuarial (losses) and gains recognized in profit and loss on obligation	-	-	-	0.6	0.2
Actuarial (losses) and gains recognized in profit and loss on assets	-	-	-	-	-
Actuarial (losses) and gains recognized in equity on obligation	(1.0)	1.0	0.1	-	-
Actuarial (losses) and gains recognized in equity on assets	-	-	-	-	-

Maturity of the bond

(€ millions)	12/31/2013
Length of commitment	10
Payment scheduled for 2014	0.6
Payment scheduled for 2015	0.2
Payment scheduled for 2016	1.5
Payment scheduled for 2017	0.4
Payment scheduled for 2018	0.7
Payment scheduled for between 2019 and 2023	3.9

Detail of invested assets

(€ millions)	2013	2012
Shares	0.1	0.1
Government bonds	0.2	0.4
Corporate bonds	0.2	0.4
Property	-	0.1
Detail of invested assets	0.5	1.0

Plan assets do not include financial securities issued by Altarea or real estate assets occupied by the Group.

16. POST-CLOSING EVENTS

No major events occurred subsequent to the closing date and prior to the preparation of the financial statements, with the exception of the following transactions:

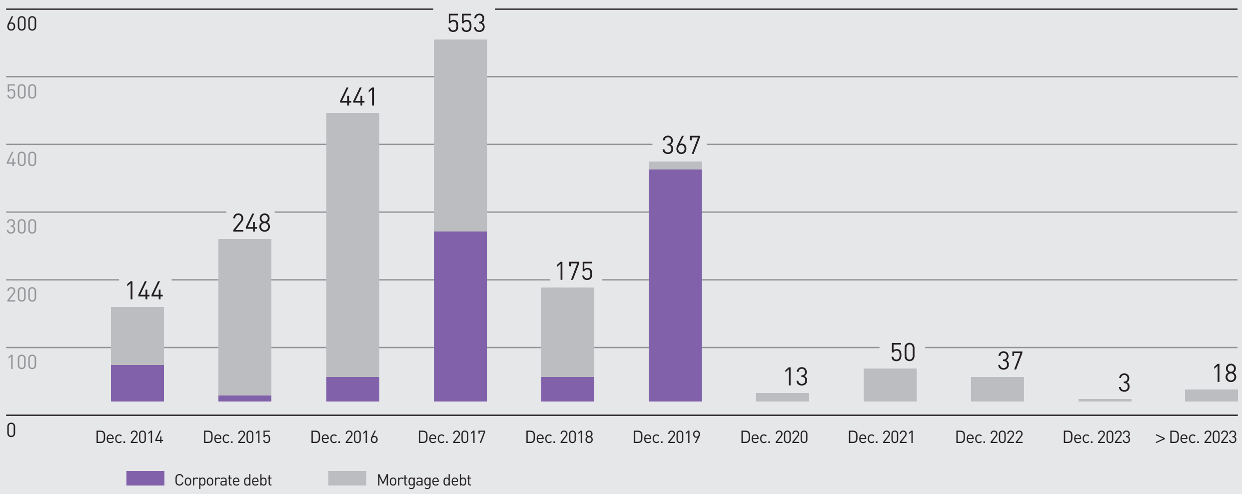
- in January 2014, Altarea SCA waived the right to draw up to €95 million (of which €35 million drawn previously was reimbursed) from Natixis;
- on January 24, 2014, drawing rights from the bank BECM were increased from €35 million (€20 million of undrawn confirmed credit) to €75 million (€40 million of undrawn confirmed credit).

Altarea SCA thus now has an available balance of €58 million in undrawn confirmed credit (including €40 million at BECM and €18 million at LCL) instead of €98 million.

- in February 2014, the Company renegotiated the terms of the Cogedim acquisition loan, increasing its duration five years.

As a result, the duration of the debt at the date of the financial statements is as follows:

Debt duration at the reporting date
(€ millions)



3.8. AUDITORS' FEES

(€)	ERNST & YOUNG et Autres				A.A.C.E. Île-de-France				Other				Total			
	Amount		%		Amount		%		Amount		%		Amount		%	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Statutory audit, certification, examination of individual and consolidated financial statements																
Altarea SCA	449,287	291,257	34%	24%	411,650	301,914	44%	36%	-	-	-	-	860,937	593,171	37%	27%
Fully consolidated subsidiaries	765,108	863,956	57%	71%	517,896	507,387	56%	61%	63,606	141,639	100%	100%	1,346,610	,512,983	58%	69%
Other work and services related directly to the statutory audit assignment																
Altarea SCA	94,061	66,200	7%	5%	-	16,000	0%	2%	-	-	-	-	94,061	82,200	4%	4%
Fully consolidated subsidiaries	23,372	-	2%	-	-	2,000	0%	0%	-	-	-	-	23,372	2,000	1%	0%
Total	1,331,828	1,221,413	100%	100%	929,546	827,301	100%	100%	63,606	141,639	100%	100%	2,324,980	2,190,354	100%	100%

3.9. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(financial year ended December 31, 2013)

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, 2013 on:

- our audit of Altarea's consolidated financial statements as attached to this report;
- the justification of our assessments;
- the specific verifications required by Law.

These 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 presentation of the financial statements. 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, "Changes in accounting method in 2013," in the Notes to the consolidate financial statements, relating in particular to the adoption of IFRS 10, IFRS 11, IFRS 12 and IFRS 13.

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:

- Note 1.8, "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. Our work consisted of examining the evaluation method used by both the external experts and your own Group, reading their evaluations and ensuring that the determination of the fair value of investment properties as shown in the balance sheet was made on the basis of these assessments.

- As stated in Note 1.13 "Financial assets and liabilities (excluding trade receivables and other receivables)" 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 verified 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 indicated in Note 1.18, "Taxes," in the Notes to the consolidated financial statements, estimates are used in determining the recoverable amount of deferred tax assets. 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 Group.

- As stated in Note 1.19, "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 development business are measured using the percentage-of-completion method. They thus depend on the estimated value at completion made by your Group as described in paragraph b) above. 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 Group.

- As indicated in Note 7, "Impairment of assets under IAS 36," in the Notes to the consolidated financial statements, the group used certain estimates in monitoring the value of goodwill and the Cogedim and Rue du Commerce brands. Our work consisted of assessing the data and assumptions on which these estimates are based, reviewing the calculations made by the Group and its experts, and verify that the Notes to the financial statements provide appropriate information on the assumptions used.

- As specified in Note 9.9 to the consolidated financial statements, "Corporate income tax," your Group and several of its subsidiaries have been audited by tax authorities. Based on legal advice, your Group challenges the reassessment charge in its entirety, and had consequently not allocated provisions at December 31, 2013. 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, March 21, 2014

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**

PARENT COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2013

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4.1. INCOME STATEMENT

INCOME STATEMENT (multi-step)

(€ thousands)	12/31/2013	12/31/2012
Sale of goods	-	-
Sold production – services	41,034.1	39,407.6
NET REVENUE	41,034.1	39,407.6
Production held in inventory	-	-
Capitalized production	5,121.5	10,620.4
Operating grants	-	-
Reversals of depreciation, amortization and provisions, expense reclassifications	2,931.5	4,116.6
Other income	15.7	117.5
OPERATING INCOME	49,102.7	54,262.1
Other purchases and external charges	28,001.3	32,435.6
Taxes other than on income and related payments	4,095.0	1,837.9
Salaries and wages	1,845.5	1,819.9
Social security contributions	1,270.6	4,598.1
OPERATING ALLOWANCES		
Financial allowances for depreciation and amortization of non-current assets	9,089.1	8,936.7
Allowances for impairment of current assets	244.0	92.2
Allowances for operating provisions	903.9	2,878.6
Other expenses	577.0	820.0
OPERATING EXPENSES	46,026.1	53,419.1
OPERATING INCOME	3,076.6	843.0
FINANCIAL INCOME		
Financial income from participating interests	14,544.2	53,291.5
Income from other marketable securities	2,943.5	2,907.8
Other interest and similar income	13,976.8	3,894.3
Reversals of provisions, impairment and expense reclassifications	25.4	-
Foreign exchange gains	-	-
Net gain from the disposal of marketable securities	-	6.7
FINANCIAL INCOME	31,489.8	60,100.3
Financial allowances for depreciation, impairment and provisions	67,694.0	25,589.0
Interest and similar expenses	25,264.0	39,912.0
Foreign exchange losses	-	-
Net losses from the disposal of marketable securities	0.9	-
FINANCIAL EXPENSES	92,959.0	65,501.0
NET FINANCIAL INCOME/(EXPENSE)	(61,469.1)	(5,400.7)
INCOME FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAX	(58,392.5)	(4,557.7)
Exceptional income on non-capital transactions	-	7,050.0
Exceptional income on capital transactions	310,441.5	19,204.4
Reversals of provisions, impairment and expense reclassifications	-	644.2
EXCEPTIONAL INCOME	310,441.5	26,898.5
Exceptional expenses on non-capital transactions	1.5	919.3
Exceptional expenses on capital transactions	135,217.2	18,024.2
Exceptional allowances for depreciation, amortization and impairment	-	-
EXCEPTIONAL EXPENSE	135,218.7	18,943.5
NET EXCEPTIONAL ITEMS	175,222.8	7,955.0
Employee profit-sharing	-	-
Income tax	(88.3)	(24.3)
TOTAL INCOME	391,034.0	141,260.9
TOTAL EXPENSES	274,115.4	137,839.3
NET INCOME/(LOSS) FOR THE PERIOD	116,918.6	3,421.5

4.2. BALANCE SHEET

ASSETS

(€ thousands)	Gross	Depr., amortiz. & provisions	12/31/2013	12/31/2012
Uncalled subscribed capital	-	-	-	-
INTANGIBLE ASSETS				
Start-up costs	-	-	-	-
Research and development expenditures	-	-	-	-
Concessions, patents and similar rights	697.7	411.0	286.7	404.1
Purchased goodwill	9,417.0	-	9,417.0	9,417.0
Other	-	-	-	-
Intangible assets in progress	391.3	-	391.3	-
Advances and down payments	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT				
Land	22,376.6	50.6	22,326.1	47,840.6
Buildings	91,305.4	27,315.4	63,990.0	180,623.3
Plant, machinery and equipment	-	-	-	-
Other	158.9	72.3	86.7	116.7
Property, plant and equipment in progress	5,289.3	-	5,289.3	559.1
Advances and down payments	-	-	-	-
NON-CURRENT FINANCIAL ASSETS				
Equity-accounted investments	-	-	-	-
Other investments	1,157,211.7	14,786.0	1,142,425.7	924,590.6
Investment-related receivables	93,117.7	-	93,117.7	95,119.4
Long-term portfolio securities	-	-	-	-
Loans	169,173.7	78,497.0	90,676.7	130,182.1
Other non-current financial assets	118.8	-	118.8	118.8
NON-CURRENT ASSETS	**1,549,258.2**	**121,132.3**	**1,428,126.0**	**1,388,971.8**
Advances and installments paid on orders	271.7	-	271.7	305.1
RECEIVABLES				
Trade receivables and related accounts	16,972.1	753.8	16,218.4	18,402.2
Other receivables	16,536.9	-	16,536.9	10,099.0
Called, unpaid subscribed capital	-	-	-	-
CASH AND OTHER				
Treasury shares	19,037.5	-	19,037.5	13,753.2
Cash at bank and in hand	389.3	-	389.3	275.8
Prepaid expenses	123.3	-	123.3	3.6
CURRENT ASSETS	**53,330.8**	**753.8**	**52,577.0**	**42,839.0**
TOTAL	**1,602,589.0**	**121,886.0**	**1,480,703.0**	**1,431,811.0**

LIABILITIES

(€ thousands)	12/31/2013	12/31/2012
Share capital or individual share	177,146.2	166,735.0
Additional paid-in capital	436,957.3	480,080.5
Revaluation difference	-	-
Legal reserve	12,800.0	12,628.9
Statutory and contractual reserves	0.0	0.0
Regulated reserves	-	-
Other reserves	-	-
Retained earnings	-	(0.0)
NET INCOME/(LOSS) FOR THE YEAR	116,918.6	3,421.5
Investment grants	-	-
Tax-driven provisions	-	-
EQUITY	743,822.2	662,866.0
Subordinated perpetual Notes (TSDI)	109,000.0	109,000.0
OTHER EQUITY	109,000.0	109,000.0
Provisions	1,376.6	3,359.5
PROVISIONS	1,376.6	3,359.5
BORROWINGS AND FINANCIAL LIABILITIES		
Convertible bonds	-	-
Other bonds	100,081.1	100,000.0
Bank borrowings	278,645.8	402,507.2
Other borrowings and financial liabilities	226,535.6	132,758.1
Advances and down payments on orders in progress	7.6	6.2
OPERATING PAYABLES		
Trade payables and related accounts	10,545.9	9,588.1
Tax and social security payables	5,191.0	6,270
OTHER PAYABLES		
Amounts due on non-current assets and related accounts	4,444.5	4,186.3
Other payables	1,001.7	1,270.4
Prepaid income	51.3	(0.0)
TOTAL LIABILITIES	626,504.4	656,586.0
TOTAL EQUITY AND LIABILITIES	1,480,703.2	1,431,811.0

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 (Segment A). Its head office is at 8, avenue Delcassé in Paris.

Altarea chose the SIIC corporate form (*société d'investissement immobilier cotée*, comparable to a REIT) as of January 1, 2005. Altarea produces consolidated financial statements.

These Notes are presented in thousands of euros. The financial statements were approved on March 5, 2014.

4.3.1. MAJOR EVENTS DURING THE FINANCIAL YEAR

CONTRIBUTIONS

Under the long-term partnership agreement signed with Allianz Real Estate on December 3, 2013, Altarea SCA contributed Toulouse Gramont assets to a new structure, primarily in return for securities. The newly created structure, Alta Gramont, was in turn contributed to Foncière Altarea. Following these transactions, Allianz acquired a 49% minority stake.

BUSINESS COMBINATIONS

On June 27, 2013, Altarea SCA merged with Aréal, which held a 15% stake in Bercy Village 2. As consideration for this contribution, the contributor was granted 145,000 new shares representing a capital increase of €2,215,000 and a merger premium of €16,344,000.

DISPOSAL OF SHOPPING CENTERS

The Chalon-sur-Saône property was sold on September 30, 2013, generating a capital gain of €11 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. They are drawn up according to the 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; 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 the annual financial statements for the year ended December 31, 2012. There has been no change in the presentation of the financial statements.

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. For contributed property, this is the contribution value excluding purchase costs and for new property, it is 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 years	30 years
Facades, weatherproofing	25 years	30 years
Technical equipment	20 years	20 years
Fixtures and fittings	15 years	10 years

BUILDING IMPAIRMENT

Property assets are appraised twice a year at market value by outside appraisers (DTZ and Eurexi).

The Company considers that 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, along with office and computer equipment are depreciated over five years.

PARTICIPATING INTERESTS

Participating interests are recognized at cost or transfer value.

Participating interests 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.

INVESTMENT AND LOAN-RELATED RECEIVABLES

Investment-related receivables or receivables related to indirect equity holdings of the Company are carried at their contribution or nominal value.

When there is evidence that the Company will not be able to collect all amounts due, an impairment loss is recorded taking into account in particular the nature of the advance, the subsidiary's capacity to repay and its development potential.

RECEIVABLES

The Company's receivables are carried at nominal value. They consist 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 length of time that the receivable has remained outstanding, any progress made on collection efforts, 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 grant to the Company's employees are covered by a provision calculated over the past vesting period on a pro rata 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 and representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange. It is of uncertain timing and amount.

RETIREMENT SEVERANCE 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 letting, lease renewals and re-letting 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 commissions 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:

- 95% of earnings from property rentals during the financial year following the year in which the earnings were generated;
- 60% 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 the 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

Intangible assets (€ thousands)	12/31/2012	Increase	Decrease	12/31/2013
Software	585.6	112.1	-	697.7
Total	**585.6**	**112.1**	**-**	**697.7**

Amortization of intangible assets

Amortization (€ thousands)	12/31/2012	Increases	Decreases	12/31/2013
Software	181.5	229.5	-	411.0
Total	**181.5**	**229.5**	**-**	**411.0**

Amortization of other intangible fixed assets

Other intangible assets (€ thousands)	12/31/2012	Increase	Decrease	12/31/2013
Merger loss	9,417.0	-	-	9,417.0
Intangible assets in progress	-	391.3	-	391.3
Total	**9,417.0**	**391.3**	**-**	**9,808.3**

4.3.3.1.2. Property, plant and equipment

Gross property, plant and equipment

Property, plant and equipment (€ thousands)	12/31/2012	Acquisition Contribution	Derecognition/ Sale	12/31/2013
LAND	47,888.0	653.0	26,164.2	22,376.8
BUILDINGS	233,209.0	-	141,903.6	91,305.4
Structural work (structures, road and utilities works)	97,663.3	-	61,171.3	36,492.0
Facades, weatherproofing	22,260.3	-	13,137.3	9,123.0
Technical equipment	68,140.6	-	40,771.5	27,369.1
Fixtures and fittings	45,144.8	-	26,823.5	18,321.3
OTHER TANGIBLE FIXED ASSETS	157.7	-	-	157.7
Technical installations, plant and industrial equipment	-	-	-	-
General installations, various fittings	-	-	-	-
Vehicles	132.9	-	-	132.9
Office and computer equipment, furniture	24.8	-	-	24.8
Recoverable packaging and related items	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	559.0	4,730.1	-	5,289.1
Land	112.0	70.9	-	182.9
Buildings		4,183.6	-	4,183.6
Other	447.0	475.6	-	922.6
Total	**281,813.7**	**5,383.1**	**168,067.8**	**119,129.0**

Main changes in the period:

- contribution of the Gramont shopping center, whose net carrying value amounted to €122 million, to Alta Gramont in December 2013;
- disposal of the shopping center in Chalon-sur-Saône in September 2013;
- exchanges of land in connection with the Aix-en-Provence development project.

Depreciation of property, plant and equipment

Depreciation (€ thousands)	12/31/2012	Increases	Decreases	12/31/2013
LAND	47.2	4.0	-	50.6
BUILDINGS	52,585.7	8,826.9	34,096.5	27,316.2
Structural work (structures, road and utilities works)	10,662.5	1,839.4	7,070.7	5,430.8
Façades	5,163.8	847.5	3,315.2	2,696.1
Technical equipment	19,441.5	3,246.4	12,562.3	10,125.6
Fixtures and fittings	17,317.9	2,893.6	11,148.2	9,062.9
OTHER TANGIBLE FIXED ASSETS	42.2	29.1	-	72.3
Technical installations, plant and industrial equipment	-	-	-	-
General installations, various fittings	-	-	-	-
Transport equipment	29.6	23.8		54.5
Office and computer equipment, furniture	12.6	5.2	-	17.8
Recoverable packaging and related items	-	-	-	-
Total	**52,675.2**	**8,860.0**	**34,096.5**	**27,439.0**

No impairment was recognized on property, plant and equipment.

4.3.3.1.3. Non-current financial assets

Gross financial assets

Non-current financial assets (€ thousands)	12/31/2012	Increase	Decrease	12/31/2013
PARTICIPATING INTERESTS	938,390.6	418,553.4	199,732.3	1,157,211.7
RECEIVABLES	237,209.4	201,372.6	176,172.0	262,410.2
Investment-related receivables	95,119.4	170,616.0	172,618.0	93,117.7
Loans and other financial assets	142,089.9	30,756.6	3,554.0	169,292.5
Total	1,175,600.0	619,926.0	375,904.3	1,419,622.0

The list of subsidiaries and participating interests appearing on the last page of this document shows the ownership interest in each subsidiary.

The change in participating interests is mainly due to the increased participating interest in Foncière Altarea following the transfer of Alta Gramont shares to Foncière Altarea in exchange for shares worth €199.7 million, along with the contribution of Bercy Village 2 shares for €18.6 million during the merger by absorption of Aréal.

The change in loans and other financial assets resulted, inter alia, from the €10.9 million increase in the loan granted to Ori Alta, a directly held subsidiary of Altarea SCA that owns the Villeneuve-la-Garenne shopping center and the €17.6 million increase in the Altalux Italie loan.

The change in investment-related receivables reflected the €25.2 million net decrease in the amount owed to Foncière Altarea and the €22.8 million increase in the amount owed to Altareit.

Financial receivables had maturities of more than one year at December 31, 2013.

Provisions for depreciation of financial assets

Provisions for impairment (€ thousands)	12/31/2012	Increases during the year	Decreases during the year		12/31/2013
		Allowance	Reversal of unused provisions	Provisions used in the period	
Provisions for participating interests	13,800.0	986.0	-	-	14,786.0
Provisions for investment-related receivables	11,789.0	66,708.0	-	-	78,497.0
Total	25,589.0	67,694.0	-	-	93,283.0

Allowances for the period related exclusively to assets outside of France, especially in Italy.

4.3.3.1.4. Receivables

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

Receivables (€ thousands)	Gross 2013	Provisions	Net 2013	Net 2012
TRADE RECEIVABLES AND RELATED ACCOUNTS	16,972.1	753.8	16,218.4	18,402.2
OTHER RECEIVABLES	16,537.1	-	16,537.1	10,099.0
Employee and related receivables	320.7	-	320.7	94.0
VAT receivables	2,911.9	-	2,911.9	7,387.0
Misc. government agency receivables	111.3	-	111.3	38.0
Group shareholders and partners	12,067.1	-	12,067.1	93.0
Sundry debtors	1,126.1	-	1,126.1	2,487.0
Total	33,509.2	753.8	32,755.5	28,501.2

Aged trial balance for receivables

Receivables (€ thousands)	Gross 2013	Up to 1 year	1 to 5 years	> 5 years
Trade receivables and related accounts	16,972.1	16,972.1	-	-
Employee and related receivables	320.7	320.7	-	-
VAT receivables	2,911.9	2,911.9	-	-
Misc. government agency receivables	111.3	111.3	-	-
Group shareholders and partners	12,067.1	12,067.1	-	-
Sundry debtors	1,126.1	1,126.1	-	-
Total	33,509.2	33,509.2	-	-

Accrued income

Accrued income on balance sheet items (€ thousands)	12/31/2013	12/31/2012
Loans	2,176.9	3,527.0
Government agency related accruals	111.3	38.3
Trade receivables	4,641.8	3,473.5
Other sundry debtors	196.0	267.0
Total	7,126.0	7,305.8

4.3.3.1.5. Marketable securities

Marketable securities consist entirely of treasury shares for an amount of €19 million.

(€ thousands)	12/31/2012	Increase	Decrease	Provision	12/31/2013
Treasury shares	13,753.2	10,403.3	5,119.0	-	19,037.5
Total	13,753.2	10,403.3	5,119.0	-	19,037.5
Number of shares	115,331	81,380	40,664	-	156,047

At December 31, 2013, treasury shares consisted in part of shares intended to provide liquidity for trading in the shares and in part of shares intended for grant to employees of the Company's subsidiaries.

4.3.3.1.6. Provisions for impairment

Provisions for impairment

Provisions for impairment (€ thousands)	12/31/2012	Increases during the year		Decreases during the year	12/31/2013
		Allowance	Reversal of unused provisions	Provisions used in the period	
Provisions for participating interests	13,800.0	986.0	-	-	14,786.0
Provisions for investment-related receivables	11,789.0	66,708.0	-	-	78,497.0
Provisions for trade receivables	549.9	244.0	40.1	-	753.8
Other provisions for impairment	25.4	-	25.4	-	-
Total	26,164.3	67,938.0	65.5	-	94,036.8

4.3.3.2. Notes to the balance sheet – liabilities

4.3.3.2.1. Equity

Changes in equity

Equity (€ thousands)	12/31/2012	Distribution Appropriation	Capital increase & contributions	2013 net income	12/31/2013
Share capital	166,735.0	-	10,411.2	-	177,146.2
Additional paid-in capital/Revaluation differences	480,080.5	(106,254.1)	63,130.9	-	436,957.3
Legal reserve	12,628.9	171.1	-	-	12,800.0
General reserve	0.0	-	-	-	0.0
Retained earnings	-	-	-	-	(0.0)
Net income for the year	3,421.5	(3,421.5)	-	116,918.6	116,918.6
Investment grants	-	-	-	-	-
Tax-driven provisions	-	-	-	-	-
Total	**662,866.0**	**(109,504.6)**	**73,542.1**	**116,918.6**	**743,822.2**

After appropriating 5% of net income for the year (€171,000) to the legal reserve, the Combined Ordinary and Extraordinary General Meeting of June 27, 2013 decided to pay a dividend of €10 per share for the financial year ended December 31, 2012, or a total of €109.5 million, and a preferential dividend of €1.6 million to the General Partner.

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 €8.2 million recorded under share capital and €48 million under additional paid-in capital.

Altarea SCA recorded a €2.2 million capital increase by issuance of 145,000 new shares and a merger premium of €15 million, net of costs, following the acquisition merger of Aréal.

At December 31, 2013, share capital stood at €177.1 million divided into 11,592,805 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

Provisions for contingencies and expenses (€ thousands)	12/31/2012	Increases during the year	Decreases during the year		12/31/2013
		Allowance	Reversal of unused provisions	Provisions used in the period	
Other provisions for contingencies and expenses	3,359.5	342.0	-	2,325.4	1,376.5
Total	**3,359.5**	**342.0**	**-**	**2,325.4**	**1,376.5**

The provision relates to rights to bonus share grants held by employees of the Company, which were reduced to €1.4 million from €3.4 million at December 31, 2012.

4.3.3.2.3. Borrowings and other financial liabilities

Borrowings and other financial liabilities by maturity

Borrowings and other financial liabilities (€ thousands)	12/31/2013	Up to 1 year	1 to 5 years	> 5 years	12/31/2012
BORROWINGS AND FINANCIAL LIABILITIES	605,270.2	243,409.6	359,905.2	1,955.4	635,269.0
Other bonds	100,081.1	81.1	100,000.0	-	100,000.0
Bank borrowings	278,645.8	18,740.6	259,905.2	-	418,050.0
Deposits and security interests received	1,955.4	-	-	1,955.4	3,647.0
Group shareholders and partners	224,580.2	224,580.2	-	-	113,566.0
Other payables	7.6	7.6	-	-	6.0
OTHER FINANCIAL LIABILITIES AND PAYABLES	21,234.2	21,234.2	-	-	21,316.0
Trade payables and related accounts	10,545.9	10,545.9	-	-	9,588.0
Employee-related and social security payables	862.5	862.5	-	-	516.0
Tax payables	4,328.9	4,328.9	-	-	5,754.0
Amounts due on non-current assets and related accounts	4,444.5	4,444.5	-	-	4,186.0
Other payables	1,001.2	1,001.2	-	-	1,272.0
Prepaid income	51.3	51.3	-	-	-
Total	626,504.4	264,643.8	359,905.2	1,955.4	656,585.0

In 2013, the following transaction was carried out:

- a net reduction of €140 million, including total repayment of €127 million of the Natixis "Tranche B" revolving credit on June 9, 2013.

At December 31, 2013, bank borrowings excluding accrued interest amounted to €262 million.

Accrued expenses

Accrued expenses on balance sheet items (€ thousands)	12/31/2013	12/31/2012
Borrowings and debt	426.9	15,906.0
Trade payables and related accounts	2,519.0	5,842.0
Amounts due on non-current assets and related accounts	4,064.3	3,756.0
Taxes other than on income and related payments	615.9	66.8
Group shareholders and partners	1,632.4	1,815.0
Other	315.3	985.4
Total	9,573.8	28,370.7

4.3.3.3. Notes to the income statement

4.3.3.3.1. Revenue

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 (€ thousands)	12/31/2013	12/31/2012
Rental income and service charges	29,100.4	27,654.9
Initial lease payments	210.0	781.4
Services	11,408.3	10,637.0
Other	315.4	334.3
Total	41,034.1	39,407.6

4.3.3.3.2. Other operating income

Operating income (€ thousands)	12/31/2013	12/31/2012
Capitalized production	5,121.5	10,620.4
Reversals of provisions and depreciation	2,931.5	4,033.6
Intra-group chargebacks and expense transfers	-	82.9
Other	15.7	117.5
Total	**8,068.6**	**14,854.5**

The reversal of provisions concerned mainly a €2.9 million provision for bonus share grants.

4.3.3.3.3. Operating expenses

Operating expenses reflect expenses incurred by Altarea with respect to its property business (service charges, property taxes, allowances for depreciation and amortization) and to its holding company activity.

Operating expenses (€ thousands)	12/31/2013	12/31/2012
Service and co-ownership costs [a]	4,839.9	3,629.4
Maintenance and repairs	626.3	313.3
Insurance premiums	174.9	259.9
Sales commission and professional fees [b]	14,466.7	12,700.1
Advertising and public relations [c]	998.1	736.0
Banking services and related accounts	817.8	2,908.5
Taxes [d]	4,094.9	1,837.9
Personnel expense [f]	3,116.1	6,418
Allowances for depreciation and impairment	10,236.9	11,907.5
Capitalized purchases [e]	5,121.5	10,620.4
Lessee termination and early termination fees	150.0	298.3
Other expenses	1,383.0	1,789.8
Total	**46,026.0**	**53,419.1**

(a) Nearly all of these taxes are passed on to tenants.
(b) 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.
(c) Advertising and communication include expenses for financial reporting, corporate communications, internal communications, corporate patronage and sponsorship.
(d) Property taxes on shopping centers amounted to €1.5 million. Nearly all of these taxes are passed on to tenants.
(e) In 2013, capitalized purchases related to the Aix-en-Provence shopping center extension and were recognized under assets with an offsetting entry in other operating income.
(f) The change in this line item reflects mainly the delivery of bonus shares granted under plans 17, 18, 19 and 22 for fiscal 2012.

4.3.3.3.4. Financial income/(expense)

Net financial income/(expense)

(€ thousands)	12/31/2013	12/31/2012
Financial income		
- Dividends	*12,288.7*	*49,791.9*
- Interest on loans	*2,943.5*	*2,907.8*
- Income from current account balances	*1,861.3*	*3,409.3*
- Other financial income/Swaps	*-*	*1,340.0*
- Commissions on guarantees	*2,329.4*	*2,538.8*
- Paid by subsidiaries	*12,008.8*	*90.2*
- Reversals from provisions for impairment of marketable securities	*25.4*	*-*
- Other financial income	*30.7*	*15.5*
- Net gains from the disposal of marketable securities	*2.0*	*6.7*
Total	**31,489.8**	**60,100.3**
Financial expenses		
- Increases in amortization, impairment and provisions	*67,694.0*	*25,589.0*
- Interest on external borrowings	*10,267.1*	*10,062.7*
- Expenses on current account balances	*2,417.2*	*229.5*
- Expenses on financial instruments (swaps, caps)	*6,893.9*	*29,290.3*
- Bank interest	*5,658.3*	*0.7*
- Paid by subsidiaries	*27.5*	*328.7*
Total	**92,959.0**	**65,501.0**
Net financial income/(expense)	**(61,469.1)**	**(5,400.7)**

Dividends relate mainly to distributions by the subsidiary Alta Blue which indirectly holds the Cap 3000 shopping center through its equity holdings.

Amortization, impairment and charges to provisions for financial items consist mainly of selected assets held outside of France, especially in Italy.

Accrued expenses on financial instruments include interest paid by Altarea during the year and €5.8 million in balancing cash payments incurred in 2013 for restructuring of interest rate hedging contracts.

4.3.3.3.5. Net exceptional items

Net exceptional items

(€ thousands)	12/31/2013	12/31/2012
Exceptional income		
- Exceptional income from non-capital transactions	*-*	*7,050.0*
- Exceptional income from capital transactions	*310,441.5*	*19,204.4*
- Reversals of provisions and expense transfers	*-*	*644.2*
Total	**310,441.5**	**26,898.5**
Exceptional expenses		
- Exceptional expenses on non-capital transactions	*1.5*	*919.3*
- Incl. tenants works		*180.0*
- Incl. provisions for rental guarantees		*739.0*
- Exceptional expenses on capital transactions	*135,217.2*	*18,024.2*
- Exceptional increases for depreciation, amortization and impairment	*-*	*-*
Total	**135,218.7**	**18,943.5**
Net exceptional items	**175,222.8**	**7,955.0**

Net exceptional items were mainly impacted by contributions and asset disposals in 2013.

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

	Pre-tax profit			Tax			Net profit		
(€ thousands)	Exempt (SIIC)	Taxable (non-SIIC)	Total	Exempt (SIIC)	Taxable (non-SIIC)	Total	Exempt (SIIC)	Taxable (non-SIIC)	Total
Operating profit (loss)	492.9	2,377.1	2,870.0	-	-	-	492.9	2,377.1	2,870.0
Financial income (expense)	(2,971.4)	(67,824.1)	(70,795.5)	-	-	-	(2,971.4)	(67,824.1)	(70,795.5)
Net exceptional items	12,921.5	4,110.6	17,032.1	-	-	-	12,921.5	4,110.6	17,032.1
Total	**10,442.9**	**(61,336.4)**	**(50,893.5)**	**-**	**-**	**-**	**10,442.9**	**(61,336.4)**	**(50,893.5)**

Changes in deferred tax liabilities

(€ thousands)	12/31/2012	Change +	Change -	12/31/2013
Tax reduction				
- Organic	*(85.0)*	*85.0*	*55.9*	*(55.9)*
- Tax loss	*(306,314.4)*	*(50,893.5)*	*-*	*(357,207.9)*
Total base	(306,399.4)	(50,808.5)	55.9	(357,263.8)
Tax or tax savings at a rate of 33.33%	**(102,133.1)**	**(16,936.2)**	**18.6**	**(119,087.9)**

PROPOSED TAX ADJUSTMENTS

Altarea underwent a tax audit regarding the financial years ended December 31, 2007 and December 31, 2008. No outflow of resources is expected to be involved given the Company's fiscal situation.

On the advice of its tax counsel, Altarea contests this adjustment in its entirety. Following a meeting with tax authorities on November 29, 2012, the latter reiterated their position in a letter dated December 17, 2012.

On January 31, 2014, a national tax review board ("*Commission Nationale des Impôts Directs et des Taxes sur le Chiffre d'Affaires*") was convened to examine the disagreement between Altarea and the administration and issued an opinion in favor of the former. The tax authorities nevertheless maintained their position.

In accordance with the recommendations of its counsel and supported by the opinion in its favor issued by the tax review board, Altarea continues to maintain its position and challenge procedure.

As a result, no provision was allocated at December 31, 2013.

4.3.3.4. Other information

4.3.3.4.1. Related company transactions

Related company transactions

Balance sheet line item (€ thousands)	Amount	of which related parties
Assets		
Investments in participating interests and other securities	1,157,211.7	1,157,211.6
Investment-related receivables	93,117.7	93,117.7
Loans	169,173.7	169,028.4
Trade receivables and related accounts	16,972.1	11,569.2
Other receivables	16,537.4	12,068.3
Cash and prepaid expenses	19,550.1	-
Depreciation, amortization and provisions	121,886.0	93,366.8
Equity and liabilities		
Provisions	1,376.9	-
Borrowings and financial liabilities	605,270.2	196,531.8
Trade payables	14,990.3	2,786.0
Tax and social security payables	5,191.0	-
Other payables and prepaid income	1,052.9	70.5

Income statement line item (€ thousands)	Net amount on the income statement	of which related parties
Operating income		
Sale of goods held for resale and properties	-	-
Income from services and rents	41,034.1	11,479.4
Reversals and expense classifications	2,931.5	-
Other income	15.7	-
Operating expenses		
Purchases and external charges	35,212.3	5,760.3
Allowances for amortization, depreciation, provisions and impairment	10,236.7	-
Other expenses	577.0	-
Financial income		
Income from participating interests	14,544.2	14,544.2
Interest and similar income	16,920.3	16,871.7
Reversals and expense classifications	25.4	-
Financial expenses		
Share of losses from subsidiaries	-	-
Allowances for amortization, provisions and impairment	67,694.0	67,694.0
Interest and similar expenses	25,264.0	2,444.8
Exceptional income		
Exceptional income from non-capital transactions	-	-
Exceptional income from capital transactions	310,441.5	1,570.4
Reversals and expense reclassifications	-	-
Exceptional expenses		
Exceptional expenses on non-capital transactions	1.5	-
Exceptional expenses on capital transactions	135,217.2	-
Exceptional allowances for depreciation, amortization and impairment	-	-

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

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 (€ thousands)	2013	2012
Swaps/Total (nominal)	515,500.0	675,000.0
Caps/Total (nominal)	188,356.5	188,937.0
Total	703,856.5	863,937.0

The fair value of the hedging instruments represented a negative amount of €25 million at December 31, 2013.

Impact on the income statement

Impact on the income statement (€ thousands)	2013	2012
Interest income	-	1,340.0
Interest expense	1,084.1	(4,422.5)
Premiums and commissions paid	(5,809.8)	(24,867.8)
Total	(4,725.7)	(27,950.3)

Swap and cap maturities at december 31

Swap and cap maturities at December 31 (€ thousands)	2013	2014	2015	2016	2017
Swap	515,500.0	750,000.0	750,000.0	750,000.0	750,000.0
Cap	188,356.5	-	-	-	-
Altarea – fixed rate payer (Total)	703,856.5	750,000.0	750,000.0	750,000.0	750,000.0

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 OBLIGATIONS

At December 31, 2013, the value of employee severance payment benefits amounted to €139,000.

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 SCA has guaranteed loans to other Group companies for an amount of €677 million. These commitments mainly include guarantees of €53 million granted by Altarea SCA to Société Générale on behalf of Alta Penthièvre for the acquisition of Rue du Commerce, and of €190 million to Natixis under the acquisition loan for Cogedim on behalf of Cogedim SAS.

Specific covenants for corporate loans held by Altarea SCA for amounts totaling €450 million (including €98 million undrawn) are as follows:

- Counterparty: CIB IXIS/BECM/LCL/Société Générale/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% (41.7% at December 31, 2013),
  - Operating Profit (FFO column)/Cost of net debt (FFO column) of the Company ≥ 2 (Interest Cover Ratio or Altarea Consolidated ICR) (4.5 at December 31, 2013).

The other main commitments given by the Company are primarily related to guarantees or joint and several guarantees in an amount of €677 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.

Stock option plans

Stock option plan	Number of options awarded	Option strike price (€)	Exercise dates	Options outstanding at 12/31/2012	Awarded	Options exercised	Options canceled	Options outstanding at 12/31/2013
Stock option plans on Altarea shares								
March 13, 2006	1,950	119.02	03/13/2010 & 03/13/2013	550	-	-	(550)	-
Additional options – capital increase	557	170.00	03/13/2010 & 03/13/2013	156	-	-	(156)	-
January 30, 2007	3,800	175.81	01/30/2011 & 01/30/2014	850	-	-	-	850
Additional options – capital increase	1,086	170.00	01/30/2011 & 01/30/2014	242	-	-	-	242
March 05, 2010	5,500	104.50	03/05/2010 & 03/05/2013	4,100	-	(4,100)	-	-
Total	**12,893**			**5,898**	**-**	**(4,100)**	**(706)**	**1,092**

Bonus share plans

Award date	Number of rights awarded	Vesting date	Rights in issue at 12/31/2012	Awarded	Delivery	Rights canceled[a]	Rights in issue at 12/31/2013
Stock grant plans on Altarea shares							
March 05, 2010	20,000	December 20, 2013	20,000	-	(3,000)	(17,000)	-
March 05, 2010	20,000	December 20, 2014	20,000	-	-	(14,000)	6,000
December 16, 2010	15,400	June 30, 2013	13,200	-	(12,450)	(750)	-
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
February 18, 2013	82,900	February 18, 2016	-	82,900	-	(1,700)	81,200
April 02, 2013	14,000	April 02, 2015	-	14,000	-	-	14,000
May 15, 2013	9,000	June 15, 2015	-	9,000	-	-	9,000
June 17, 2013	3,000	April 17, 2016	-	3,000	-	-	3,000
Total	**166,838**		**55,738**	**108,900**	**(15,863)**	**(33,450)**	**115,325**

(a) Rights canceled for reasons of departure, lack of certainty that performance criteria have been met or changes in plan terms.

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, for 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. Disclosures on business combinations

Aréal was merged into Altarea SCA on June 28, 2013 with retroactive effect as of June 1, 2013. Aréal held 15% of Bercy Village 2.

The assets and liabilities were contributed through the merger of Aréal into Altarea SCA, at their fair value in compliance with French accounting standards (CRC Regulation 2004-1).

These contributions were measured on the basis of the financial statements of the acquired company of April 30, 2013, using the following multi-criteria valuation method:

- determination of NAV according to the definition recommended by the European Public Real Estate Association;
- determination of Diluted going-concern NAV;
- determination of liquidation NAV.

Based on this valuation method, as consideration for the merger the parties agreed to use a fair value measurement for Aréal of €18,560,000.

External costs are recognized under additional paid-in capital.

4.3.3.4.6. Post-closing events

No major events occurred subsequent to the closing date and prior to the preparation of the financial statements, with the exception of the following transactions:

- in January 2014, Altarea SCA waived the right to draw up to €95 million (of which €35 million drawn previously was reimbursed) from Natixis;
- on January 24, 2014, drawing rights from the bank BECM were increased from €35 million (€20 million of undrawn confirmed credit) to €75 million (€40 million of undrawn confirmed credit). Altarea SCA thus now has an available balance of €58 million in undrawn confirmed credit (including €40 million at BECM and €18 million at LCL) instead of €98 million.

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
SUBSIDIARIES (+50%)											
SAS Foncière Altarea – 353 900 699	7,783.7	567,178.8	99.99%	779,239.8	779,239.8	(76,746.5)	(76,746.5)		86,244.8	-	829.0
Altareit SCA – 553 091 050	2,626.7	203,418.7	99.63%	91,635.0	91,635.0	30,480.3	30,480.3		5,699.3	-	642.8
SNC Altarea Management – 509 105 537	10.0	224.3	99.99%	10.0	10.0	1,452.2	1,452.2		224.3	-	6,445.7
SAS Alta Développement Italie – 444 561 476	12,638.2	(91,420.0)	99.80%	14,786.1	0.1	51,310.5	51,310.5		(67,074.9)	-	-
SAS Alta Blue – 522 193 796	5,277.6	357,437.3	61.77%	251,879.7	251,879.7	(66,103.5)	(66,103.5)		301.3	12,288.0	-
SARL Socobac – 352 781 389	8.0	154.1	100.00%	0.0	0.0	(160.8)	(160.8)		0.6	-	-
SARL Altalux Spain	1,100.0	(70.5)	100.00%	1,100.0	1,100.0	9,874.7	9,874.7		6.8	-	-
AFFILIATES (10 to 50%)											
Bercy Village 2 SCI	1,633.6	77,687.8	15.00%	18,560.0	18,560.0	291.1	291.1		77,687.8	11,614.6	-

Head office of subsidiaries and affiliates: 8 avenue Delcassé – 75008 Paris

4.4. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(financial year ended December 31, 2013)

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, 2013 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 Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with 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 presentation of the financial statements. 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.

2. 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 indicated in Note 4.3.2.2, "Accounting Methods and Principles", under "Depreciation of buildings", the Company's property assets undergo an external expert assessment to identify and estimate, if applicable, potential depreciation. Our work consisted in examining the valuation methodology used by the experts and in reading their evaluations. We also verified that the resulting estimates were reasonable in nature.
- Equity investments and the loans and receivables related thereto are evaluated as indicated in Note 4.3.2.2, "Accounting Methods and Principles", under "Equity investments" and "Receivables from investments and loans". Our assessment of these evaluations is based on the process set up by your company to determine the useful value of equity securities and the recoverability of receivables related to investments and lending. Our work consisted of assessing the data used by the Company to determine the value of its subsidiaries as well as the recoverability of receivables and related loans. On this basis, we assessed whether or not the resulting estimations and depreciation were reasonable.

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.

3. Specific verifications and information required by law

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, March 21, 2014

The Statutory Auditors

A.A.C.E. Ile-de-France French member of Grant Thornton International	**ERNST & YOUNG et Autres**
Michel RIGUELLE Partner	**Jean-Roch VARON** Partner

4.5. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

(General Meeting called to approve the financial statements for the year ended December 31, 2013)

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. Pursuant to Article R. 226-2 of the French Commercial Code, it is your responsibility 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.

1 – Agreements and commitments submitted to the Annual General Meeting for approval

Agreements and commitments authorized during the past financial year

We hereby inform you that we were not notified of any agreement or commitment authorized during the past financial year to be submitted to the Annual General Meeting for approval in accordance with the provisions of Article L. 226-10 of the French Commercial Code.

2 – Agreements and commitments already approved by the General Meeting

Agreements and commitments approved in prior years 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.

2.1 – With APG Strategic Real Estate Pool

Person involved

The company AGP, Member of the Altarea Supervisory Board

Type of agreement and purpose

On December 11, 2012, your Supervisory Board authorized the issue of subordinated perpetual Notes (*Titres Subordonnés à Durée Indéterminée* – TSDI) for a nominal value of €109 million, entirely subscribed by APG Strategic Real Estate Pool by contract dated December 11, 2012.

Terms

Your Company incurred a financial expense of €5,656,930 during the year in this regard.

2.2 – With Cogedim SAS

Person involved

Mr Alain Taravella, Chairman of the Cogedim Supervisory Board and Co-Manager of Altarea

Type of agreement and purpose

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 (transaction approved on May 31, 2007).

Terms

The Company charged a commission of €804,679 for this guarantee in 2013.

Paris and Paris-La Défense, March 21, 2014

The Statutory Auditors

A.A.C.E. Ile-de-France
French member of Grant Thornton International

Michel RIGUELLE
Partner

ERNST & YOUNG et Autres

Jean-Roch VARON
Partner

CORPORATE SOCIAL RESPONSIBILITY (CSR)

5

EDITORIAL: ALAIN TARAVELLA

Chairman and Founder of Altarea Cogedim

What role does sustainable development play in the Group's strategy?

Sustainable development is a top priority at Altarea Cogedim, as can be seen through the Group's stirring momentum in this field for more than four years. Our progress-based approach, Altagreen, complements our strategy and our traditional focus on quality by incorporating robust societal and environmental requirements in all of our production. Altagreen contributes to the solidity of our portfolio and our business.

On a broader note, our CSR approach supports our crosscutting nature, a core strength for our Group and lever for value creation. Today more than ever, sustainable development issues stand out as a central focus at Altarea Cogedim.

What were this year's sustainable development highlights at Altarea Cogedim?

Altarea Cogedim made progress in managing the risks and opportunities associated with sustainable development issues. Our Group made headway in managing the risks and opportunities that sustainable development represents. I would especially like to point out three advances we made in 2013:

- Prioritization of sustainable development issues, resulting in the creation of Altarea Cogedim's first CSR materiality matrix. This structure sets out our strategic priorities for 2014-2017;
- Signature of the Charter for the Sustainable Building Plan, with Cécile Duflot, French Minister of Territorial Equality and Housing, and Philippe Martin, Minister of Ecology, Sustainable Development and Energy, who attended the signing ceremony. The Charter addresses the reduction of energy consumption for Office property. For Altarea Cogedim, this commitment confirms the environmental objectives we have set for our portfolio;
- Finally, our comprehensive CSR reporting, covering nearly 100% of each of our businesses, as well as the high scores our Group earned in non-financial rankings, and which attest to the relevance and effectiveness of our action.

What are your priorities for 2014?

In 2013, the Group took a new step forward in its pursuit of progress by focusing on its major challenges. In 2014, we aim to intensify the current momentum. We will ensure application of our priority CSR initiatives in our day-to-day business, with an eye to continuously enhancing client and user satisfaction, offering Altarea Cogedim employee's high value-added training and guidance and quantifying the development of direct jobs supported by the Group's activities.

At the same time, we will continue to insist on the highest quality for all of our real estate development projects and to ensure that they fit into their urban environment. For our Property Investment business, our prime focuses will be achieving BREEAM® In-Use certification and reducing our environmental footprint.

This ambitious action plan will encourage Altarea Cogedim employees to go even further in incorporating sustainable development issues into the Group's businesses.

Alain Taravella
Chairman and Founder of Altarea Cogedim

5.1. CSR CONTEXT, GOVERNANCE AND STRATEGY

5.1.1. THE REAL ESTATE SECTOR IN FRANCE

5.1.1.1. Environmental, social and societal footprint

Real estate accounts for 43% of energy consumption, 21% of greenhouse gas emissions, significant responsibility in terms of waste production, water consumption and impacts on biodiversity. Along with transport, it is 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 provides a beacon within the sector and represents a genuine source of value creation for real estate market players.

5.1.1.2. Regulatory context

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 threefold:

5.1.1.2.1. Improving the energy efficiency of new buildings

France's 2012 Thermal Regulations (RT 2012) establish the Low Energy Building (Bâtiment Basse Consommation® or BBC®) label for energy efficiency as standard, but the future 2020 Responsible Building Regulations (RBR) will require the construction of positive-energy buildings (BEPOS) as well as performance-based quality criteria for health, comfort, durability and limited use of natural resources.

5.1.1.2.2. Improving the energy efficiency 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. 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. On October 31, 2013, Altarea Cogedim signed the Charter for the Sustainable Building Plan, chaired by Philippe Pelletier. Cécile Duflot, French Minister of Territorial Equality and Housing, and Philippe Martin, Minister of Ecology, Sustainable Development and Energy, attended the signing ceremony. This voluntary charter brings together investors, major users and industry associations. It anticipates the energy consumption reduction goals and methods to be specified in the upcoming decree scheduled for the second half of 2014.

5.1.1.2.3. Strengthening corporate non-financial transparency

Regarding publication of CSR information, Article 225 of the Grenelle II 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 for all of its activities. To illustrate that the Group's reporting is compatible with the provisions of the Grenelle II Law, Altarea Cogedim has drawn up a dedicated cross-reference table available in section 5.8.

5.1.1.3. Sustainable development: an opportunity for value creation

Working at the heart of a particularly dynamic sector, Altarea Cogedim looks to turn sustainable development into an opportunity by fostering "green value" in its Property Investment and development businesses.

As a developer, the Group has established societal and 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 in complementary areas of progress, covering 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 durability 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 services and 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.

Altarea Cogedim provides its stakeholders with understandable and comparable information to help them evaluate the green value and societal performance of new projects.

As a property investor, the Group gears its strategy towards managing and improving the environmental footprint and societal performance of its assets. It reports on the performance of its assets using specific, transparent indicators in line with sector recommendations to ensure their comparability.

Altarea Cogedim 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.

Since 2011, Altarea Cogedim has called upon an independent auditor to verify the main environmental (new projects and existing assets), social and societal indicators applied to its assets to heighten the quality of its reporting process and the reliability of data.

5.1.1.4. Challenges and outlook 2014-2017

Looking ahead to new regulations for its different businesses, in 2014 Altarea Cogedim will persist in its abiding approach to reporting, energy and environmental enhancement, as well as its social and societal initiatives.

The impact of 2012 Thermal Regulations and the upcoming decree regarding improvement of the office park, as well as that of Article 225 of the Grenelle II Law intended to structure companies' CSR reporting, will be incorporated into CSR reporting guidelines, construction and operation management systems and the Group's action plans.

Following from creation of Altarea Cogedim's first CSR materiality matrix, the Group will prioritize its action with regard to material, strategic and sector-specific issues for the 2014-2017 period. Procedures for monitoring objectives and indicators are set out in the tracking table included in section 5.2.1.

5.1.2. CSR GOVERNANCE

5.1.2.1. CSR organization and governance model

The Sustainable Development Department is part of a crosscutting unit that includes the Communication Department, Altarea and Cogedim's respective Human Resources Departments and the Internal Resources Department (corporate services). Bruno Poulain, Director of Sustainable Development, Communication and Human Resources, heads this department, which is supervised by Jacques Galvani, Chief of Staff to the Chairman and member of the Executive Committee of Altarea Cogedim.

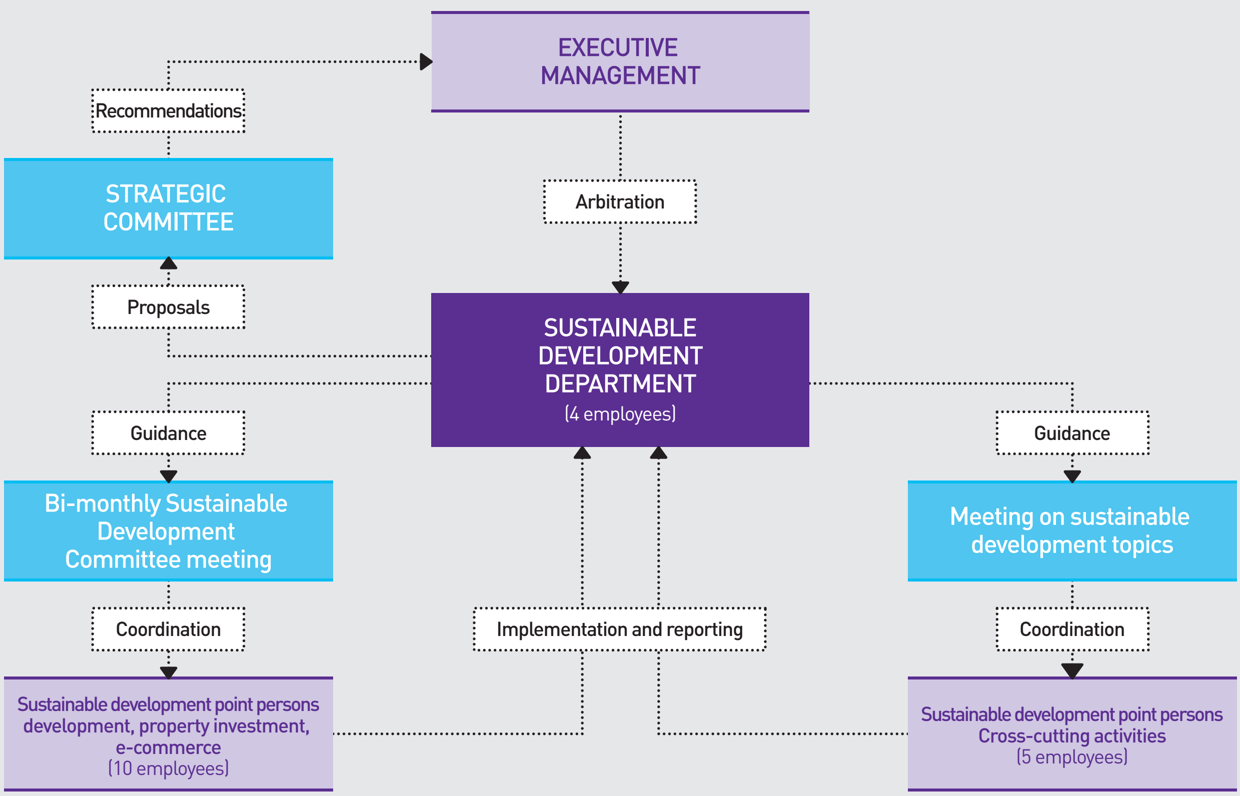
The Sustainable Development Department now has four staff members:

- Maxime Lanquetuit, Head of Sustainable Development in charge of all aspects of the CSR 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 operationnal Bilan Carbone® assessments, as well as establishment and monitoring of action plans for the Property Investment business (falter@altareacogedim.com);
- Romain Bourcier, Sustainable Development Engineer in charge of environmental reporting for the Property Development business, certification monitoring and CSR innovations for new projects (rbourcier@altareacogedim.com);
- Cécilia Ribeyre-Winckler, Communication and Sustainable Development Specialist focused on internal communication and sustainable development events and campaigns, as well as CSR innovations for the e-commerce business (cribeyre@altareacogedim.com).

The Department advises the Group's management in defining Altarea Cogedim's sustainable development strategy through monthly meetings. It also coordinates all of the Group's non-financial communication. The team works with a network of ten sustainable development point persons from each of the Group's businesses (development, Property Investment and e-commerce) who participate in the bimonthly 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 point persons representing crosscutting activities: human resources, communication, finance, internal control 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 contributes to advancing the Group's sustainable development approach, thanks to employees who fully grasp their accountability on CSR issues. It also enables the reporting of information as well as sharing and operational implementation in Group businesses through its cross-business network of representatives.

Altarea Cogedim's CSR approach is founded on three pillars – relevance, sharing and sustainability – to guarantee ambitious but balanced efforts from the company. Cross-business by nature, the Group's progress-oriented approach serves to pool the different types of expertise and skills from each of the Group's businesses, allowing the company to mature faster with regard to its CSR initiatives and enhance its sustainable development performance.

5.1.2.2. General Management System (GMS)

Altarea Cogedim is gradually implementing customized management systems for all its teams to standardize and improve the reliability of priority practices for all Group businesses. Implementation of this General Management system (GMS) provides easier access to the requirements of qualitative and environmental certification guidelines while developing employees' skills.

Altarea Cogedim's General Management System

PROPERTY DEVELOPMENT		PROPERTY INVESTMENT	
RESIDENTIAL Guide to Best Practices for Residential Property	RETAIL, HOTELS, OFFICES EMS Altagreen® Commercial projects	BRICK-AND-MORTAR RETAIL EMS Altagreen® Portfolio	ONLINE RETAIL Customer service
NF NF HQE®	BREEAM® NF HQE® U.S. GREEN BUILDING COUNCIL	BREEAM®	afaq ISO 9001 Qualité AFNOR CERTIFICATION

5.1.2.2.1. Environmental Management System (EMS) 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 NF Logement – Démarche HQE® (High Environmental Quality) certification to all projects in the Paris Region.

5.1.2.2.2. Environmental Management System (EMS) for Commercial Development

Similarly, in 2010 and 2011 the Group designed the "ALTAGREEN Commercial Projects EMS." This system 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 (Retail property, Offices & Hotels).

5.1.2.2.3. Environmental Management System (EMS) for Operations

In 2013, the Group completed development of the "ALTAGREEN Portfolio EMS" 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.

5.1.2.2.4. E-commerce Qualitative Management System

In online retail, repair of high-tech products under warranty enjoys ISO 9001 certification delivered by AFAQ. This certification requires compliance with written procedures that involve daily monitoring of various indicators (such as turnaround time) by various departments (Quality, After Sales Support, Customer Service, Purchasing). If an indicator fails, corrective measures are taken. To maximize customer satisfaction, once a year an auditor from AFNOR checks that the procedures and monitoring of indicators are correctly applied.

5.1.3. CSR STRATEGY

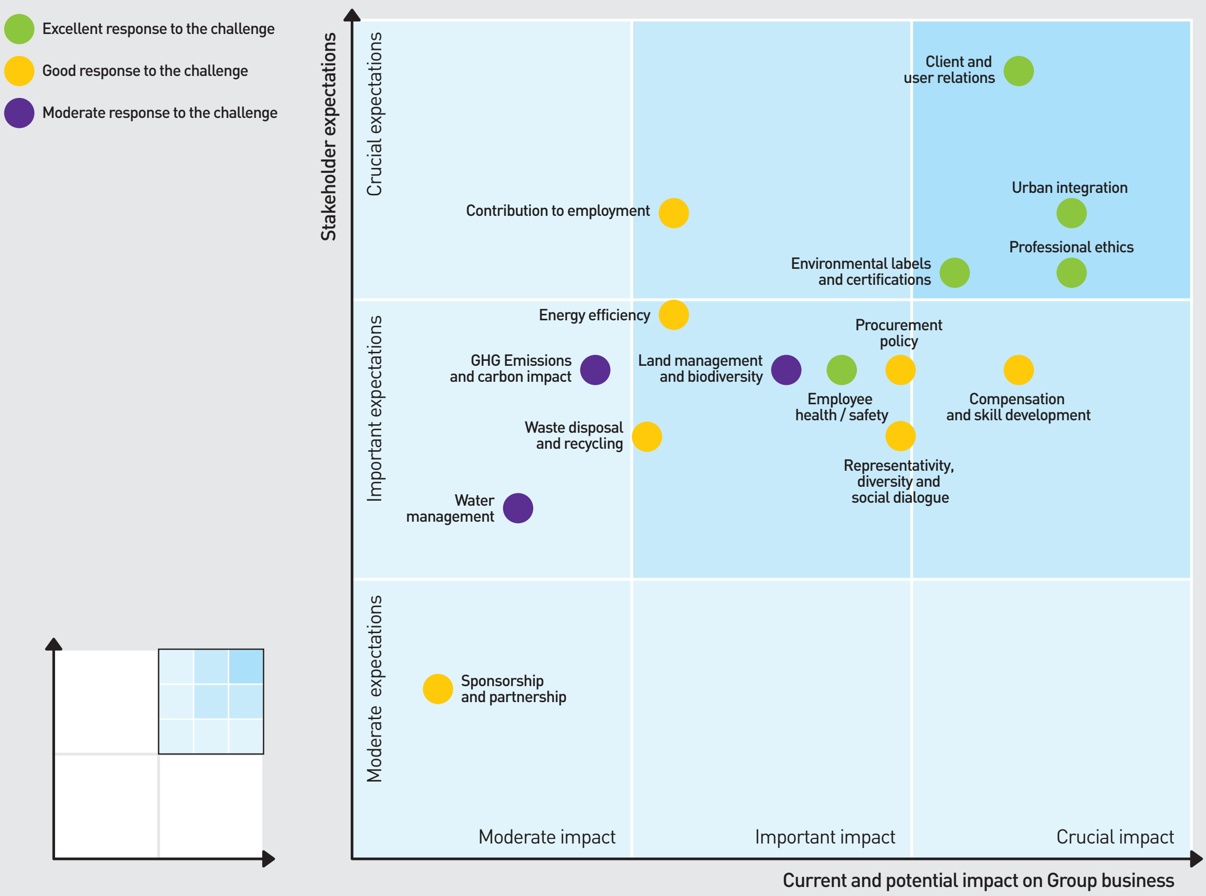
Thanks to its size, its growing staff, the expectations of its stakeholders and the incorporation of a new business (Rue du Commerce), Altarea Cogedim Group has responded to the call of the Executive Committee and Management as a whole to launch an initiative to identify and prioritize key CSR topics around three factors:

- economic impact on the company's business model depending on its activities;
- perception of the expectations of internal and external stakeholders (investors, local authorities, clients, associations, suppliers, etc.);
- degree of control of the issue.

The result of these efforts, officially released in the form of a "materiality matrix," makes it possible for Altarea Cogedim to set out priority CSR undertakings.

5.1.3.1. CSR Materiality Matrix

Altarea Cogedim's CSR materiality matrix



5.1.3.2. Design methodology

This CSR materiality approach, led by the Group's Sustainable Development Department, was conducted in four phases. The method for rating impacts, stakeholder expectations and level of control is based on an analysis of each CSR issue. This involved the General Management of Altarea Cogedim and the support of a specialized consulting firm between June 2013 and February 2014.

An initial phase allowed us to define the way work would be carried out and to identify the stakeholders, guaranteeing a cross-cutting approach shared by the General Management and Sustainable Development Department.

The second phase involved defining the Group's prime CSR issues, characterizing their impacts, risks and opportunities for each of Altarea Cogedim's three businesses (development, investment and e-commerce).

A third phase of interviews led us to submit the selected CSR issues and their impacts to members of General Management. To ensure a crosscutting and cross-business strategy for each issue, these interviews were systematically conducted with two top General Management figures, a member of the Sustainable Development Department and an external consultant. We carried out four interviews, and called upon eight members of General Management (excluding the Executive Committee).

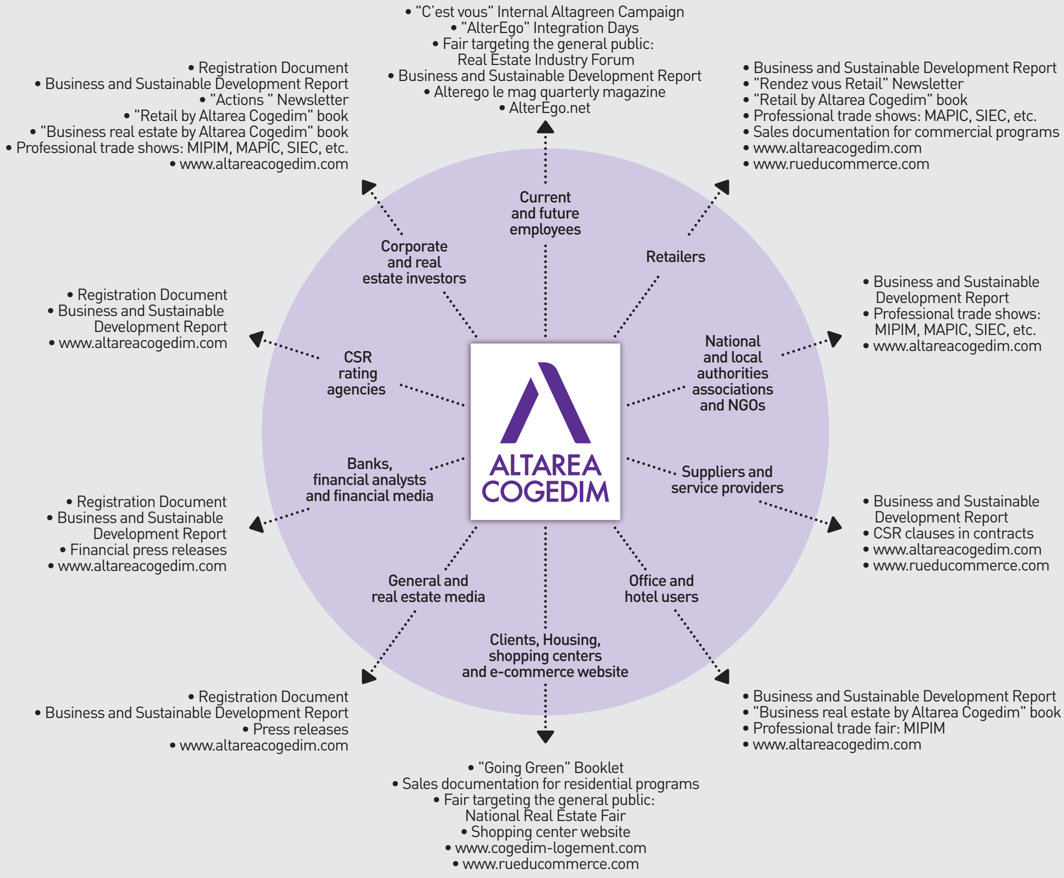
Lastly, the materiality matrix summarizing the ideas of top Managers, the Sustainable Development Department and sustainable development point persons was presented to the Executive Committee. Six members of the Committee discussed the definitive CSR materiality table individually and collectively to make the final selection.

5.1.3.3. Relations with stakeholders

The real estate and retail sectors affect a broad number of stakeholders, which have been applying increasing pressure on companies in France since the publication of the Grenelle environmental standards. Altarea Cogedim's growth, the broadening of its shareholder base and the impact 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 overall operating actions. This provides many opportunities to demonstrate the relevance of the sustainable development approach adopted by Altarea Cogedim.

The Group has a various means of communicating its actions. Communication is adapted to each internal and external stakeholder to foster dialogue and follow-up over time.

Altarea Cogedim's relations with stakeholders



5.1.3.4. Agency ratings and CSR awards

5.1.3.4.1. Novethic Survey

Since 2009, Altarea Cogedim has been evaluated in the NOVETHIC rankings of property developers and investors. The Group tied for first among developers (50%) and came in third among Property Investment companies (66%) in the 2013 ranking, which featured even more rigorous criteria. For the last three years, Altarea Cogedim has consistently ranked in the top three in NOVETHIC's rankings for both property developers and investors.

5.1.3.4.2. Global Real Estate Sustainability Benchmark (GRESB)

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. On the basis of its 2012 publication, Altarea Cogedim received a score of 52% for its investment activity (172nd out of 543) and 77% for new developments, i.e., 9th worldwide (number one in France) out of 276 contenders.

5.1.3.4.3. Carbon Disclosure Project (CDP)

In 2013, Altarea Cogedim also voluntarily participated in the CDP (Carbon Disclosure Project), the largest international ranking of the carbon strategies of major corporations. In its first time participating, the Group scored 90% in transparency and obtained a B in performance, putting the Group at the top of French retail Property Investment companies.

5.1.3.4.4. France Green Building Council (FRGBC)

In 2013, the Group was honored in the first edition of the FRGBC Trophées de France with the award for eco-design.

5.1.3.5. Participation in sector-specific 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;
- FPI (Fédération des Promoteurs Immobiliers), the federation of real estate developers;
- C3D (Collège des Directeurs du Développement Durable), the French sustainable development officers' group;
- the HQE® association;
- France GBC.

As part of the CNCC's Sustainable Development Commission, Altarea Cogedim participated with three other listed retail REITs to draw up the CSR Reporting Guide for Article 225 of the Grenelle II Law. This guide includes recommendations suited to the specificities of CSR reporting for the shopping center industry. These best practices are compatible with EPRA recommendations and will ultimately make it possible to standardize non-financial communication and verify published information.

Moreover, Altarea Cogedim is a founding member of the Sustainable Real Estate Observatory (Observatoire de l'Immobilier Durable – OID), an independent association made up of public and private players in the commercial real estate sector and which aims to:

- publish statistical indicators representative of the energy and environmental performance of commercial real estate in France;
- offer OID members a benchmark for the energy and environmental performance of their real estate assets.

Through its environmental data, the Group makes an invaluable contribution to establishing the annual environmental indicators used by the OID's Environmental Performance Survey for real estate assets in the "lessor" category.

5.2. TRACKING TABLE AND SCOPES

5.2.1. TRACKING TABLE

ENVIRONMENT		Unit	2010	2013	Change 2010/2013	2013 verification by EY	2013 Business coverage	GRI G4 CRESS
Environmental labels and certifications								
Property development	Percentage of surface area or number of homes certified or undergoing the environmental certification process							
	Retail property	%	76%	100%	+31.6%	✓	100%	CRE 8
	Offices & Hotels	%	80%	97%	+21.3%	✓	100%	CRE 8
	Residential	%	41%	68%	+65.9%	✓	100%	CRE 8
Property investment	Percentage of surface areas with BREEAM® In-Use certification							
	Retail assets at December 31 of the current year	%	0%	30%	NA	✓	90%	CRE 8
Energy efficiency								
Property development	Percentage of surface area or number of homes surpassing the energy requirements of the thermal regulations applicable to each operations (RT 2005 /RT 2012)							
	Retail property	%	76%	96%	+26.3%	✓	100%	CRE 8 CRE 1
	Offices & Hotels	%	77%	91%	+18.2%	✓	100%	CRE 8 CRE 1
	Residential	%	42%	89%	+111.9%	✓	100%	CRE 8 CRE 1
Property investment	Primary energy consumption per m²							
	Retail assets in the scope of reporting and constant climate	kWhpe/m²	216	177	-18.4%	✓	84%	CRE 1
Biodiversity and land management								
Property development	Percentage of surface area having undergone an ecological assessment							
	Retail property	%	ND	86%	NA		100%	EN 12
	Offices & Hotels	%	ND	26%	NA		100%	EN 12
	Percentage of Residential programs for which the unbuilt surface area is equal to or greater than the footprint of the building							
	Residential	%	ND	82%	NA		100%	EN 12
Property investment	Score in the BREEAM® In-Use "Land Use & Ecology" thematic assessment							
	Retail assets at December 31 of the current year	%	ND	17%	NA	✓	30%	EN 12
Waste disposal and recycling								
Property development	Proportion of the surface area or number of homes with a low nuisance charter							
	Retail property	%	ND	100%	NA	✓	100%	EN 1 EN 2
	Offices & Hotels	%	ND	97%	NA	✓	100%	EN 1 EN 2
	Residential	%	ND	64%	NA	✓	100%	EN 1 EN 2
	Proportion of the surface area or number of homes with High-Performance or Very High Performance results on NF HQE® target 6: Management of waste produced by operations							
	Retail property	%	ND	100%	NA		96%	EN 1 EN 2
	Offices & Hotels	%	ND	87%	NA		95%	EN 1 EN 2
	Residential	%	ND	81%	NA		47%	EN 1 EN 2
Property investment	Rate of sorting of recyclable waste							
	Retail assets (current scope)	%	30%	43%	+45.9%	✓	90%	EN 23
	Rate of waste recovery							
	Retail assets (current scope)	%	ND	82%	NA	✓	90%	EN 23

*Unless technically impossible or not approved by the investor.

Objectives	Deadline	Trend towards achievement	Comment	For more information	Materiality level
Minimum of BREEAM® "Very Good" certification for 100% of new Retail projects	Continuous	☺	Excellent certification level for new commercial projects across all types	5.3.1.1.1	Capital
Minimum* of NF Bâtiment tertiaire - Démarche HQE® "Very Good" and BREEAM® "Very Good" certification for 100% of new office projects. NF Bâtiment tertiaire - Démarche HQE® certification for 100% of Hotel projects	Continuous	☺	Excellent certification level for new Office and Hotel projects. Stable compared to 2012	5.3.1.1.2	Capital
NF Logement certification for 100% of new Residential projects outside the Paris Region. NF Logement - Démarche HQE® certification for 100% of new Residential projects in the Paris Region	Continuous	☺	Good certification level for new Residential projects. The contribution of the Paris Region branch accounts for 63% of the total number of homes with environmental certification	5.3.1.1.3	Capital
BREEAM® In-Use certification for 100% of retail property assets included in the scope of reporting, minimum level of "Good" for initial certifications and "Very Good" for subsequent reassessments for the "Management" category	2015	☺	6 assets with "Good" BREEAM® In-Use certification for the "Management" category in 2013	5.3.1.2.2	Capital
Systematically carry out dynamic thermal simulations and achieve at least 50% improvement on 2012 Thermal Regulation consumption items	2014	☺	Excellent performance level for lessor and lessee scope energy items (green lease technical requirements)	5.3.2.2.1	Significant
Minimum level of HPE® 2012 (RT 2012 - 10%) energy efficiency for all Office developments	2014	☺	Very good energy efficiency level for new programs in the scope of reporting	5.3.2.2.2	Significant
Pilot programs with an HPE® 2012, THPE® 2012 and Effinergie+ energy efficiency level	2014	☺	Positive anticipation and adjustment to RT 2012 regulations, HPE® 2012 and THPE® 2012 labels pending	5.3.2.2.4	Significant
22% reduction like-for-like in primary energy consumption for portfolio assets compared to 2010	2015	☺	Specific energy audits for each site and proper application of energy consumption optimization initiatives	5.3.2.3	Significant
Broaden application of ecological assessments upstream of new projects	Continuous	☺ ☹	Good level of application for programs undergoing the BREEAM® certification process More difficult to implement the approach for NF HQE® certification alone	5.3.3.1	Significant
Develop substantial green spaces in new projects	Continuous	☺	Good level of application	5.3.3.1	Significant
Establish a biodiversity action plan for 100% of assets in the scope of reporting	2015	☹	Initial results obtained in 2013, to be improved through implementation of a specific biodiversity action plan at each site	5.3.3.2	Significant
Broaden application of construction Charters to 100% of new commercial projects	Continuous	☺	Excellent level of application	5.3.4.2.1	Significant
Broaden application of low-nuisance construction Charters to 100% of new residential projects	Continuous	😐	New objective	5.3.4.2.1	Significant
Facilitate waste management and sorting for future occupants and users in all new projects	Continuous	☺ ☺ 😐	Very good level of application for programs with environmental certification	5.3.4.2.2	Significant
Achieve a rate of sorting of recyclable waste greater than 50% for the current scope	2015	☺	Gradual increase of sorting in sites and implementation of new categories of waste sorting (plastics, biodegradable waste, etc.)	5.3.4.3	Significant
Maintain a rate of energy or material recovery from waste greater than 80% for the current scope	Continuous	☺	Work with waste collection service providers to find waste processing methods allowing for recovery	5.3.4.3	Significant

ENVIRONMENT (Cont'd)

		Unit	2010	2013	Change 2010/2013	2013 verification by EY	2013 Business coverage	GRI G4 CRESS
Greenhouse gas emissions and carbon impact								
Group	Bilan Carbone® assessment, scopes 1, 2, 3							
	Development, Property investment, E-commerce, Corporate	tCO_2e/employee	555 (2012)	517	-6.8%		100%	EN 18
Property development	Bilan Carbone® assessment, scopes 1, 2, 3 per m²							
	Retail property	$kgCO_2e/m^2$	417 (2012)	452	+8.4%		100%	CRE 4
	Offices & Hotels	$kgCO_2e/m^2$	606 (2012)	565	-6.7%		100%	
	Residential	$kgCO_2e/m^2$	629 (2012)	629	+0%		100%	
Property investment	Bilan Carbone® assessment, scopes 1, 2, 3 per m²							
	Retail assets in the scope of reporting and constant climate	$kgCO_2e/m^2$	8.9	7,6	-14.4%	✓	84%	CRE 3
	Average emission factor of visitors' modes of transportation to shopping centers							
	Retail assets (current scope)	gCO_2e/visitor.km	108 (2011)	92	-15%	✓	74%	EN 17
Management of water risk								
Property development	Proportion of surface areas or number of homes with High-Performance or Very High Performance results on NF HQE® target 5: Eco-friendly water management							
	Retail property	%	ND	78%	NA		96%	CRE 2
	Offices & Hotels	%	ND	63%	NA		95%	
	Residential	%	ND	78%	NA		47%	
Property investment	Water consumption in common areas per visitor							
	Retail assets (current scope)	L/visitor	0,74	1,03	+38.3%	✓	90%	CRE 2

SOCIAL

		Unit	2010	2013	Change 2010/2013	2013 verification by EY	2013 Business coverage	GRI G4 CRESS
Representation, diversity, social dialogue								
Group	Employees							
	Total headcount	Number	767	1,286	+67.7%	✓	100%	G4-10
	Gender equality							
	Number of women in management bodies	Number	10	24	+140%	✓	100%	LA 12
	Disabilities							
	Number of employees with a recognized disability	Number	1	4	+300%	✓	100%	LA 12
Compensation and skill development								
Group	Training							
	Number of employees with a recognized disability	hours/ employee	7	8.5	+21.4%	✓	100%	LA 9
Employee health and safety								
Group	Absenteeism							
	Total absentee rate	%	6.5% (2012)	6.4%	-2.0%	✓	100%	LA 6

Objectives	Deadline	Trend towards achievement	Comment	For more information	Materiality level
Carry out Bilan Carbone® assessments, scopes 1, 2, 3 for all Group businesses	Continuous	☺	2013 progress level consolidated, establishment of targeted action plans (Bilan Carbone® construction carbon assessment, reduction of the transportation impact of portfolio assets and projects, reduction of CO_2 emissions associated with energy consumption of portfolio assets, etc.)	5.3.5.1	Moderate
Systematic use of Bilan Carbone® construction assessments (scope 1, 2, 3) for all new programs with surface area greater than 107,500 ft² (10,000 m² net floor area)	Continuous	😐	3 Bilan Carbone® assessments carried out on retail projects across all types (shopping center, Lifestyle Center, Family Village, RP)	5.3.5.3	Moderate
Systematic use of Bilan Carbone® construction assessments (scope 1, 2, 3) for all new programs with surface area greater than 107,500 ft² (10,000 m² net floor area)	Continuous	😐	6 Bilan Carbone® assessments carried out on office and hotel projects		Moderate
5 Bilan Carbone® assessments (scope 1, 2, 3) carried out, corresponding to the 5 new residential development ranges	2015	😐	Deadline extended, 3 Bilan Carbone® assessments carried out on residential projects		Moderate
24% reduction like-for-like in greenhouse gas emissions associated with energy consumption in portfolio assets compared to 2010	2015	☺	Specific energy audits for each site and proper application of consumption optimization initiatives	5.3.5.4	Moderate
Enhance reliability of studies of customers' modes of transportation and reserve parking spaces for hybrid and electric vehicles	Continuous	☺	Growing use of eco-friendly low-carbon modes of transportation	5.5.2.2	Moderate
Systematic use of water-efficient equipment in all new projects	Continuous	☺	Good level of application for new retail projects	5.3.6.2	Moderate
		😐	Installation of water-efficient equipment, difficulties associated with improvement of the leakage rate on the plot		
		😐			
Maintain water consumption under 1.25L/visitor for the current scope	Continuous	😐	Precise monitoring of water consumption for rapid detection and repair of leaks and anomalies Good performance in spite of the increase in the ratio due to strengthening of fire safety systems in the shopping center category	5.3.6.3	Moderate

Objectives	Deadline	Trend towards achievement	Comment	For more information	Materiality level
Guide Group growth	Continuous	☺	Organization of two "Crescendo Days" to integrate new employees	5.4.1.1	Significant
Increase the proportion of women in management bodies	Continuous	☺	51% of all employees promoted in 2013 were women	5.4.1.1	Significant
Double the number of disabled employees	2017	☺	Signature of the Diversity Charter, implementation of an in-depth advisory assessment in late 2013	5.4.1.4	Significant
Increase the proportion of "Business line" courses	Continuous	☺	Creation of an e-learning office skills platform available to all employees	5.4.2.1	Significant
Implementation of an awareness-raising program for psychosocial risks	2016	☺	New objective	5.4.3.1	Significant

SOCIETY		Unit	2010	2013	Change 2010/2013	2013 verification by EY	2013 Business coverage	GRI G4 CRESS
Customer and user relations								
Property investment	Proportion of green leases out of the total number of leases							
	Green leases signed and not expired at December 31 of the current year	%	6.9%	49.3%	+614%	✓	100%	EN 7 EN 27
Urban integration								
Property development	Percentage of surface areas or number of homes located less than 500 meters from a transportation network							
	Retail property	%	100%	100%	+0,0%	✓	100%	EN 30
	Offices & Hotels	%	94%	100%	+6.4%	✓	100%	
	Residential	%	92%	99%	+7.6%	✓	100%	
Property investment	Percentage o f sites located less than 200 meters from a transportation network							
	Retail assets (current scope)	%	73.1% (2012)	72%	-2%	✓	90%	EN 30
	Percentage of sites located less than 500 meters from a transportation network with waiting time under 20 minutes							
	Retail assets (current scope)	%	69.2% (2012)	68%	-2%	✓	90%	EN 30
Professional ethics								
Group	Training and awareness raising for employees on concepts linked to corruption							
	All employees identified as highly exposed / at risk		Qualitative indicator			✓	NA	SO 4
	Standard application of a Code of Conduct for all Group businesses							
	E-commerce		Qualitative indicator			✓	NA	SO 4
Procurement policy								
Group	Incorporation of social and environmental clauses in contracts signed with suppliers and service providers							
	Property development		Qualitative indicator			✓	NA	EN 32 EN 33 LA 14 LA 15 SO 9 SO 10 HR 10 HR 11
	Property investment		Qualitative indicator			✓	NA	
	E-commerce		Qualitative indicator			✓	NA	
Contribution to employment								
Group	Number of indirect jobs supported during the year							
	Number of indirect jobs	Number	11,729	13,000	+10.8%	✓	100%	EC 8
Sponsorship and partnership								
Group	Amounts allocated							
	Cumulative amounts allocated	Euros	940,000	2,140,000	+128%		100%	EC 1

Objectives	Deadline	Trend towards achievement	Comment	For more information	Materiality level
Achieve a coverage rate for green leases greater than 65% for the portfolio as a whole	2015	☺	Standardization of green leases for new leases or renewals as of the first m² since 2010 Environmental information gathered by lessees at the OKABÉ shopping center	5.5.1.3	Capital
Systematic selection of new plots of land located less than 500 meters from a public transportation network (bus, tramway, metro, RER suburban train, main-line train)	Continuous	☺ ☺ ☺	Excellent application for selection of new plots of land	5.5.2.1	Capital
Incorporate the "proximity to public transportation" criterion in the strategy of purchase and sale of Group assets	Continuous	😐	Good level of connection to public transportation networks Work with the Executive Committee	5.5.2.2	Capital
Incorporate the "public transportation waiting time" criterion in the strategy of purchase and sale of Group assets	Continuous	😐	Good level of connection to public transportation networks Work with the Executive Committee	5.5.2.2	Capital
Train employees concerned by the various concepts of corruption, illegal acquisition of interest, delegations of power and potential related criminal liability risks	Continuous	☺	In cooperation with specialized agencies	5.5.3	Capital
Establish a code of conduct specific to the e-commerce business	2015	☹	2013 deadline postponed to 2015	5.5.3	Capital
Incorporate social and environmental clauses into 100% of contracts for 100% of new commercial projects Extend application of assessments of companies and service providers for residential programs	Continuous	☺	Incorporation of clauses relating to: undeclared work, construction site safety rules, worker health and safety, environmental certifications, etc. in standard form contracts in 2013. For residential projects, creation of an assessment matrix featuring 7 criteria approved by CERQUAL. This matrix was applied to companies in 2010, and to other service providers (architects, design offices, works management assistants, etc.) as of 2013.	5.5.4.1	Significant
General application of the environmental charter and appendices for 100% of contracts signed with service providers on sites included in the scope of reporting		☺	Application of the environmental charter and appendices for construction, maintenance and cleaning contracts as of December 2013	5.5.4.2	Significant
Strengthen social and environmental clauses for 100% of contracts		☺	Incorporation of clauses relating to: counterfeiting, respect for human rights and labor rights, consumer health and safety, etc.	5.5.4.3	Significant
Calculate the volume of indirect jobs supported at 100% by Group businesses on an annual basis	Continuous	☺	Initial calculation in 2013	5.5.5	Significant
Commit to a sponsorship program in line with the Group's businesses and beliefs	Continuous	☺	3-year renewal of the partnership with Habitat et Humanisme	5.5.6	Moderate

5.2.2. SCOPE OF REPORTING AND GUIDELINES

With the aim of comprehensively measuring the social, societal 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. For greater transparency, the Group bases its reporting on the main national and international indicators and guidelines (GRI CRESS, EPRA, etc.) to facilitate data comparison.

5.2.2.1. Comprehensiveness of reporting scopes and guidelines used

Reporting covers nearly all of Altarea Cogedim's real estate investment and development activities, as well as the operations of its head office. Given the particular characteristics of the e-commerce business, Rue du Commerce features complete social reporting. CSR reporting coverage rates demonstrate the comprehensiveness of this exercise compared to financial reporting.

Comprehensiveness of Altarea Cogedim's non-financial reporting

	CORPORATE	PROPERTY DEVELOPMENT			PROPERTY INVESTMENT	SOCIAL
STANDARD	GRI CRESS	Internal definition ("Reporting methodologies," section 5.6)			GRI CRESS EPRA recommendations CNCC CSR Reporting guide	GRI CRESS
PERIOD	September 1 of the previous year to August 31 of the current year	January 1 of the current year December 31 of the current year			January 1 of the current year to December 31 of the current year	January 1 of the current year to December 31 of the current year
SCOPE OF ACTIVITY	HEAD OFFICE 88,780 ft² (8,248 m²) useful space	RESIDENTIAL 234 programs 18,704 homes	OFFICES & HOTELS 22 programs 3,928,750 ft² (364,997 m²) Floor area or net floor area	RETAIL 5 programs 2,117,000 ft² (196,691 m²) Floor area or net floor area	RETAIL 6,954,500 ft² (646,107 m²) GLA	GROUP (Development, Property investment, E-commerce) 1,286 employees
REPORTING COVERAGE	100%	100%	100%	100%	87.1% (in surface area) 91.0% (in value terms)	100%

5.2.2.1.1. Compliance of reporting with national and international guidelines

In its drive to ensure transparency and a durable environmental reporting process, Altarea Cogedim used the National Council of Shopping Centers (CNCC) sector-specific CSR reporting guide to establish its internal reporting guidelines and non-financial communication.

The CNCC guide, published on July 9, 2013, sets out reporting recommendations suited to the shopping center industry following publication of Article 225 of the Grenelle II Law governing corporate non-financial communication. These recommendations are perfectly compatible with the "Best Practices Recommendations for Sustainability Reporting" of the European Public Real Estate Association (EPRA), released in September 2011, as well as with the sector-specific GRI 4 CRESS (Construction & Real Estate Sector Supplement).

5.2.2.1.2. Reporting period

To ensure consistency with financial reporting, the Group chose, whenever possible, to base its environmental reporting on the same period. Nevertheless, regarding measurement of environmental data for buildings used by the Group (corporate scope), the constancy of data and the length of calculation processes require that we 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.

5.2.2.2. Description of environmental reporting scopes

5.2.2.2.1. 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.

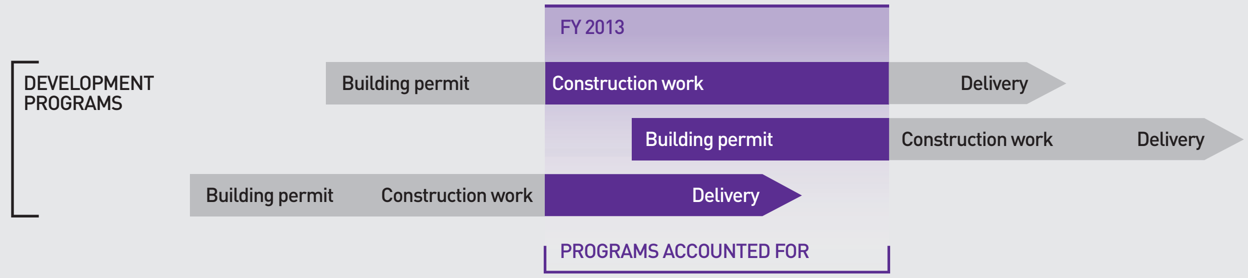
5.2.2.2.2. Scope of reporting for development activities (new developments)

For its Property Development business, the Group developed indicators to assess the true 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 both configurations would provide only partial information on the developer's production. They would thus 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 operations that were delivered in the course of the year. Likewise, it seemed relevant for us to be able to place all these 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 indicator calculations to include office, residential, retail and hotel development projects with a building permit (provisional or permanent), under construction or delivered during the reference year.

Due to the small number of hotel projects under development, office and hotel data have been combined so that the CSR reporting covers all new Altarea Cogedim developments.

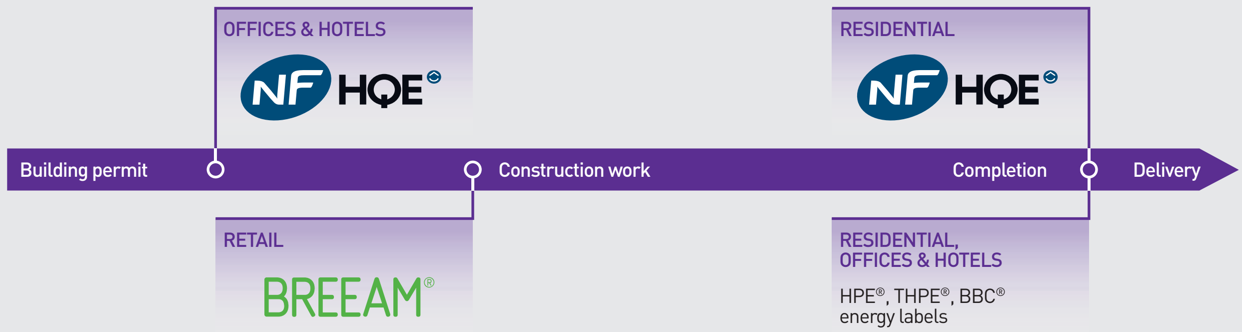
Method of accounting for new developments in the scope of reporting



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 building permits subject to RT 2000/2005 thermal regulations or floor area for building permits subject to RT 2012 thermal regulations.

For better understanding of indicators concerning the development operations, the Group 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 environmental certification/energy labels by asset type



5.2.2.2.3. Description of the reporting scope for investment activities (existing assets)

Scope of ownership

The scope of ownership includes all French assets for which Altarea Cogedim ownership is not nil. Assets included in this scope are those that have been held for at least 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 or if the gross leasable area is greater than 20%.

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

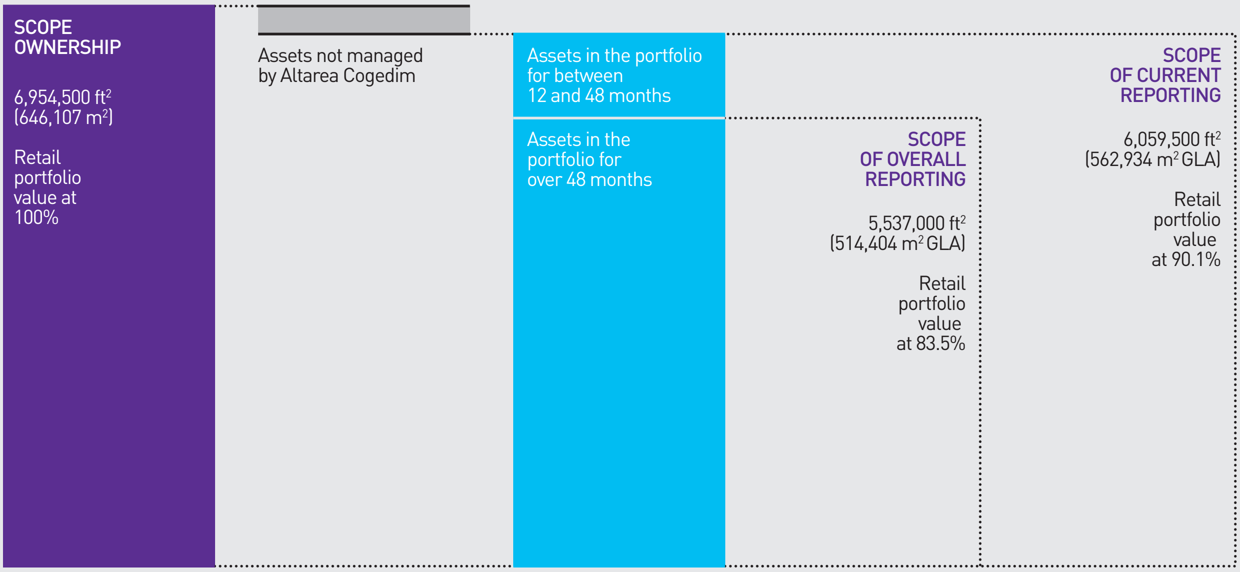
The scope of constant reporting is defined as all assets included in the scope of current reporting that have been held throughout the period under review, i.e., 48 months for the 2010-2013 period. All disposals and acquisitions carried out during the assessment period are excluded from the overall scope.

Due to the portion of the total portfolio it represents, the Cap 3000 shopping center is included in the scope of constant reporting for the period under review. The vast majority of data dating from before the acquisition of the center are known, thus limiting values to be estimated.

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. Furthermore, assets directly managed but not owned by the Altarea Cogedim Group 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 only 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 (except for the OKABÉ center, for which recovery of environmental information of lessees is described in paragraph 5.5.1.3.). Ultimately, the exchange of environmental information through green leases and sector-specific approaches, in partnership with the various suppliers and carriers, should make it possible to consolidate all energy consumption.

5.2.2.3. 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 the Group's ownership.

5.3. ENVIRONMENTAL PERFORMANCE

5.3.1. ENVIRONMENTAL LABELS AND CERTIFICATIONS

Definition of the issue	Development, operation and sale of labeled and/or certified products meeting stakeholder expectations
Materiality level	Capital
Scopes concerned	Development, Property investment

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.

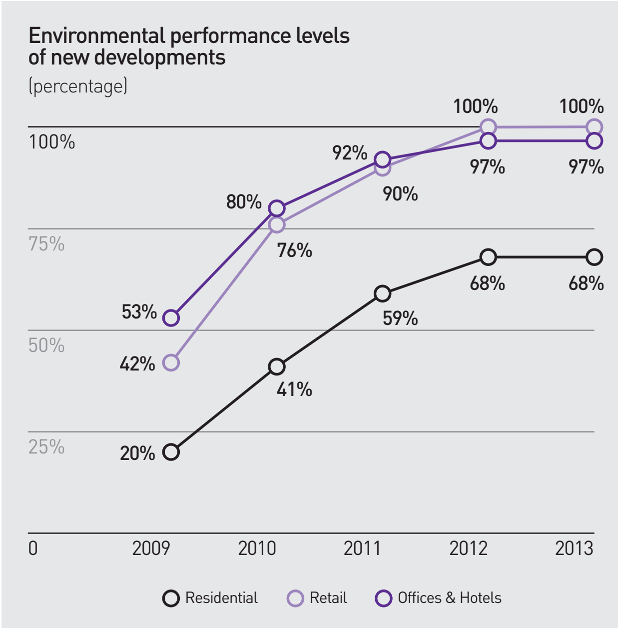
5.3.1.1. Environmental labels and certifications – Property development business

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;
- "Very Good" NF Bâtiment Tertiaire – Démarche HQE® and "Very Good" BREEAM® environmental certification as a minimum requirement for new office developments;
- NF Bâtiment Tertiaire – Démarche HQE® environmental certification for new hotel development projects;
- NF Logement – Démarche HQE® environmental certification for new residential development projects in the Paris Region and some 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 chosen to further heighten the environmental ambitions of its projects in general, to allow all stakeholders to assess the overall quality of the Group's production. As such, the level of "Environmental performance certification" indicator covers all new projects.



Proportion of the surface area (Net floor area or floor space) of Retail property, Offices & Hotels or number of residential properties certified or undergoing the environmental certification process for the standards NF Démarche HQE®, Habitat & 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. Over 98% of commercial space built (Retail property, Offices & Hotels combined) thus earned environmental certification in 2013.

In 2014, the Group will maintain these commitments for residential, retail, office and hotel projects and will continue working to make BREEAM® "Very Good" and NF HQE® "Very Good" levels standard for new office developments.

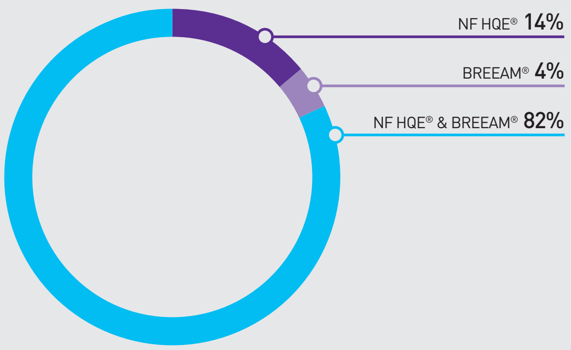
5.3.1.1.1. Environmental certification for new retail developments

In 2013, new retail developments certified or undergoing environmental certification represented 2,117,164 ft² (196,691 m²), i.e. 100% of the Group's total production in terms of surface area.

Altarea Cogedim chooses the certifications best suited to its customers' needs and the context of programs. Dual certification of 82% of its retail projects, i.e. 1,727,532 ft² (160,493 m²) allows the Group to strengthen its environmental performance standards through complementary reference systems.

Breakdown of retail projects by environmental certification

(percentage of surface areas in m² of floor area or net floor area)



The Group systematically seeks out the highest certification levels possible within the technical and economic parameters of the project. Thus, in an effort to make BREEAM® "Very Good" and NF HQE® "Very Good" levels standard:

- 100% of NF HQE® certified programs achieved "Very Good" or higher ("Very Good": 55%, i.e. 1,104,409 ft² (102,603 m²), "Excellent": 45%, i.e. 921,530 ft² (85,613 m²));
- 100% of BREEAM® certified programs achieved a "Very Good" rating (1,818,756 ft² or 168,968 m²).

Analyses of the typical NF HQE® profile for retail projects (based on NF HQE®-certified retail surface area, i.e. 2,025,940 ft² or 188,216 m²) attest to Altarea Cogedim's ability to adapt its programs to the expectations of its stakeholders.

NF HQE® performance profile of retail projects

(percentage of surface areas in m² of floor area or net floor area)

On the one hand, the Group's attention to energy (target 4), water (target 5) and waste (target 6) management, as well as to maintenance (target 7) demonstrates its ability as a shopping center operator to translate principles of responsible and sustainable operations into action as of the design phase.

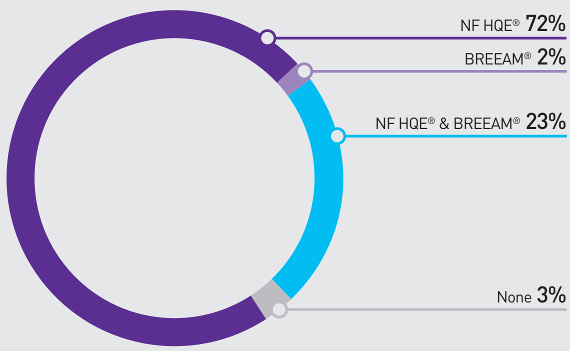
On the other hand, "High-Performance" ratings in comfort and health targets (9, 10, 11 and 13) reflect the Group's commitment to creating shopping centers that promote users' wellbeing.

5.3.1.1.2. Environmental certification of office and hotel projects

In 2013, new office and hotel developments certified or undergoing environmental certification represented 3,821,920 ft² (355,068 m²), i.e. 97% of the Group's total production in terms of surface area. While NF HQE® certification prevailed among these operations, Altarea Cogedim increasingly relies on dual certifications (up 11.1% from 2012) to offer its customers comprehensive environmental solutions.

Breakdown of office and hotel projects by environmental certification

(percentage of surface areas in m² of floor area or net floor area)



Pursuant to its goal of establishing BREEAM® "Very Good" and NF HQE® "Very Good" as standard minimum levels:

- 95% of NF HQE®-certified programs achieve "Very Good" or higher: ("Good": 5% i.e. 193,600 ft² (17,986 m²), "Very Good": 63% i.e. 2,221,864 ft² (206,418 m²), "Excellent": 32% i.e. 1,131,556 ft² (105,125 m²));
- 72% of BREEAM®-certified programs achieve a "Very Good" rating or higher: ("Good": 28% i.e. 286,341 ft² (26,602 m²), "Very Good": 21% i.e. 211,984 ft² (19,694 m²), "Excellent": 51% i.e. 508,304 ft² (47,223 m²)).

NF HQE® performance profile of office and hotel projects

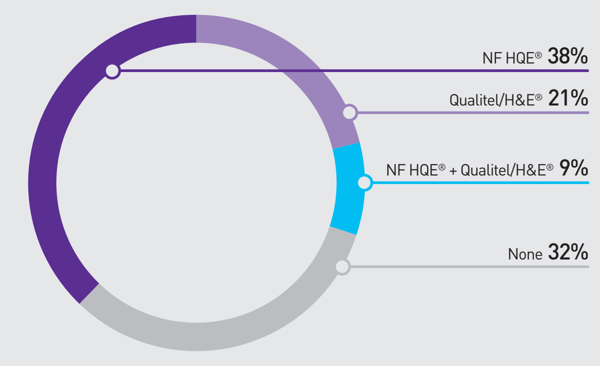
(percentage of surface areas in m² of floor area or net floor area)

Analyses of the typical NF HQE® profile of office and hotel projects (on the basis of office and hotel surface areas obtaining NF HQE® certification, i.e. 3,729,178 ft² or 346,452 m²) also highlight the Group's ability to anticipate operating issues (energy, water, waste and maintenance management), as well as its emphasis on health (particularly air quality: targets 2, 11 and 13), in line with the expectations of its stakeholders.

5.3.1.1.3. Environmental certification of residential projects

In 2013, new housing developments certified or undergoing environmental certification represented 12,651 units, 68% (in number) of the Group's total production. This figure is stable compared to 2012 and speaks to excellent certification levels in Paris-Region projects and more modest levels in other French regions. These certifications come in addition to the qualitative NF Logement® certification established for 100% of housing built by Altarea Cogedim.

Breakdown of residential projects by environmental certification
(percentage of homes by number)



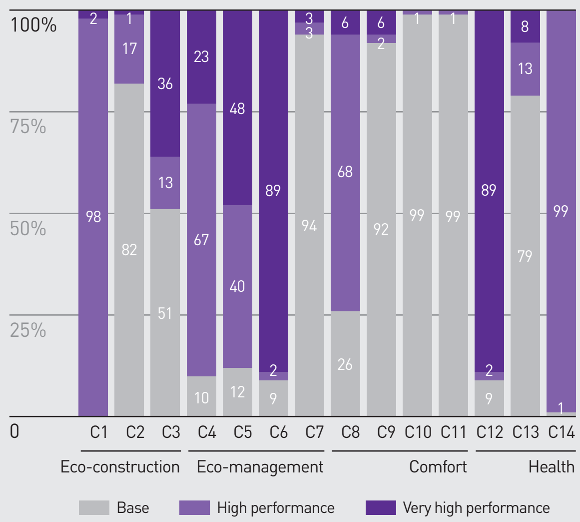
Given the demands and expectations of Altarea Cogedim's customers, the main certification sought is NF Logement – Démarche HQE®. Qualitel and Habitat & Environnement (H&E) certifications are nearly always present on projects in which a social landlord is positioned upstream to acquire the operation. In these particular cases, we systematically design the environmental profile along with the social landlord.

The typical NF HQE® profile of residential programs (on the basis of NF HQE® certified units, i.e. 8,799 homes) demonstrates Altarea Cogedim's interest for the "elected official" and "buyer" targets. Its "High-Performance" and "Very High-Performance" incorporation of projects into their surrounding environments (target 1), and management of energy, water and waste (targets 4, 5 and 6), are primarily directed at policy makers and investors.

Altarea Cogedim addresses occupant comfort and health, particularly through "effective" treatment levels of target 8 (hygrothermal comfort); however, these levels should nonetheless be further heightened in future years.

On the other hand, 65% of the 5,094 homes certified Qualitel/H&E enjoy a level A Habitat & Environnement profile, the most ambitious in this certification framework.

NF HQE® performance profile of residential projects
(percentage of homes by number)

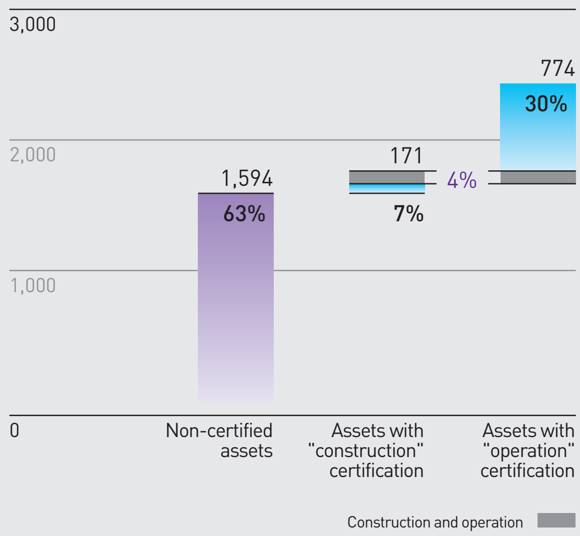


5.3.1.2. Environmental labels and certifications – Property investment business

At the end of 2013, Altarea Cogedim assets having obtained environmental certification for their construction or operations represented 2,325,435 ft² (216,040 m²) GLA, i.e. 33% of the Group's portfolio in value terms:

- 7% certified in construction;
- 30% certified in-use;
- 4% featuring both types of certification.

Portfolio environmental certification
(€ millions)



5.3.1.2.1. Environmental certification in construction

Existing centers having received environmental certification in construction represent a Net floor area of 774,248 ft² (71,930 m² or 668,200 ft² (42 050 m²) GLA), or 7% of the portfolio in value terms. These assets obtained "Very Good" NF Bâtiment Tertiaire – Démarche HQE® certification for 100% of applicable surface areas. This rate is set to increase significantly over the coming years, as all retail sites under development are now subject to one or more environmental certifications.

Performance profile of portfolio assets with NF HQE® construction certification (percentage of net floor area or floor space in m²)

Originally planned for offices, NF HQE® was adapted to retail sites via four pilot projects, including the Okabé shopping center in the Group's portfolio. Altarea Cogedim has since refined its strategy and the reference system to accommodate the specificities of retail projects, hence the different performance profiles for new developments.

5.3.1.2.2. Environmental certification in-use

Since 2012, Altarea Cogedim has been committed to progressive environmental certification of its assets currently in operation, choosing BREEAM® In-Use certification.

In 2013, the Group launched a BREEAM® In-Use audit on 10 major assets and certified six of these properties for a total leasable area of 2,029,427 ft² (188,540 m²), i.e. 30% of the portfolio included within the scope of reporting in value terms. These certifications focus on the "Asset" and "Management" categories of the reference system.

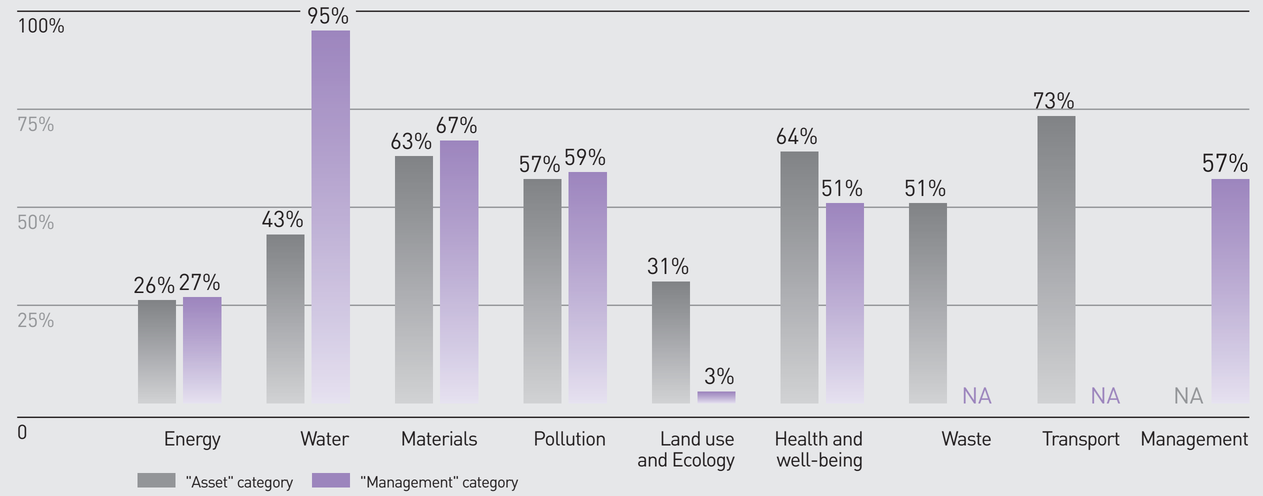
Performance levels achieved break down as follows, according to the value of the six certified assets:

- Asset category: 9% "Very Good", 91% "Good";
- Management category: 100% "Good."

For each category, a score is calculated according to different components, all scored at 100 points.

The graph below shows the breakdown obtained by averaging the scores of the six sites, weighted according to their surface areas. It highlights the areas in which Altarea Cogedim is concentrating its efforts to improve in upcoming financial years, particularly with regards to energy and biodiversity. The Group has taken steps in these areas, and these actions are described in the relevant sections.

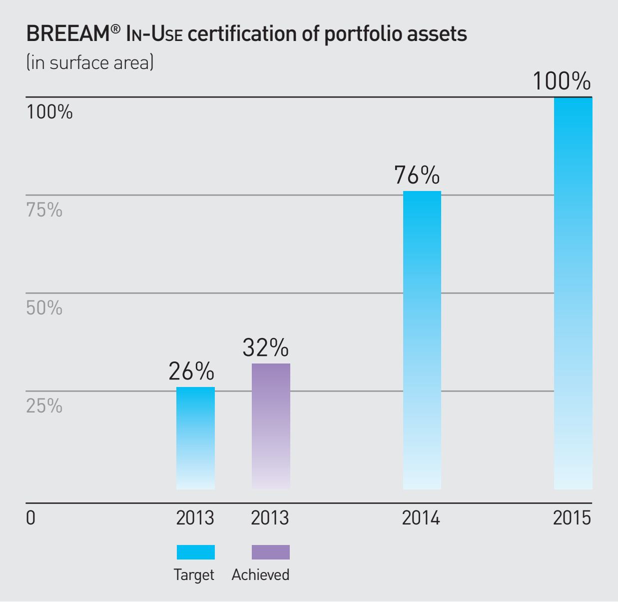
Performance profile of portfolio assets with BREEAM® In-Use certification
(percentage)

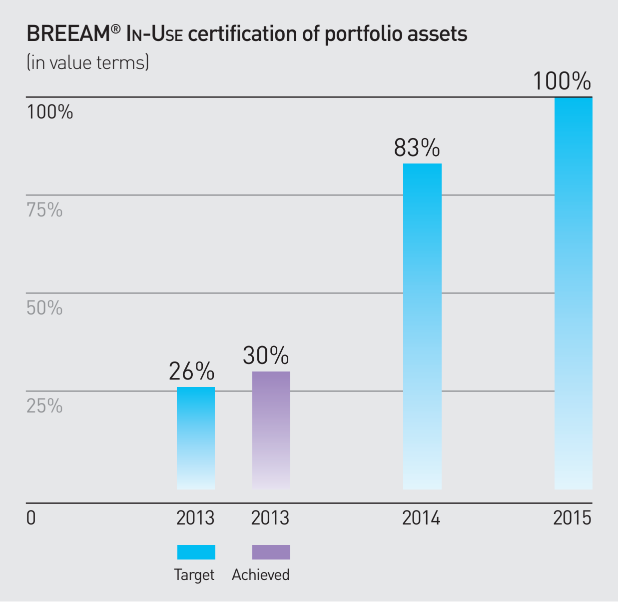


Note: The "waste" and "transportation" sections relate only to the "Asset" scope of certification, while the "management" category relates only to the "Management" scope of certification.

The certifications and scores obtained are extended as center management teams begin to use the ALTAGREEN Patrimoine Environmental Management System for operations. This tool organizes and improves the reliability of extra-financial reporting, and disseminates best practices and requirements for environmental certification.

Altarea Cogedim has committed to certifying 100% of the assets within its scope of reporting under the BREEAM® In-Use reference system by the end of 2015.





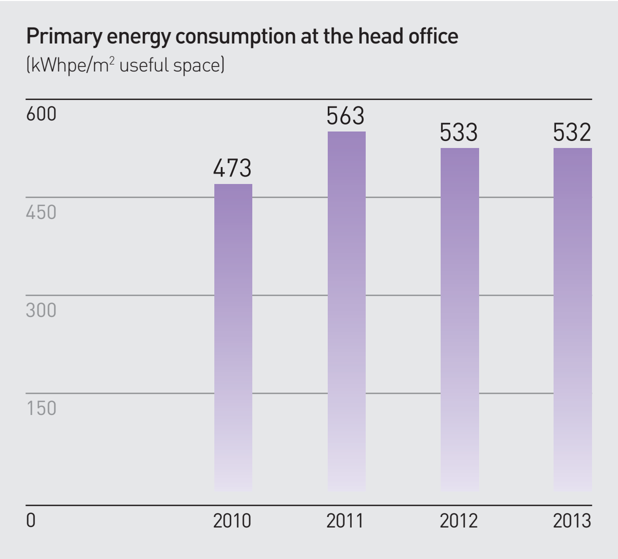
Targets were exceeded in 2013. In 2014 and 2015, the Group will maintain is goal of BREEAM® In-Use certification by committing to achieving at least "Good" ratings in the "Management" category for the first certifications of each site, and at least "Very Good" in subsequent reevaluations.

5.3.2. ENERGY EFFICIENCY

Definition of the issue	Design and construction of new energy-efficient projects. Reduction of energy consumption for portfolio assets
Materiality level	Significant
Scopes concerned	Corporate, Development, Property investment

5.3.2.1. Energy efficiency – Corporate scope

Altarea Cogedim monitors the annual energy consumption of its head office at 8 avenue Delcassé, Paris 8th *arrondissement*. As a tenant of these premises, all energy efficiency indicators are reported by the building owner.



Over the 2010 – 2013 period, primary energy consumption rose by 12.5%, reflecting in large part a more intense usage of the building consistent with the addition of new staff in the past three years. Primary energy consumption at the head office was roughly equivalent to 2012 levels.

In addition, the basement of the Altarea Cogedim head office underwent new developments. The new technical equipment installed (motion sensor lighting, variable rate fan coil units, etc.) along with a policy of increasing awareness among employees should help reduce Group energy consumption.

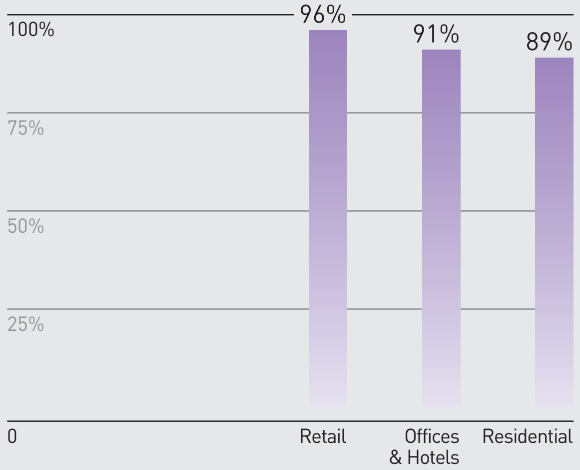
5.3.2.2. Energy efficiency – Property development business

As early as 2010, the Group undertook to systematically ensure BBC® RT 2005 energy efficiency levels for all new developments, regardless of project type, in anticipation of the gradual application of RT 2012 standards. A year after the new thermal regulation entered into force for all types of assets, Altarea Cogedim is working to make a minimum of HPE 2012 (RT 2012 – 10%) energy efficiency standard for all new office projects.

To improve the performance of its development projects and more accurately assess actual future energy consumption, Altarea Cogedim conducts additional studies for less standard projects and large-scale projects, i.e. all commercial operations and nearly all office & hotel projects. To go beyond the regulatory calculation that assesses only conventional performance, the Group carried out Dynamic Thermal Simulations for office, retail and hotel projects. It will do the same for residential projects in upcoming years. These simulations allow the Group to assess the future energy needs of a building by incorporating input from users and the actual power installed. Extremely precise, these studies help us make construction choices by presenting different scenarios: the possibility of night ventilation, optimization of the light dimming system, placement of fixed shading devices, etc.

To ensure transparency in the energy efficiency of its production, Altarea Cogedim has decided to report on all retail, office, hotel and residential projects by energy efficiency level. All energy efficiency levels are set out in the description of our methodology in section 5.6.1.3.2.

Energy performance levels of new developments
(percentage)



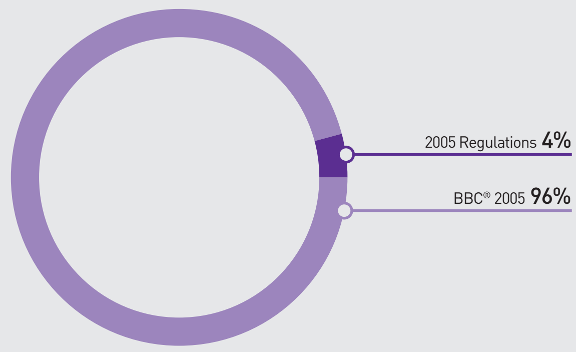
Percentage of projects (in Net floor area or floor area for retail, office and hotel property, or in number of housing units) that exceed the energy requirements of the thermal regulations applicable (RT 2005, RT 2012).

5.3.2.2.1. Energy efficiency of retail projects

In 2013, new retail developments that featured energy efficiency beyond what was required by applicable thermal regulations represented 2,025,940 ft² (188,216 m²), i.e. 96% of the Group's total retail production in terms of surface area.

Although down 4% from 2012 due to a partially restored project, this high score reflects Altarea Cogedim's commitment to building and operating energy-efficient centers and to protecting and heightening the value of its future retail assets.

Breakdown of retail projects by energy performance level
(percentage of surface areas in m² of floor area or net floor area)

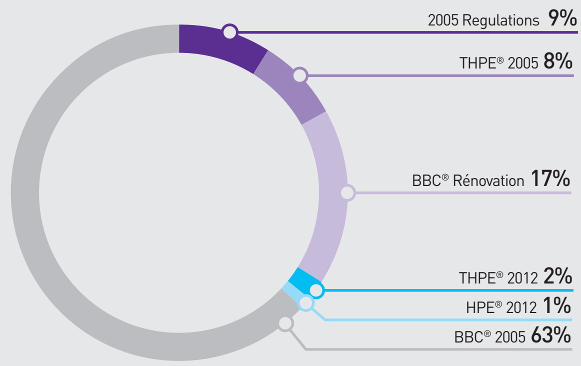


To go even further, Dynamic Thermal Simulations were carried out for 100% of retail projects. These studies provide a real scenario that is consistent with the use to be made of the building. They therefore allow Altarea Cogedim to guarantee the energy efficiency of each type of new development.

5.3.2.2.2. Energy efficiency of office and hotel projects

In 2013, new office and hotel developments that featured energy efficiency beyond what was required by applicable thermal regulations represented 3,593,025 ft² (333,803 m²), i.e. 91% of the Group's total production in terms of surface area. This figure was up 2 points compared to 2012 despite a new thermal regulation that came into force on January 1, 2013, demonstrating Altarea Cogedim's technical ability to anticipate future requirements.

Breakdown of office and hotel projects by energy performance level
(percentage of surface areas in m² of floor area or net floor area)



Pursuant to the Group's 2013 goal of making a minimum of HPE 2012 (RT 2012 – 10%) energy efficiency standard for all new office projects, 100% of new projects in 2013 subject to RT 2012 regulations comply with or exceed HPE 2012 levels.

On the other hand, to ensure proper functioning of technical equipment, including systems responsible for heating/cooling production and output, a commissioning process will be established for all new office projects as of 2014. This series of controls will ensure that equipment functions properly and will prevent excessive energy consumption due to faulty operation or poor calibration.

5.3.2.2.3. Energy metering systems

For commercial projects that undergo environmental certification – 98% of its production -, Altarea Cogedim goes beyond regulatory requirements for energy metering and makes equipment for monitoring energy consumption available to occupants.

"High-Performance" and "Very High-Performance" treatment of maintenance criteria (NF HQE® target 7) also guarantees energy metering of ventilation, heating, hot water, lighting, cooling, and electromechanical equipment, as well as parking lot and outdoor lighting for:

- Retail property: 100% (2,025,940 ft² or 188,216 m²) of NF HQE®-certified projects, i.e. 96% (in surface area) of the Group's total production;
- Offices and hotels: 95% (3,547,020 ft² or 329,529 m²) of NF HQE®-certified projects, i.e. 90% (in surface area) of the Group's total production;

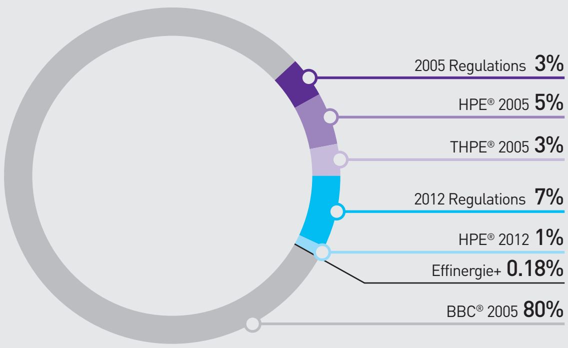
These systems empower occupants, giving them the tools necessary to understand their consumption in detail by use or zone and to rapidly identify sources of overconsumption.

5.3.2.2.4. Energy efficiency of residential projects

In 2013, new residential developments that featured energy efficiency beyond what was required by applicable thermal regulations represented 16,613 units, 89% of the Group's total housing production.

This figure, up 3 points from 2012, yet again proves Altarea Cogedim's ability to anticipate new regulatory requirements on different types of assets.

Breakdown of residential projects by energy performance level
(percentage of homes by number)



5.3.2.3. Energy efficiency – Property investment business

In 2013, Altarea Cogedim pursued two complementary actions to further reduce the energy consumption and CO_2 emissions of its portfolio.

The first concerned carrying out energy audits, thus making it possible to develop on-site assessments of energy consumed for each asset, particularly by analyzing structure, technical facilities and operational management. These audits, conducted once per site, allowed the Group to identify different scenarios and establish recommendations useful for defining actions in the short, medium and long term. These action plans involve energy efficiency at the sites along with the optimization and even renewal of technical equipment. They also establish thermal recommendations for the next overall renovation of the shopping center. This first initiative applied to Altarea Cogedim's entire Property Portfolio in 2012 and 2013.

At the same time, the Group began to develop an Environmental Management System for Operations (EMS), which is being extended to all assets. 100% of technical and operational teams will have received training in this tool by March 30, 2014. The EMS will allow for gradual improvement of environmental performance (and thus energy efficiency) of shopping centers by thorough implementation of best practices for operations and reporting.

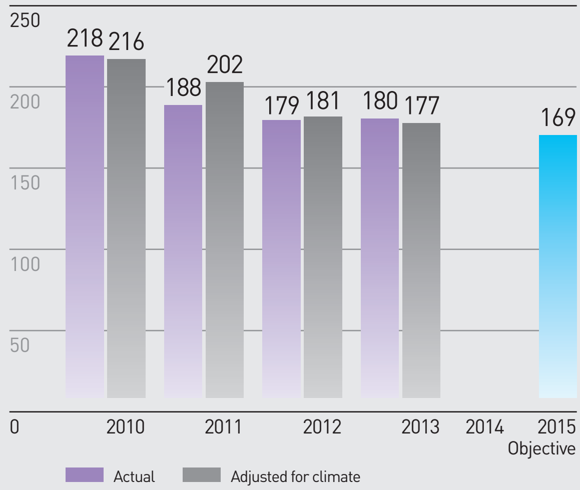
Combining these two actions aims to continuously improve assets' environmental performance and achieve the objectives the Group has set:

- 22% reduction in primary energy consumption per m² from 2010 to 2015;
- 24% reduction in greenhouse gas emissions per m² from 2010 to 2015.

These consolidated ratios include various types of assets with different energy profiles:

- Shopping centers with a central area that is heated and air-conditioned with lessee water loops consume the most energy;
- Lifestyle Centers with a central area that is not heated and air-conditioned but has a lessee water loop consume an average amount of energy;
- Lastly, Retail Parks/Family Villages® with open central spaces without water loops consume the least amount of energy among retail assets.

Portfolio energy consumption
(like-for-like in kWhep/m²)



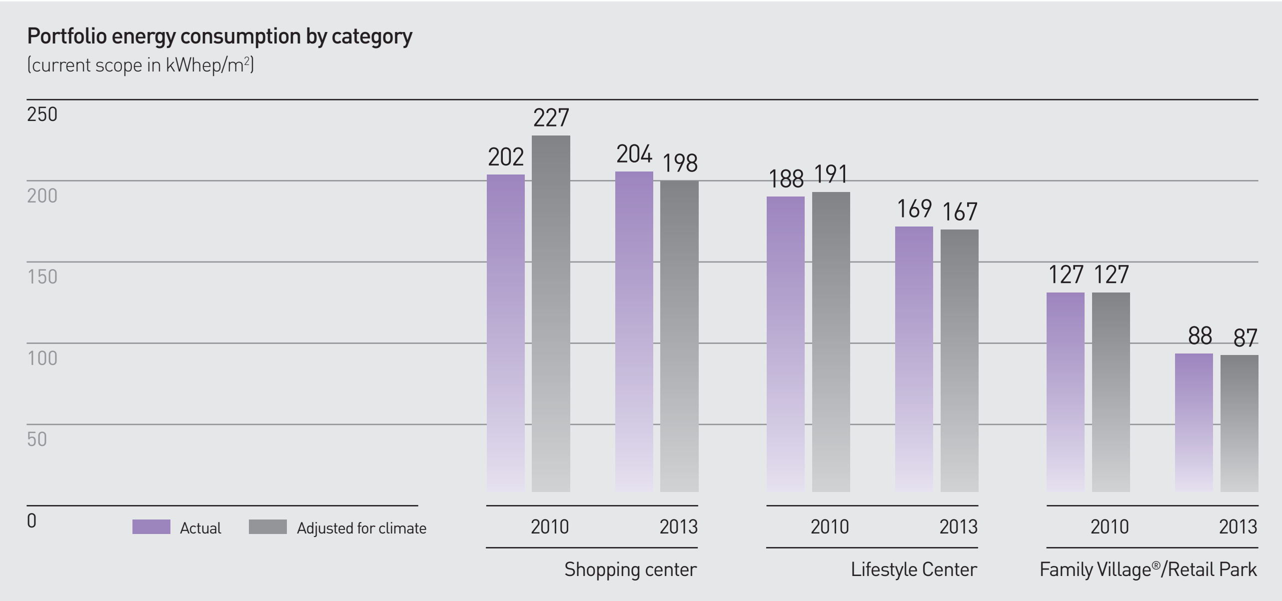
At the end of 2013, this approach to energy efficiency led to a 17.1% like-for-like reduction in energy consumption when compared with 2010.

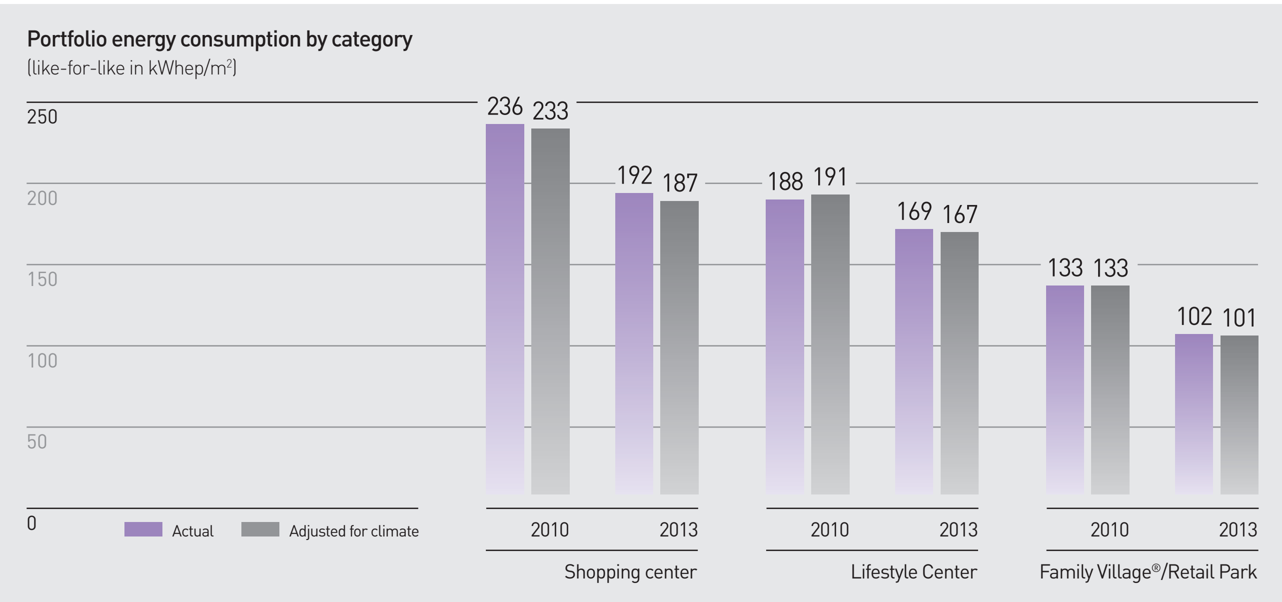
In 2013, the Group also adopted a tool allowing it to smooth the effects of weather on energy consumption so as to better assess the real impact of its efficiency efforts. As 2013 weather conditions were rather unfavorable, the reduction in consumption is even greater if examined at a constant climate: an 18.4% drop in energy consumption between 2010 and 2013.

These consolidated results are in line with the Group's reduction targets for the end of 2015.

In the current scope integrating assets under management, acquisitions and new assets entering into operation, we noted a 2.8% decline in primary energy consumption over 2010 – 2013. Energy savings were achieved mainly in the Family Village®/Retail Park and Lifestyle Center asset classes. A slight rise in energy consumption for the shopping center asset class at current scope reflects incorporation of a large, energy-intensive shopping center (Cap 3000 in Saint-Laurent-du-Var) for which comprehensive renovations are planned.

Over the period, poor weather led to an increase in energy consumption associated with heating and cooling. Consumption adjusted for a constant climate demonstrates that the impact of efforts to reduce energy consumption is greater than first meets the eye: like-for-like, the reduction at a constant climate amounts to 13.5% between 2010 and 2013.

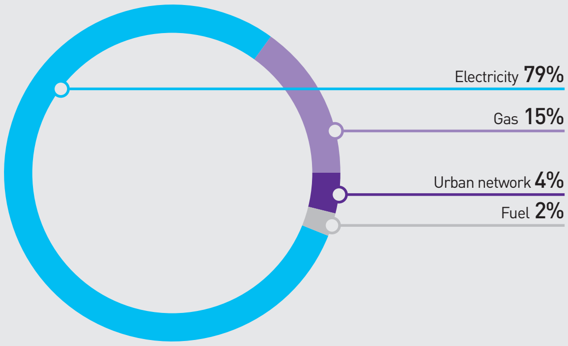




79% of the portfolio's energy needs are supplied by electricity. Energy consumption breaks down into consumption by the common areas and by private areas managed directly by Altarea Cogedim. This energy mix is also reflected in final energy, which better represents Altarea Cogedim's choice in terms of energy supply.

The Group's portfolio is powered exclusively by EDF Group, which uses very little carbon. The energy supplied is 75.5% nuclear, 8.9% thermal, 6.5% gas and cogeneration, 7.2% hydraulic, and 1.9% other renewable energies (source: EDF).

Portfolio energy mix
(current scope)



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.

EPC ranking (current scope)	kWhep/m²/year	Number of sites	GLA surface private areas Altarea	%
A	≤ 80	5	98,392 m²	18%
B	81 to 120	2	58,069 m²	10%
C	121 to 180	6	154,290 m²	27%
D	181 to 230	5	146,226 m²	26%
E	231 to 330	5	99,731 m²	18%
F	331 to 450	1	4,564 m²	1%
G	> 450	1	1,661 m²	0%
		25	562,934 m²	100%

5.3.3. LAND MANAGEMENT AND BIODIVERSITY

Definition of the issue	Land use, preservation and development of biodiversity for new developments and existing sites
Materiality level	Significant
Scopes concerned	Development, Property investment

5.3.3.1. Land management and biodiversity – Property development business

5.3.3.1.1. Land management

Choosing and optimizing the use of land are part of Altarea Cogedim's development business. The Group is in favor of using land reasonably in its residential, office, hotel and retail projects, in a way that balances the density of the programs and the preservation of free green space. Office restoration projects thus represent 1,076,390 ft² (100,000 m²), i.e. 29% of commercial real estate projects under development. More broadly, nearly all commercial programs are rehabilitation or redevelopment of neighborhoods and development zones. When we study the feasibility of an operation on a building, different scenarios are imagined. The most appropriate solution is selected according to the project's technical and economic constraints.

For residential projects, particular attention is given to preserving green spaces. 82% of programs enjoy an unbuilt area at least equal to that taken up by the building. These green spaces contribute to occupants' well-being, especially in urban areas.

5.3.3.1.2. Biodiversity

Mandatory in the context of urban planning authorizations for large-size commercial projects, assessments of respect for and preservation of biodiversity are more in-depth for environmental certifications.

In particular, the Group routinely uses an ecologist for new projects undergoing BREEAM® certification. An ecologist was consulted for 100% of BREEAM®-certified commercial operations (offices, hotels and retail projects) in terms of surface area, i.e. 2,825,386 ft² (262,487 m²).

These studies are conducted by an environmental specialist. They 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.

In addition, in 2014 the Group will launch residential programs featuring a biodiversity component that includes green areas and the installation of beehives. The initiative is designed to educate housing occupants and Group employees alike in issues of biodiversity.

5.3.3.2. Land management and biodiversity – Property investment business

5.3.3.2.1. Land management

The municipalities in which Altarea Cogedim shopping centers are located have land-use plans (POS or *Plan d'Occupation des Sols*) or a local development plan (PLU or *Plan Local d'Urbanisme*). These documents establish a land-use coefficient (LUC) that must be respected. The LUC is on average 0.3 for assets included within the scope of reporting. This coefficient corresponds to the built area (excl. parking lot) divided by the land area and represents the density of the construction on a site.

5.3.3.2.2. Biodiversity

In the investment business, the Group works to respect and preserve biodiversity in commercial property assets by gradually rolling out BREEAM® In-Use environmental certification, as described in paragraph 5.3.1.2.2.

To better meet the requirements of this operational certification, which includes a biodiversity component, audits for each asset class will be conducted in 2014. The Group is committed to establishing a biodiversity action plan at 100% of sites included within the scope of reporting by the end of 2015.

5.3.3.2.3. Groundwater pollution

According to Article L. 1331-5 of the French Public Health Code or where required by planning regulations, water discharged into nature other than domestic waste must be treated.

Rainwater runoff from shopping centers thus undergoes treatment with oil-water separators at 17 Group sites, i.e. 82% of the portfolio included within the scope of reporting in terms of surface area. Specialized companies clean this equipment at least once a year with hazardous waste monitoring slips archived onsite.

5.3.3.2.4. Soil pollution

The presence of pollutants in the ground represents a health risk to persons frequenting Group shopping centers. There are no specific regulations regarding contaminated sites and soils. 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 drawn up at the disposal or acquisition.

According to the results of these studies, Altarea Cogedim carries out corrective actions to problems detected on 100% of sites concerned.

5.3.4. WASTE DISPOSAL AND RECYCLING

Definition of the issue	Reduction in the Group's direct and indirect waste production, waste sorting and work with waste conversion sectors
Materiality level	Significant
Scopes concerned	Corporate, Development, Property investment

5.3.4.1. Waste disposal and recycling – Corporate level

648 tons of waste was produced at the Altarea Cogedim head office in 2013, up 21.1% compared to 2010. This increase primarily reflects a more intense use of the building consistent with the addition of new staff in the past three years.

5.3.4.2. Waste disposal and recycling – Property development business

5.3.4.2.1. Construction-site waste

In its development business, Altarea Cogedim relies on environmental certifications in its quest to improve waste treatment.

The Group thus requires that construction companies carry out selective sorting and detailed monitoring of construction-site waste for all commercial operations receiving certification, i.e. 98% (of surface areas in m²) of its commercial production.

A Group construction site charter was also implemented for all new residential projects. Beyond limiting construction-related nuisances, this charter imposes measures to limit the production of waste at the source, to identify waste on site, ensure tracking until its final destination and conduct effective and efficient recovery of waste.

To optimize the management of construction-site waste in its development business, the Group may impose a minimum rate of waste recovery for all construction companies in the medium term.

On the other hand, rehabilitation work represents an important part of commercial projects. By reusing existing building structures, the Group considerably limits its waste production.

5.3.4.2.2. Waste sorting

For its new constructions and in the context of environmental certifications (Habitat & Environnement, NF Démarche HQE®, BREEAM®, LEED®), the Group systematically set up facilities and spaces for easy selective sorting by future users and operators. This is evidenced in the percentage of projects enjoying "High-Performance" or "Very High-Performance" NF-ratings in HQE® target 6 – Waste management:

- Retail property: 100% (2,025,940 ft² or 188,216 m²) of NF HQE®-certified operations, i.e. 96% (in surface area) of the Group's total production;
- Offices and hotels: 87% (3,263,262 ft² or 303,167 m²) of NF HQE®-certified operations, i.e. 83% (in surface area) of the Group's total production;
- Residential property: 81% (7,105 units) of NF HQE®-certified operations, i.e. 38% (in number of units) of the Group's total production.

5.3.4.3. Waste disposal and recycling – Property investment business

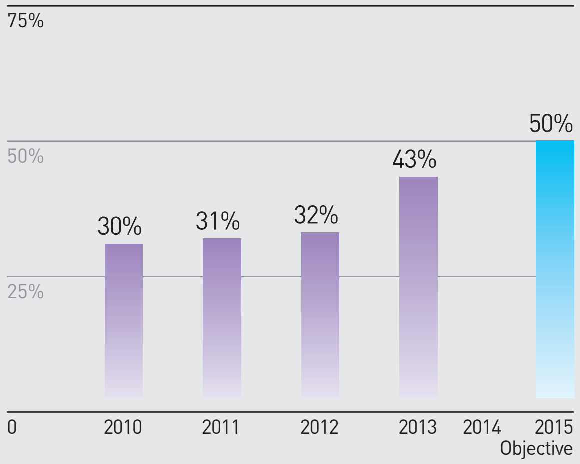
In the current scope, Altarea Cogedim achieved a 2% decline in waste production. The breakdown between different asset classes reveals a net reduction in shopping centers (-7.8%), due in part to more accurate billing of waste removed from large sites such as Espace Gramont in Toulouse. Increases in Lifestyle Centers (+16.8%) and Family Village®/Retail Parks (+4.7%) were due in particular to an increase in the proportion of waste managed directly by the Group at large sites such as Carré de Soie in Vaulx en Velin.

At a constant scope, waste produced fell by 3% from 2010 to 2013.

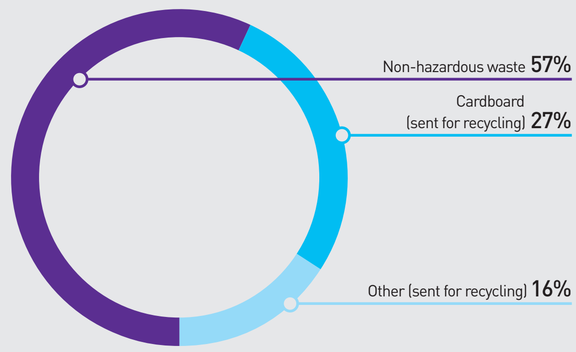
The Group's action focuses not only on producing less waste, which is primarily generated by tenants and over which Altarea Cogedim has no control, but also on increasing sorting rates and rates of energy or managed waste recovery.

The breakdown of waste in the portfolio is 57% for mixed non-hazardous industrial waste and 43% for cardboard and other recycled waste. The percentage of waste that was recycled rose sharply during the year, from 32% in 2012 to 43% in 2013. This was achieved thanks to sorting initiatives; for example, the Group monitored retailers' sorting practices more closely and introduced new types of recyclable waste (glass, fermentable waste, etc.). Since 2010, the percentage of waste that is recycled has increased 46% like-for-like, which is perfectly in line with our target of sorting 50% of our waste in 2015.

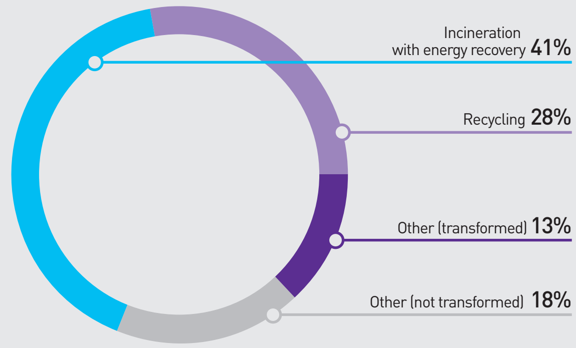
Percentage of waste sorted in portfolio assets
(current scope)



Breakdown of tons of waste produced by sorting category
(percentage)



Breakdown of tons of waste produced by end-of-life category
(percentage)



This waste is then processed by service providers selected to maximize recovery rates. In 2013, 28% of the waste produced in centers managed by the Group was recycled, 41% was incinerated with energy recovery and 13% was recovered in another way (reuse or composting, for example). All in all, 82% of waste is recovered, which is consistent with our goal of 80% recovery.

Altarea Cogedim's efforts are thus focused on awareness-raising among tenants, responsible waste sorting practices and the selection of service providers responsible for recycling, recovering and ensuring the traceability of waste under new service agreements. As waste volumes are directly related to tenants' levels of business activity, the Group focuses on regularly increasing the percentage of waste sorted with an eye to facilitating recovery and transformation.

5.3.5. GHG EMISSIONS AND CARBON IMPACT

Definition of the issue	Implementation of an overall GHG emissions reduction policy and adjustment of Group businesses and internal activities to take account of climate change
Materiality level	Moderate
Scopes concerned	Group, Corporate, Development, Property investment

5.3.5.1. Altarea Cogedim Group's GHG emissions

The Group's total emissions came to 656,300 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 Greenhouse Gas (GHG) Protocol.

The methodology used to calculate these emissions is compatible with the Bilan Carbone® assessment, the GHG Protocol and the ISO 14064 standard.

Altarea Cogedim also reports on emissions compatible with the regulatory GHG Assessment (Article 75 of the Grenelle II Law), even though it is not subject to this regulation.

Calculation methods for each activity are described in paragraph 5.6.1.2.

5.3.5.1.1. Altarea Cogedim Group's carbon footprint

Altarea Cogedim's overall emissions consist of emissions related to the following activities:

- Corporate (head office, regional subsidiaries);
- Property Investment (assets in operation);
- Property Development (new developments);
- Online retail/e-commerce (Rue du Commerce).

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.

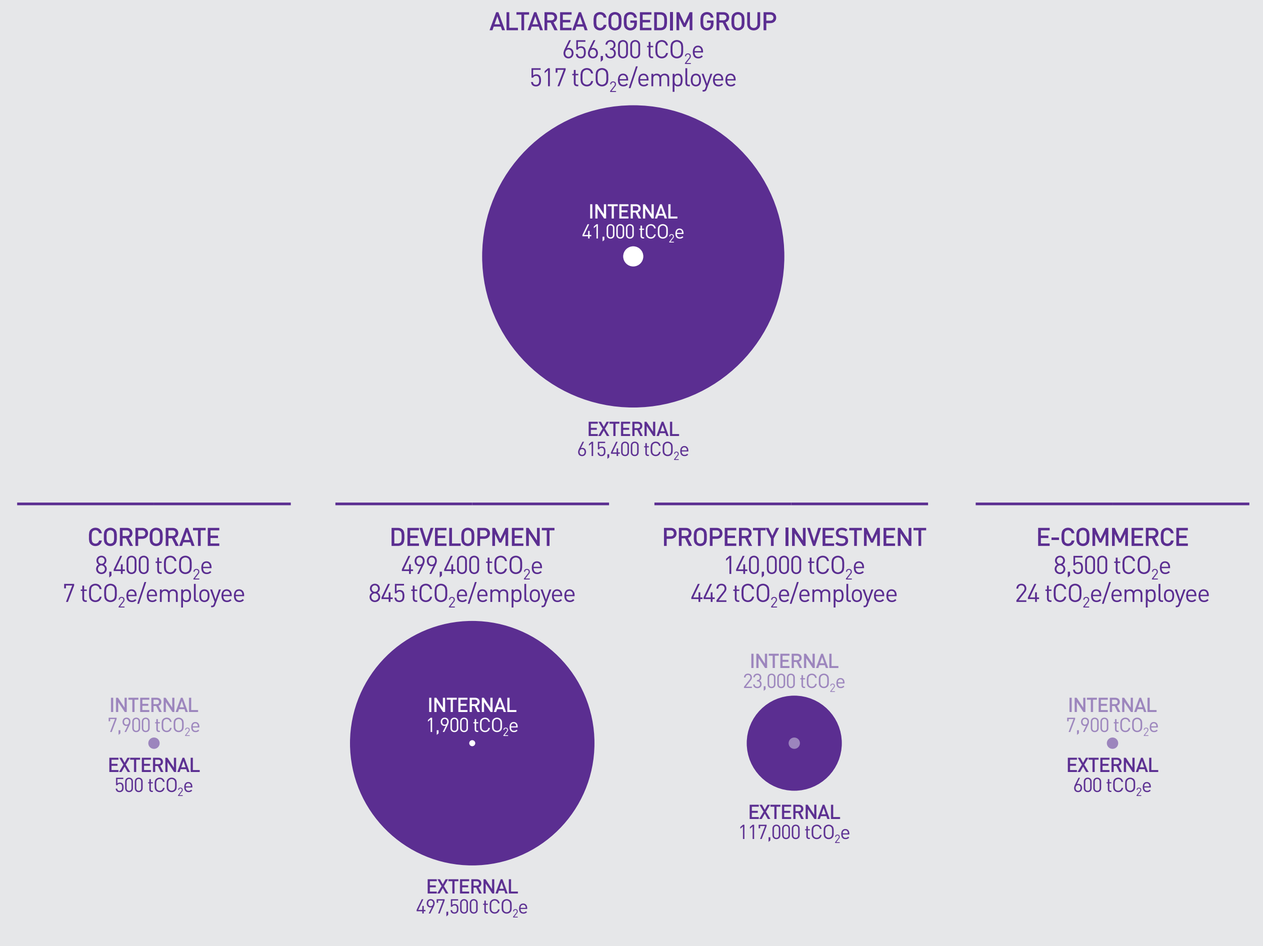
"Internal" emissions are directly generated by the Group and its employees, e.g. employees' daily commutes or energy used in shopping center common areas.

"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.

The breakdown of emissions according to various scopes, in accordance with the GHG Protocol and Article 75 of the Grenelle Environment Round Table, is presented in paragraph 5.7.1.2.

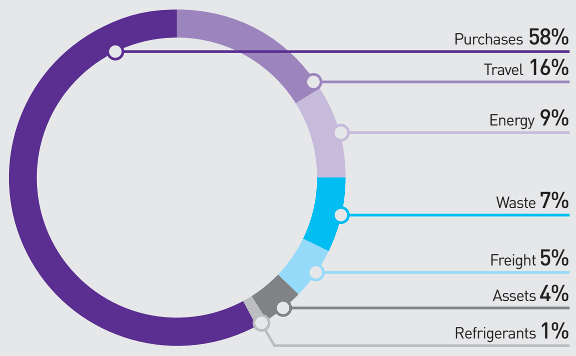
Breakdown of Altarea Cogedim's carbon footprint
(tCO_2e and tCO_2e/employee)



The development business accounts for 76% 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 21% of overall emissions, of which 17% are internal as they are directly managed by Altarea Cogedim. Corporate and e-commerce activities each account for only 1% of overall emissions.

Consolidated at the Group level, the two items that generate the most emissions are procurement and travel. These are due primarily to purchasing of construction materials and visitor travel to Group shopping centers, respectively.

Breakdown of Group emissions by item
(percentage)



5.3.5.1.2. Reducing the Group's carbon footprint

This overall analysis coupled with detailed analysis of each Bilan Carbone® allows Altarea Cogedim to determine where priority actions are needed and to establish action plans to reduce greenhouse gas emissions in each of its activities. Given that the majority of emissions come from development and investment, these businesses have much more highly developed action plans than the corporate and e-commerce segments, which represent less than 2% of total direct and indirect emissions.

- In the corporate scope, travel makes up 55% of emissions. The Group focuses on reducing the emissions of employee and management vehicles. In 2013, the fleet's CO_2 emissions amounted to 127.6 gCO_2e/km, down 6.1% from 2012. This approach is coupled with increased videoconferencing for meetings between subsidiaries and the head office.
- The Group's real estate activities represent over 98% of its carbon footprint. Altarea Cogedim has thus established action plans and indicators to control the greenhouse gases produced by its buildings over their entire lifecycle.

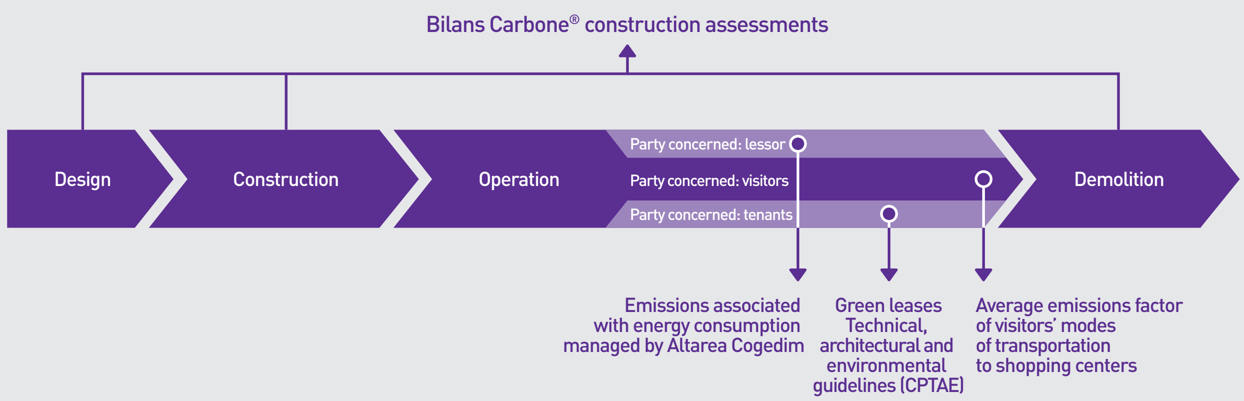
A building's design phase, construction and end-of-life are taken into account when assessing the carbon footprint of a project. In our development business, 76% of emissions are due to purchasing of construction materials, and 8% are due to waste production during demolition. Bilan Carbone® construction assessments (see paragraph 5.3.5.3.1) allow Altarea Cogedim employees and partners to create projects with a low carbon impact, for example by choosing low-carbon construction methods or materials.

The choice of a project site and its proximity to transportation are also crucial. In our investment business, 58% of emissions are due to transportation, primarily by visitors traveling to shopping centers. The challenge of eco-mobility, at once societal and environmental, leads the Group to choose well-connected sites and to measure its progress through a series of indicators on proximity to transportation (see paragraph 5.5.2).

Shopping center energy consumption represents the second largest source of greenhouse gases: 23% of consolidated emissions. These emissions are taken into account in both the design of new retail projects based on Dynamic Thermal Simulations and during operation, through energy audits that give rise to action plans to reduce consumption in areas managed by Altarea Cogedim (see paragraph 5.3.2.3). Meanwhile, environmental data sharing and limiting lessee energy consumption are formalized in green leases and the Technical, Architectural and Environmental Requirements (TAER) signed by tenants (see paragraph 5.5.1.3). Going even further, Altarea Cogedim conducted an initial study in 2013 that aimed to measure lessee energy consumption in the Okabé shopping center in Kremlin Bicêtre. The results will serve as a basis for establishing an action plan to reduce energy consumption across the site.

- As online retail represents only 1% of total emissions, reducing its carbon impact is not considered a priority.

Reducing the overall carbon footprint of a shopping center



5.3.5.1.3. Anticipating and adapting to climate change

Altarea Cogedim has considered the risks climate change presents for its business. These risks can take various forms, such as flooding or heat waves. 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 in analyzing its carbon dependence.

By conducting a precise calculation of its businesses' greenhouse gas emissions, Altarea Cogedim intends to reduce them. More importantly, it strives to anticipate future developments to limit its economic vulnerability.

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 full or partial repercussions from its stakeholders.

Using the studies described above, Altarea Cogedim calculated the additional costs in each of these cases.

Concerning the financial impact of a carbon tax, it concluded that the tax would 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).

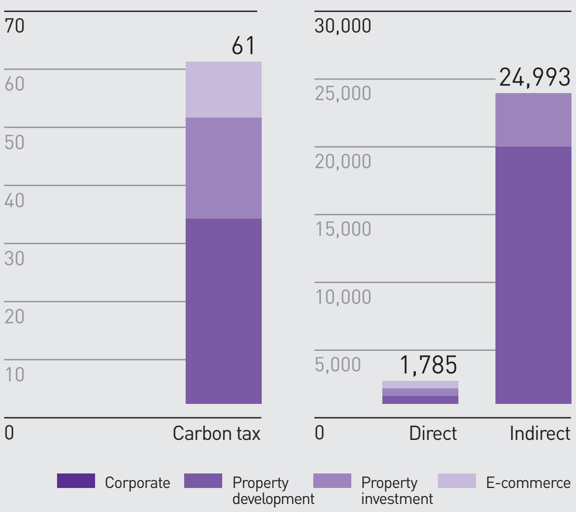
The hypothesis used here is that a tax would represent €17/ton of CO_2e. This figure corresponds to the rate proposed when the tax was to be launched in January 2010.

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.

Direct cost of carbon tax:
(€ thousands)

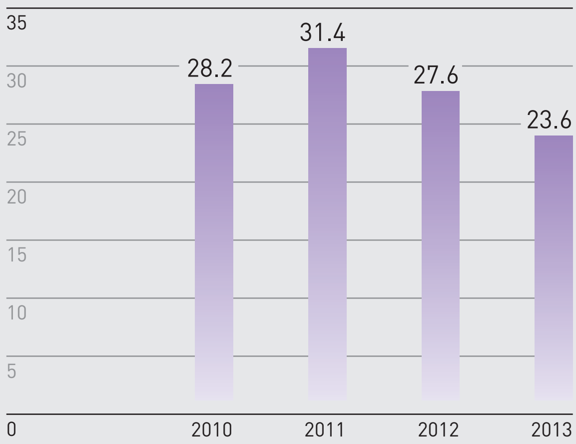
Additional cost of an increase in the price of fossil fuels
(€ thousands)



With the above-mentioned hypotheses, the carbon tax would lead to direct costs of €61,000 per year for Altarea Cogedim, and the increase in the price of fossil fuels would lead to costs of €26.8 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 5.3.5.1.1.

5.3.5.2. Greenhouse gas emissions from the corporate scope

CO_2 emissions at the head office
($kgCO_2e/m^2$ useful space)



CO_2 emissions linked to head office energy consumption are 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.

Over the 2010-2013 period, we observed a 16% drop in CO_2 emissions thanks to internal initiatives with employees.

5.3.5.3. GHG emissions and carbon impact – Property development business

5.3.5.3.1. Bilan Carbone® construction assessments – embodied energy

Altarea Cogedim conducts a large number of Bilan Carbone® construction assessments for its development projects. Since 2011, these studies have become standard for all commercial programs (retail, office and hotel properties) with surface areas of over 107,640 ft^2 (10,000 m^2 in net floor area or floor space).

Development carbon footprint by m² according to building type
(in $kgCO_2e/m^2$ net floor area or floor space)

These studies measure greenhouse gas emissions for the design, construction and end-of-life stages of an operation. They also allow us to quantify emissions related to a building's embodied energy.

Bilan Carbone® assessments help identify the items that generate the most emissions, allowing the Group to implement reduction initiatives. Comprehensive aggregation of this data shows that 76% of emissions from Group operations are due to purchasing of construction materials, and 8% are due to waste production during demolition.

The design stage is particularly important, as it is an aspect over which the Group has a direct impact in its ability to choose low-emission construction materials and building methods. In addition, the development phase and choice of locations near public transportation that cut carbon emissions from commuting in the short and medium terms are more important than ever to the Group's strategy. After 50 years of operation, emissions from the construction of a residential building represent an average of only 5% of the total emissions over the building's life cycle. Greenhouse gas emissions are thus overwhelmingly due to occupant travel.

5.3.5.3.2. Greenhouse gas emissions from the energy consumption of new projects

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 classes. 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, residential properties see significant fluctuations. Dynamic Thermal Simulations (DTS) make it possible to calculate the total energy needs of a project. These simulations are described in section 5.3.2.2, and allow for more effective and substantive work on the energy mix and the associated CO_2 emissions.

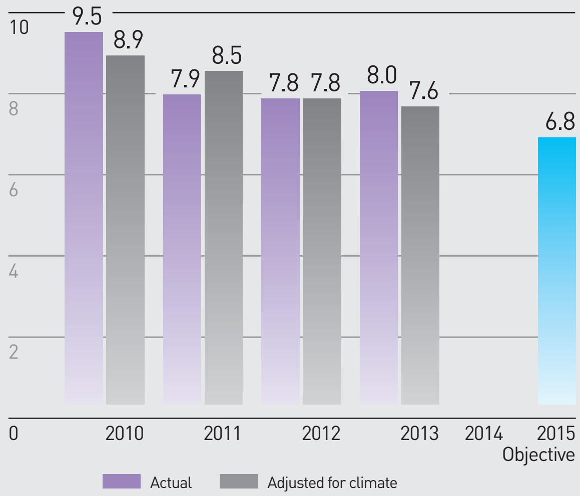
As of 2014, the Group will make energy supply feasibility studies standard for all new projects. These studies will aim to promote installation of efficient equipment and renewable energy sources, to offer its projects low-carbon energy systems and thereby limit the Group's contribution to climate change.

5.3.5.4. GHG emissions and carbon impact – Property investment business

5.3.5.4.1. Greenhouse gas emissions from assets' energy consumption

The action the Group has taken to reduce energy consumption also allows it to reduce related GHG emissions.

Portfolio CO_2 emissions
(like-for-like in $kgCO_2e/m^2$)



Emission factors were modified in 2013 in favor of more precise references. Moreover, to ensure comparability of results between periods, emissions in preceding years were recalculated using the new factors. These are presented in the methodology section at paragraph 5.6.1.4.

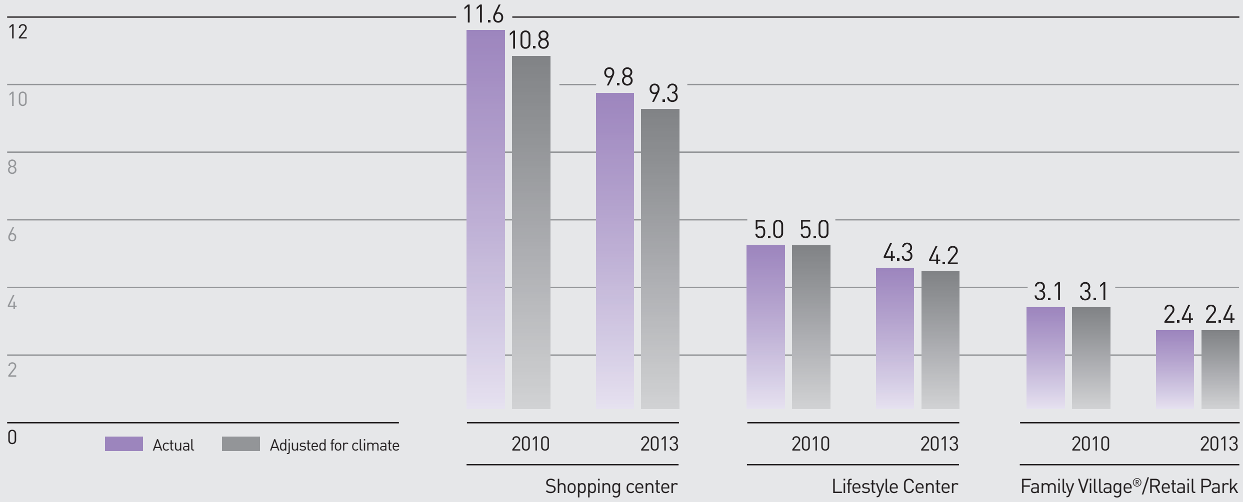
At the end of 2013, the approach to energy outlined here had led to a 16.0% like-for-like drop in CO_2 emissions from 2010. At a constant climate, the reduction amounts to 14.4%.

These consolidated results are a significant step towards achieving our goal of reducing the CO_2 emissions of our assets 24% by the end of 2015.

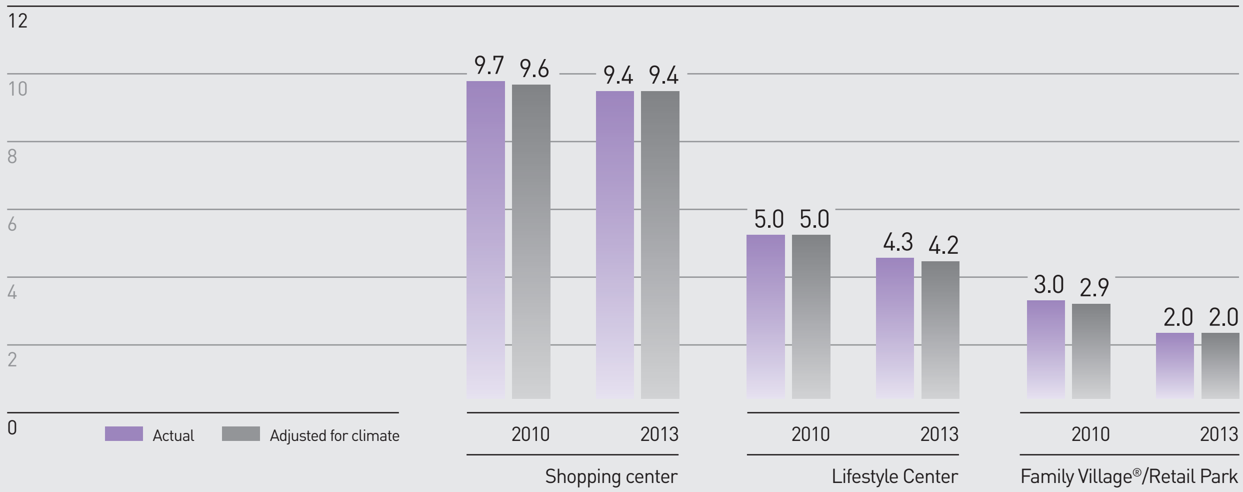
In the current scope of managed assets, including entries and exits of assets, CO_2 emissions from 2010 to 2013 were virtually stable. The breakdown between different asset classes highlights a significant reduction for Family Village®/Retail Park (31.2%) and Lifestyle Center properties (14.1%) whereas the inclusion of a high-energy consumption property and CO_2 emitter in the scope of analysis increased CO_2 emissions for the shopping center asset class (2.9%).

Over the period, poor weather increased energy consumption for heating and air conditioning considerably. Consumption adjusted for a constant climate demonstrates that the impact of efforts to reduce emissions is greater than first meets the eye: in the current scope, emissions at a constant climate dropped 3.3% between 2010 and 2013.

Portfolio CO_2 emissions by category
(like-for-like in $kgCO_2e/m^2$)



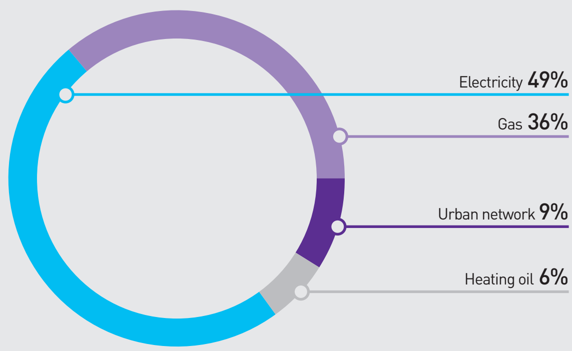
Portfolio CO_2 emissions by category
(current scope in $kgCO_2e/m^2$)



Although electricity produces lower emissions per kWh, it is nevertheless the energy source that contributes most to total emissions. Heating oil is used as an energy source for less than 2% 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.

CO_2 mix of the portfolio
(current scope)



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 both common and private-use areas.

CO_2 ranking (current scope)	kg CO_2e/m²/year	Number of sites	GLA surface private areas Altarea	%
A	≤ 10	19	463,592 m²	83%
B	11 to 15	3	68,561 m²	12%
C	16 to 25	2	29,120 m²	5%
D	26 to 35	0	0 m²	0%
E	36 to 55	1	1,661 m²	0%
F	56 to 80	0	0 m²	0%
G	> 80	0	0 m²	0%
		25	562,934 m²	100%

5.3.5.4.2. Greenhouse gas emissions related to refrigerants

The Group regularly and accurately monitors the greenhouse gases generated by air-conditioning equipment in its centers. In 2013, the associated emissions stood at 159.8 tons of CO_2e.

5.3.6. WATER MANAGEMENT

Definition of the issue	Water saving and limiting soil sealing
Materiality level	Moderate
Scopes concerned	Corporate, Development, Property Investment

5.3.6.1. Corporate scope

In 2013, water consumption at the Altarea Cogedim head office rose to 238,303 cubic feet (6,748 m³). This consumption, up 7.7% from 2010, in large part reflects a more intense use of the building consistent with the addition of new staff in the past three years.

5.3.6.2. Water management – Property development business

Altarea Cogedim requires water metering during the construction phase for 100% of its commercial projects (retail, office and hotel property), as set out in its low impact construction charter. For residential operations, a Group construction charter will be established for all new projects in 2014. This charter will require companies to monitor water consumption for the duration of the construction and to promote worker awareness of these issues.

With respect to retail developments, a very space-intensive type of project, Altarea Cogedim incorporates into the design phase technical solutions (porous concrete, evergreen spaces, parks, etc.) that limit soil sealing and builds retention basins to reduce the rate of runoff into and saturation of local sewer systems. To prevent water pollution, the Group complies with local regulations for the installation of technical equipment for pretreatment before discharge.

All of the Group's new retail projects feature rainwater collection equipment for watering, washing floors and filling fire safety systems.

All new developments also incorporate water-saving sanitary facilities. For example, pilot equipment including waterless urinals was installed in the Costières Sud Family Village® in Nîmes.

Altarea Cogedim's commitment to these topics is evidenced by the percent of operations receiving "High-Performance" or "Very High-Performance" ratings in NF HQE® target 5 – Water management:

- Retail property: 78% (1,580,228 ft² or 146,808 m²) of NF HQE®-certified operations, i.e. 75% (in surface area) of the Group's total production;
- Offices and hotels: 63% (2,341,032 ft² or 217,489 m²) of NF HQE®-certified operations, i.e. 60% (in surface area) of the Group's total production;
- Residential property: 78% (6,871 units) of NF HQE®-certified operations, i.e. 37% (in number of units) of the Group's total production.

For commercial projects undergoing environmental certification, i.e. 98% of its production, Altarea Cogedim goes above and beyond regulatory requirements for water metering and provides occupants with equipment allowing them to closely monitor water consumption.

Achieving "High-Performance" and "Very High-Performance" ratings in maintenance issues (HQE® target 7) also ensures that occupants have the monitoring tools needed to precisely understand their consumption by use or area and to quickly identify potential leaks. This is the case for:

- Retail property: 100% (2,025,940 ft² or 188,216 m²) of NF HQE®-certified projects, i.e. 96% (in surface area) of the Group's total production;
- Offices and hotels: 95% (3,547,020 ft² or 329,529 m²) of NF HQE®-certified projects, i.e. 90% (in surface area) of the Group's total production.

5.3.6.3. Water management – Property investment business

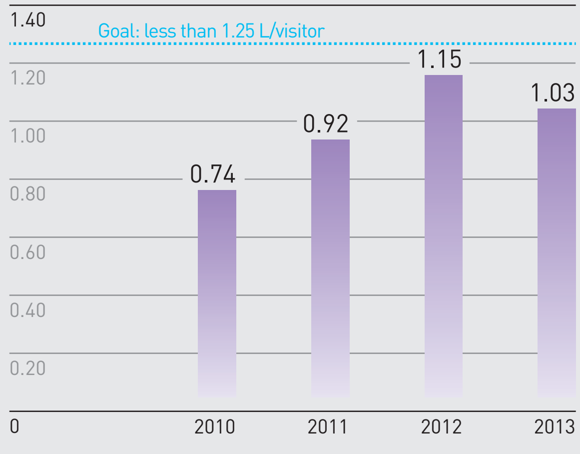
As part of its water management, Altarea Cogedim manages and reports 100% of water consumption invoiced to the Group. This includes water from common areas it controls directly (35% of consumption managed, lessor scope) and from water from private areas for the vast majority of sites (65% of consumption manage, lessee scope). The latter represents tenant consumption and can be isolated. The Group thus communicates indicators on total water consumption as well as specific consumption in common areas, which is where Altarea Cogedim concentrates its reduction efforts.

In the current scope, which includes assets under management, new acquisitions and disposals, the Group registered a 14% increase in consumption of water purchased from the local water supply. The breakdown between different asset classes highlights a significant reduction for Family Villages/Retail Parks (-26.0%), whereas strengthening the testing of fire safety (sprinkler) systems, which was not always possible using only collected rainwater, significantly increased consumption for shopping centers (+14.4%) and Lifestyle Centers (+23.9%).

At constant scope, Altarea Cogedim saw a 0.4% drop in total water consumption (lessor – lessee scope) and a 14.0% drop in water consumption specific to common areas (lessor scope) in the 2010-2013 period. This like-for-like change highlights the efforts made to better manage water at the sites, especially in identifying and repairing leaks as soon as possible and in installing water-saving sanitary facilities.

Water consumption in common areas per visitor stood at 1.03 liters for the current scope in 2013, in line with the Group's goal of keeping this ratio under 1.25 L/visitor.

Water consumption of common areas of portfolio assets
(current scope in L/visitor)



5.3.7. OTHER ENVIRONMENTAL ISSUES

5.3.7.1. Raw material management

To limit the amount of resources consumed by its activities, Altarea Cogedim works to minimize technical and functional obsolescence in its projects. The Group thus designs adaptable and modular buildings. Shop space in retail projects is delivered as a "shell," allowing brands to develop their space without having to make structural changes. Restoration and redevelopment projects, which make more efficient use of resources in general, account for nearly one out of every three property projects.

Furthermore, the Group uses durable, serviceable and repairable systems and materials that facilitate operations. Where possible, recycled and recyclable products or those benefiting from environmental labels are preferred. The Group also chooses construction techniques that allow for a streamlined use of resources, such as prefabrication and layouts. To decide on the best combination of construction materials and techniques for its commercial projects, the Group also conducts overall cost studies and lifecycle analyses.

Altarea Cogedim seeks to make measured use of the raw materials needed to develop its businesses. Where possible, it uses resources from sustainably managed sources (FSC/PEFC-certified wood, for example). Altarea Cogedim's priority in managing raw materials is to reduce the carbon impact of the materials needed, which is measured through the Bilan Carbone® construction assessments described at paragraph 5.3.5.3.1.

5.3.7.2. Disturbances and pollution during the construction phase

Altarea Cogedim attempts to minimize the disturbances and pollution generated by construction in its development business. To this end, a low-nuisance construction site charter is consistently applied to all commercial operations. The percentage of projects receiving "High-Performance" or "Very High-Performance" ratings in the NF HQE® target 3, Construction sites with a low environmental impact, attests to the Group's commitment:

- Retail property: 100% (2,025,940 ft² or 188,216 m²) of NF HQE®-certified operations, i.e. 96% (in surface area) of the Group's total production;
- Offices and hotels: 93% (3,476,075 ft² or 322,938 m²) of NF HQE®-certified operations, i.e. 88% (in surface area) of the Group's total production;

A Group construction charter was also established for all new residential programs. This charter requires measures to limit soil, water and air pollution along with visual disturbances and noise pollution at the construction site.

5.3.7.3. Provision for other environmental impacts

Altarea Cogedim's development, Property Investment and e-commerce activities are not subject to risk management requirements that impose scheduled investments to ensure continued regulatory compliance of its buildings or technical facilities. As such, the Group has implemented no provision or specific guarantee.

5.4. SOCIAL PERFORMANCE

5.4.1. REPRESENTATION, DIVERSITY, SOCIAL DIALOGUE

Definition of the issue	Anticipation of a shift in workforce composition associated with a changing age structure in a context of productive social dialogue. Fighting against all types of discriminations, disabilities and compliance with Human Rights principles
Materiality level	Significant
Scopes concerned	Group

5.4.1.1. Total workforce and breakdown by gender, age and geographical region

After 2012 saw the integration of Rue du Commerce staff, the Group's workforce continued to grow in 2013. 1,221 people were employed on open-ended contracts at December 31, a 5% increase from the previous year. Adding fixed-term contracts at the same date, this figure rose to 1,286 employees, with women accounting for 56% and men 44%, as in 2012. Management personnel make up 63% of the workforce, also on the rise (from 60% in 2012).

Each year, the Group confirms its commitment to developing its three businesses by favoring permanent hires, with 188 recruits in 2013. Open-ended contracts are predominant in the Group, as 95% of employees work under these agreements.

As for fixed-term contracts, out of the 186 in the course of the year – mainly to meet a temporary increase in activity – 32 (or 17%) were successfully integrated into the Group through open-ended contracts.

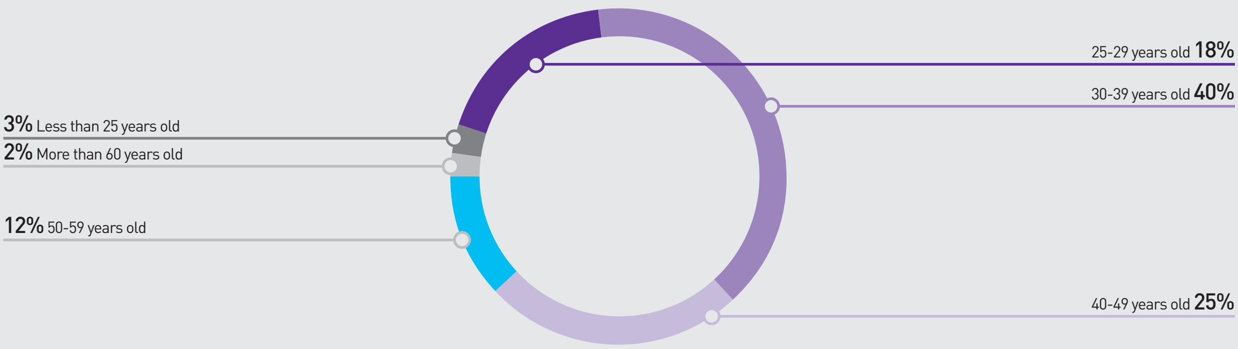
As was the case the year before, the average age was 38 years; average length of time in the company rose from 5.5 years to just over 6 at the end of December 2013.

97% 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

	Open-ended contract	Fixed-term contract	Group Total	Average age	Average seniority
Men	548	22	570	37.5	5.6
Women	673	43	716	38.6	6.7
Total	**1,221**	**65**	**1,286**	**38.1**	**6.2**

Breakdown by age
(percentage)



Headcount by gender and geographical region

	France	Italy	Spain	Luxembourg	Total
Men	558	10	1	1	570
Women	692	19	5	0	716
Total	**1,250**	**29**	**6**	**1**	**1,286**

5.4.1.2. New hires and dismissals

With a total of 310 hires (fixed-term and open-ended contracts combined), recruitment remained active, but differentiated according to the needs of each business.

For Residential property, new jobs were needed to continue the development of a number of our regional subsidiaries and to support the evolution of the business strategy towards more general production generating greater volumes. This required strengthening teams, especially by hiring development Managers.

In Retail property, the challenges of launching new shopping centers such as Qwartz in Villeneuve-la-Garenne led to the creation of new teams. It should be noted that under total or partial disposal of assets, the property company strives to preserve management mandates and thus the staff present.

Rue du Commerce continued to recruit a large number of individuals to support its development. 80 people were hired on open-ended contracts, in particular to accompany the development strategy of the IT department.

In cross-business functions, the Sustainable Development Department was strengthened.

In total, the Group recruited 188 employees on open-ended contracts, divided between 46% newly created positions and 54% replacements.

- 42% in e-commerce;
- 37% in Residential property;
- 14% in Retail property;
- 5% in cross-business functions;
- 2% in Office property.

With regards to recruitment through fixed-term contracts, 52% concerned Rue du Commerce and reflected the seasonality of this business. During the Christmas season and biannual sales, Rue du Commerce requires additional resources. Moreover, the workforce is young, and fixed-term workers naturally replace employees on maternity or parental leave. Rue du Commerce encourages job sustainability; of the 80 people hired on open-ended contracts, 26 followed fixed-term contracts with the company (i.e. 33% of open-ended contracts).

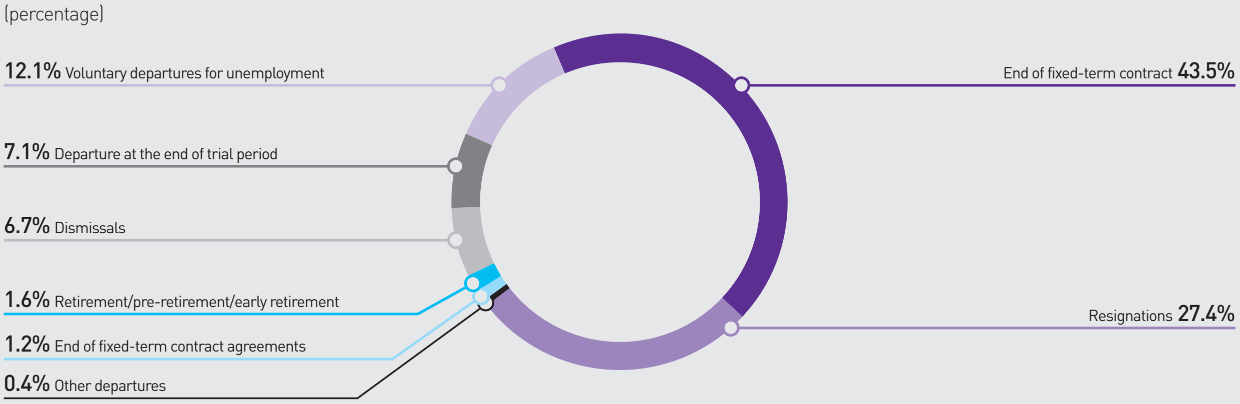
Recruitment by contract type and business line

	E-commerce	Residential	Retail	Offices	Cross-business functions	Total
Open-ended contract	80	69	26	3	10	188
Fixed-term contract	64	38	13	0	7	122
Total	**144**	**107**	**39**	**3**	**17**	**310**

The attrition rate (excluding Rue du Commerce) was 14% at 2013 year-end (number of departures/average headcount), stable with the 2012 level. Including departures for Rue du Commerce, this rate was 20%. 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.

As in 2012, the expiry of fixed-rate contracts constituted the major reason for departures (43.5%), followed by resignations (27.5%). 17 dismissals were recorded, accounting for 7% of total departures. Only 13% of employees who resigned had worked less than three years in the company.

Reasons for departure
(percentage)



Effectively integrating employees remains a priority. "Crescendo" integration days have been organized since 2010 to help employees better understand the challenges faced by the Group and to create bonds between workers in the different entities. This year, 90 new hires enjoyed a discussion with Group leaders during a plenary session in the morning, and a visit to Villa aux Fleurs in Nanterre – a residential program representative of the A and B ranges – and the site of the future Quartz shopping center in Villeneuve-la-Garenne in the afternoon.

Synergy is also center stage at the biannual Committees of Managers, which allows the 100 Group Managers to discuss organizational and strategic topics and to share their experiences and expertise. These Managers are also aware of the social and legal developments in their industry and of Group HR topics thanks to "Rendez-vous RH" meetings held by the Human Resources Department in February and March.

5.4.1.3. Organization of working hours

Two Economic and Social Units (ESU) bring together Group personnel working in the France (excl. Rue du Commerce): the Altarea ESU and the 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 Rue du Commerce, 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.

3.73% of the Group's total workforce is made up of part-time employees. The majority – 54% – of part-time employees works at 80% of a full-time position, as in 2012. 27% of part-time employees work at a rate of between 50% and 80% of full-time, and 19% has a work rate of less than 50%.

Out of the 48 part-time employees, 45 are women.

The 1,286 employees included in the headcount at December 31 correspond to 1,246 FTE (full-time equivalents).

The theoretical number of working hours, excluding overtime, amounted to 1,982,297.

In the Group, only Rue du Commerce makes use of overtime working hours (3,370 hours) to deal with demand from peaks in activity.

At the Group level, use of temporary personnel accounted for 24,597 hours recorded in the year or a rate of 1.24%, down from 2012. This can be explained by the significant decrease (61%) in the use of temporary workers at Rue du Commerce, which remains committed to sustainable employment and calls upon temporary workers mainly for spikes in activity related to the seasonality of its business (mostly in the Saint Quentin Fallavier warehouse).

5.4.1.4. Promoting diversity

The Group is aware of its social footprint and firmly believes that diversity is a source of efficiency and social innovation within the company. It has thus worked to promote diversity for several years in three main ways: gender equality, special initiatives for young people and seniors, and inclusion of those with disabilities.

The Diversity Charter signed in 2013 formalizes this commitment and seeks to further the Group's initiatives in this area. Pursuant to the commitments set out last year, all HR personnel involved in these issues participated in an HR training day on non-discrimination and diversity led by a consultant specialized in diversity. This training encouraged dialogue on the challenges facing the Group and, on the subject of disabilities, led to a partnership with Agefiph.

The recruitment process is strictly based on the skills and qualifications of the candidates. Compensation at hiring is 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.

Altarea Cogedim has no business activity in countries where social laws no not comply with ILO conventions, and has never been accused of discrimination.

At December 31, 2013, the Group's workforce was comprised of employees representing 25 different nationalities.

Gender equality has always been viewed as furthering collective growth and social cohesion. Group entities have each worked to promote equal opportunity employment, offering the Group a broad and formalized framework, with specific areas for action such as access to training.

As in 2012, women account for 56% of the total workforce and 44% of management staff. In 2013, 50% of female employees were Managers, compared to 46% in 2012. Women accounted for 52% of employees receiving training.

With respect to recruitment on open-ended contracts, the situation for men and woman is identical, as it was in 2012. The same goes for promotions, as 51% of employees receiving a Promotion were women. Moreover, 48% of employees benefiting from one or more types of job mobility within the company were women.

The percentage of women in the Committee of Managers remained stable at 24%, as in 2012.

In 2013, integration of young people and seniors into the Group took the form of an inter-generational contract signed by each legal entity. This contract follows from an action plan for seniors in force until 2012. It aims to facilitate long-term employment of young people under age 27 by offering them an open-ended contract, while also encouraging the hiring and retention of employees over 55 and ensuring the transmission of knowledge and skills.

To guarantee that skills are passed down through generations of employees, the mentoring initiative was continued in 2013; nine mentors shared their skills with interns, apprentices and new hires.

In 2013, 34 older employees benefited from later stage career interviews, which often resulted in training programs and skill assessments.

The number of young people in the company increased markedly in 2013, with 53 paid interns and 69 on work-study contracts (36 in 2012). These young people came from a variety of undergraduate and masters programs to carry out support and operational roles. Four of them were offered open-ended contracts during the year, while two other former trainees joined the Group on open-ended contracts in 2013.

For the third straight year, the Group participated in the real estate industry forum organized by the Palladio Foundation and Business Immo.

With regard to disabilities, Altarea Cogedim takes into consideration the accessibility of its shopping centers, housing and offices.

In addition, in the past several years, the Group has established initiatives favoring the employment of people with disabilities: informational meetings at the head office, information on the Group intranet, and use of ESAT (*Etablissement et Service d'Aide par le Travail*), a network that facilitates employment for disabled workers. In 2013, the Group continued relying on ESAT through a partnership with a caterer for the head office; Rue du Commerce meanwhile renewed its annual maintenance contract with the network. A more systematic study of employing disabled individuals in support roles led Rue du Commerce to hire a disabled employee; with the individual's consent, awareness training was organized with the team and Manager to ensure seamless integration.

Despite these initiatives, at December 31, 2013, there were four employees with a recognized disability, i.e., 0.31% of the total workforce. Obstacles were identified and many questions were raised by the Human Resources Department, leading the Group to call upon a specialized firm for a thorough assessment in partnership with Agefiph. Launched in 2013, this diagnostic will allow us to establish a concrete and operational plan in the first half of 2014. Through this initiative, the Group seeks to implement a sustainable disability policy that is adapted to the company's specificities and favors the right to compensation and equal opportunities.

5.4.1.5. Dialogue with employee representatives

All Group employees in France 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 Rue du Commerce, comprised of 46 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. Seven additional meetings were conducted at Rue du Commerce regarding the complete redevelopment of the company's head office in Saint-Ouen.

Four collective bargaining agreements were signed within the Group in 2013:

- The action plan for the inter-generational contract in the Altarea ESU;
- The action plan for the inter-generational contract in the Cogedim ESU;
- The action plan for the inter-generational contract in Rue du Commerce;
- The agreement on the guidelines for the 2014 Rue du Commerce compensation policy.

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 enjoy complete and quality complementary healthcare and disability coverage. For Altarea and Cogedim, a consultation was carried out in 2013 to improve benefits and guarantees in this area, while leaving contribution rates unchanged for 2 years. Within this framework and to ensure the long-term financial stability of the system, the Group opted for the Santéclair scheme, a network of licensed medical practitioners who comply with a recognized pricing policy and a code of ethics.

The Group complies with the eight main International Labor Organization conventions and ensures that they are applied in its operations, in particular:

- Respect for freedom of association and 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.

Implemented in 2011 and updated at the end of 2012, the Group's Code of Ethics sets out the mutual rights and duties of employees and the company, emphasizing compliance with laws and regulations. The code is available on the intranet and attached to the employment contract of all new hires.

Rue du Commerce and the Cogedim entities have no business or sites abroad.

5.4.2. COMPENSATION AND SKILL DEVELOPMENT

Definition of the issue	Development of employees' skills and employability. Implementation of practices to promote mobility, promotion, career management and increased employee compensation
Materiality level	Significant
Scopes concerned	Group

5.4.2.1. Training policy

Employee expertise is one of Altarea Cogedim's major strengths, with professional training at the heart of its HR policy. The Group's training policy is defined according to the strategy of each business line and aims not only to ensure that employees are trained for their jobs, but also to develop their skills and knowledge for greater workplace facility, autonomy and efficiency.

For several years, stemming from a desire to help employees complete their assignments, support mobility projects and advance professionally, the Group has made training investments that go beyond legal requirements, set at 1.6% of payroll. Thus, in 2013, 1.84% of payroll (€1.47 million) was spent on vocational training. The Group's training policy is based on three types of offerings formalized in training plans, which are updated each year through a needs analysis carried out during annual appraisals and regular exchanges with operational Managers:

- individual or group job training to update or improve technical skills, the "bedrock" of employee expertise;
- group cross-disciplinary training for all employees and Managers as part of the common platform, known as ALTEREGO Training, aimed at developing personal and relational skills that will facilitate the full implementation of professional abilities;
- and special offerings designed on a case-by-case basis according to need, such as the path to skills enhancement offered to all Residential Sales staff between late 2012 and 2013, or the efforts dedicated to sales negotiation techniques for Rue du Commerce sales teams.

Preference is given to an operational teaching approach: role-plays, simulations and experience sharing to facilitate ownership and implementation in employees' professional lives. In 2013, new themes were successfully introduced, such as conflict management. The content of some training was updated to accommodate demands for quality, long-term support and control of training costs: the management curriculum or leadership course has given way to a Management Training program, a two-year path of progressive managerial development by level ("Managers" and "Directors").

To increase training effectiveness, the Group focused on diversity of learning methods: face-to-face, but also from a distance, as evidenced by the establishment in November 2013 of the office skills e-learning platform available to all. Based on the fact that "every week, you waste 30 minutes due to lack of office skills" (source: University of Twente), Altarea Cogedim wanted to invest in a method recognized for its flexibility (with the possibility of self-paced learning when needed) and that offers many benefits: more people trained, greater mastery of office tools, lower training costs, and above all, an increase in day-to-day autonomy. This office training platform is available on the Group intranet from Monday to Friday during working hours and offers more than 1,000 five-minute training modules, each offering practical exercises, assessments and certifications that allow users to assess their level of knowledge and progress.

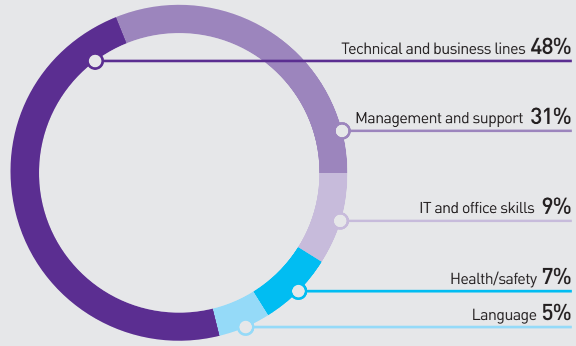
To support the introduction of this innovative formula, a demonstration was offered at an "Alterego Thursday", one of a series of conferences designed to present current and future Group projects. In 2013, nearly 300 employees were brought together at eight conferences on various topics, such as Rue du Commerce activity, unveiling the Hôtel-Dieu in Marseille, the new concept of Senior Residences, or an Altagreen special on air quality with external stakeholders. More initiatives of this type will be undertaken in 2014, as well as via internal communications efforts issued by three main channels: intranet (ALTEREGO.net), a quarterly magazine (ALTEREGO mag), and Group seminars.

5.4.2.2. Total training hours

In 2013, 10,678 hours of training were given in the Group across all segments (in France, Italy and Spain), as opposed to 11,220 in 2012. This represented 884 training sessions. As in 2012, one out of every two employees received training in 2013. The average number of training hours stood at nearly 8.5 hours, i.e., more than a full day of training per employee. In France, nearly 28% of training hours were provided under France's statutory individual training credit scheme (*droit individuel à la formation* or DIF).

The breakdown in number of training hours shows a significant decrease in IT training (new business software for the residential segment had a large impact on the number of hours devoted to IT training in 2012) in favor of vocational training (48% of training hours completed) and efforts dedicated to management training and employee support: time management, public speaking, etc. In the latter category, 3,317 hours of training were offered versus 1,679 hours in 2012. This explains why 72% of training hours involved Group executives. The Group also developed the health and safety dimension of its business, particularly in Rue du Commerce, to meet safety standards in force at the head office. To heighten employee awareness of CSR issues, the Group makes an awareness guide available at all times on the intranet. In addition, all new employees learn about these issues during integration days.

Breakdown of training hours
(percentage)



5.4.2.3. Promotions and mobility

The annual review has been a key managerial practice in the Group for several years now. It allows us to assess the actions that have been taken and establish future objectives while taking into account potential training needs. It is also the opportunity to talk to employees about their career goals. These annual reviews are designed to enable us to establish a framework and clear expectations for each member of a team, give meaning and value to each person and to his or her job, and strengthen mutual trust between Managers and employees.

In 2013, 920 annual employee appraisals were conducted, analyzed and processed, covering more than 80% of the workforce. Rue du Commerce completely overhauled the process, putting in place a new streamlined and structured support and coaching system for Managers that allowed the company to cover 88% of its workforce.

Managers were provided with a brief evaluation report for the purpose of prioritizing training measures to be taken. This systematic review helps foster buoyant internal mobility and frequent promotions. 161 Group employees were promoted or moved within the company, i.e. 13% of the workforce on open-ended contracts at December 31, 2013.

5.4.2.4. Sharing success with employees

Annual employee appraisals conducted at the end of each year also 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 €51,755. As in 2012, the variable portion represented 13% of total compensation.

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 2013.

In December 2013, Rue du Commerce signed an agreement regarding the main principles of its 2014 compensation policy. This agreement will result in:

- 1% for employees on open-ended contracts with the company for at least a year and receiving an annual salary of less than €30,000, minimum of €250 gross annually (50% of the workforce).

Adjustments made to improve gender equality:

- 1% minimum for returns from maternity/parental leave, with a minimum of €250;
- an additional 0.5% for employees who have been with the company for over five years;
- 1% minimum for female executives with the company for over five years.

5.4.3. EMPLOYEE HEALTH AND SAFETY

Definition of the issue	Prevention of workplace accidents by implementing measures to promote a safe work environment, attention to employees' health and well-being, reduction of absenteeism
Materiality level	Significant
Scopes concerned	Group

5.4.3.1. Absenteeism

Absenteeism is subject to a thorough and detailed review based on an analysis of the causes by entity.

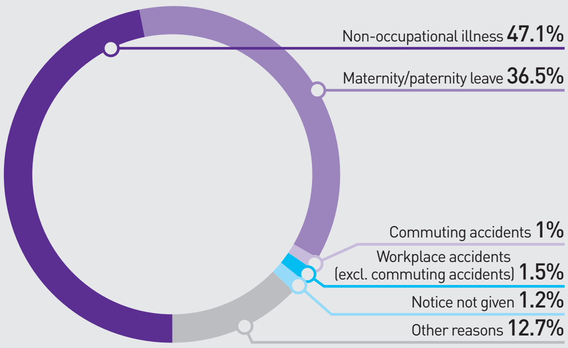
The total rate of absenteeism for employees on fixed-term and open-ended contracts combined was 6.43%. This rate was obtained by comparing the number of days absent (including maternity/paternity leave) with the theoretical number of days worked x 100.

Absences due to illness continued to account for the majority of this figure (47%) followed by maternity/paternity leaves (36.5%).

Excluding maternity/paternity leave, the total rate of absenteeism for employees on fixed-term and open-ended contracts declined to 4%.

Absenteeism due to occupational accidents remains low, at 1.45% of total absences. Short-term absenteeism, which corresponds to the number of days of absence under one month for the workforce on average, is less than 3.5 days.

Breakdown of absenteeism
(percentage)



5.4.3.2. 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 Rue du Commerce, and addressed subjects relating to occupational health and safety.

In 2013, there were no occupational illnesses reported within the Group.

As the Group's business does not present a significant risk for employee health and safety, no collective agreement was concluded in this field in 2013.

Recurrent initiatives to promote a safe working environment and ensure the health and wellbeing of employees include updating the single document on occupational risk assessment and raising awareness of precautionary measures and personal protective equipment for employees working on construction sites. In 2013, Rue du Commerce offered over 700 hours of training in health and safety at work, identifying 18 staff members capable of carrying out workplace first-aid and rescue procedures, 25 designated evacuation coordinators (Evacuation Crew) and heightening awareness of fire hazards among all personnel (through a training program for managing the first signs of fire in the workplace).

In addition to these measures, 2013 saw significant work at both the Altarea Cogedim head offices and within Rue du Commerce.

To make the premises at Avenue Delcassé more operational and provide greater fluidity, the Group extended its registered office by 2,400-ft^2 (1,250-m^2), leasing the basement. After extensive construction work, 14 additional meeting rooms, a large modular space with a standing capacity of 300, a model room, as well as relaxation and cafeteria spaces have been created for greater working comfort.

This new floor was designed in accordance with the Group's environmental commitment, for example thanks to next-generation low energy sensor-controlled lighting. The final budget for the construction came to approximately €250,000.

The Rue du Commerce head office in Saint-Ouen was entirely redesigned to offer employees improved ergonomics, a friendlier atmosphere, along with relaxation and collaborative workspaces. The renovation and rehabilitation project doubled the surface area occupied and made for less dense and more spacious facilities.

The redevelopment project retained favored shared spaces for no more than 25 employees over vast open spaces and used ecologically conscious and high-performance materials. All furnishings were replaced; meeting rooms and collaborative multimedia spaces accessible to all employees were created; and relaxation areas, including a fully equipped 80-seat cafeteria, are now available.

The overall budget of the project will be approximately €3.4 million, with the final phase of delivery coming to an end in March 2014.

5.5. SOCIETAL RESPONSIBILITY

5.5.1. CUSTOMER AND USER RELATIONS

Definition of the issue	Compliance with and outperformance of health and safety regulations for new developments, existing shopping centers and products sold by Rue du Commerce. Respect for and attention to customers, availability of complete and accessible sales information and a high-quality Customer Service Department
Materiality level	Capital
Scopes concerned	Development, Property investment, E-commerce

5.5.1.1. Comfort of use and health features in real estate development

For all of its new projects, Altarea Cogedim complies with the health and safety regulations in force. For its projects undergoing environmental certification, i.e. over 98% of its commercial programs (shops, offices and hotels (in surface area)) and 68% of its residential programs (in number of units), Altarea Cogedim surpasses regulatory requirements for visual, acoustic, olfactory and thermal comfort and for the air quality of living areas.

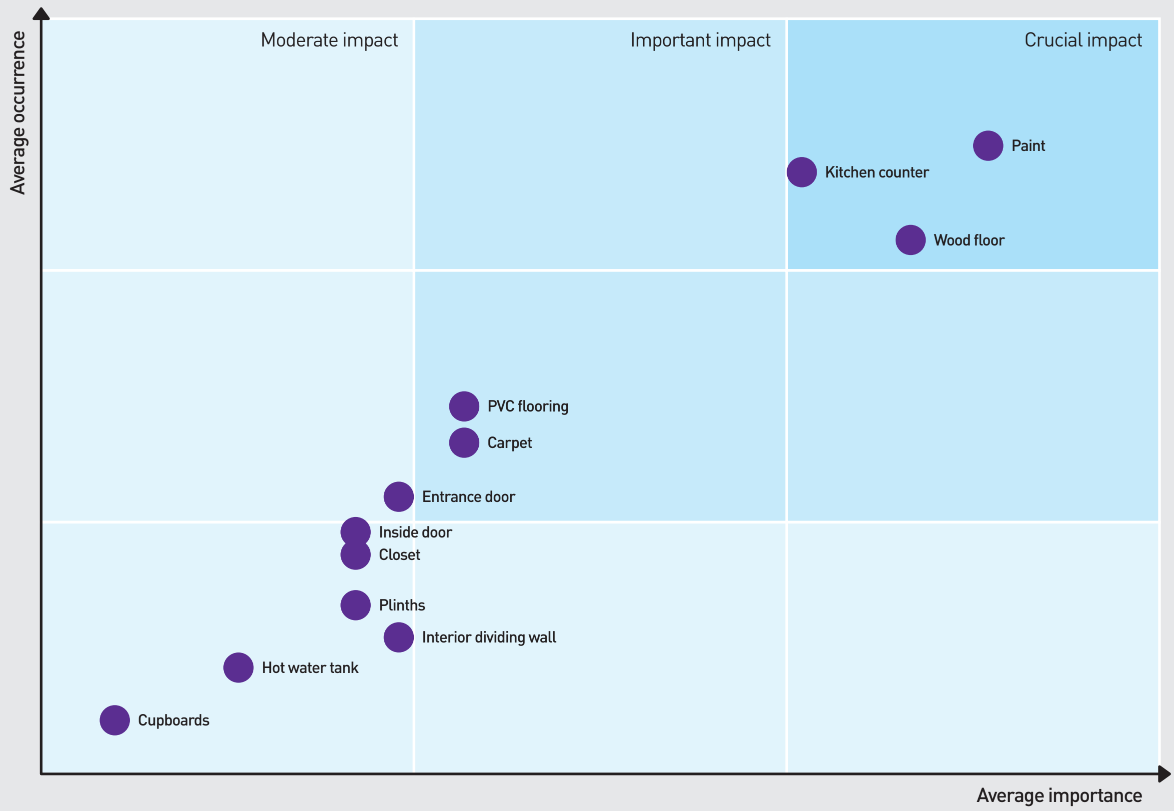
In 2013, the Group strengthened its approach to issues of health and comfort of use, recruiting a new employee responsible for seeing through a pilot Office property project, enhancing the health requirements included in service guidelines for residential properties ranging from entry-level to extremely high-end segments and leading a campaign to measure the air quality of a residential pilot project. This mapping, analysis and measurement process has made it possible to establish priorities for the approach spanning all production and focusing on key components with a significant impact on health.

Furthermore, the commissioning process initiated for all of its new office properties starting in 2014 ensures that technical equipment, in particular heating, cooling and ventilation systems will be installed properly to guarantee optimal comfort for occupants.

5.5.1.1.1. Indoor air quality and olfactory comfort

A critical health analysis included in Residential property services was conducted in 2013 to better understand the impact of the materials and processes used by Altarea Cogedim on indoor air quality. The analysis used criteria based on criticality and risk occurrence to map out the health impact of Altarea Cogedim materials and products.

Analysis of residential specifications – Priority materials



To complete this study, onsite measures were taken at a residence in the Promenade Sisley program in Suresnes both on delivery and during the occupancy phase.

- The measures taken on delivery confirmed the influence of previously identified products (particularly paint, adhesives and wood flooring glazes) on air quality and added mortar-based adhesives and grouts used for tiling to the list of high-emitting materials.
- The measures taken during the occupancy phase showed that the materials had lower emissions levels a few months after their initial use and noted the influence of user behavior on indoor air quality.

The Group's approach to the Indoor Air Quality of our residential property

Materials	X	Ventilation	X	Awareness	=	Air quality
Gradual enhancement of health features for materials Paint, flooring adhesive, floor sealants and lacquers, adhesive mortars for tiling, grouting compounds		Improved operation of air renewal facilities (DIAGVENT 2)		Gradual availability of an indoor air quality guide for residential properties		Improvement of interior air quality for future occupants

For all of its new commercial developments undergoing environmental certification, the Group identifies sources of pollution, both internal (VOCs and formaldehyde) and external (major roads, construction products, business conducted on premises, soil, etc.) and sees to it that there is 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.

In building the head office of Mercedes-Benz France, currently undergoing the certification process to achieve BREEAM® "Excellent" and NF Démarche HQE® "Excellent" ratings, 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 40 m³/h/person and CO_2 sensors are installed in all densely occupied spaces. The reception area and conference room feature the same advantages;
- to ensure optimal aeration, laboratory studies were carried out prior to construction to determine the best position for office ventilation terminals;
- all VOC and formaldehyde emissions from flooring, walls and ceilings at the head office were assessed.

5.5.1.1.2. Hygrothermal comfort

The Group performs Dynamic Thermal Simulations during the design phase in projects to build offices, shops and hotels. Housing projects will soon be included as well. These tests are used to decide on the technical and architectural options that strike the best balance between comfort of use and energy consumption. For example, Dynamic Thermal Simulations are used when installing fixed solar protection designed to improve the thermal comfort of occupants while reducing cooling and lighting needs.

In these simulations, the comfort of occupants is based on the "PMV" (Predicted Mean Vote) model, which measures the average of votes of a large group of subjects about their thermal sensation on a seven-point scale. The model factors in metabolic rate, clothing insulation, air temperature, mean radiant temperature, air speed, relative humidity and level of activity. The indicator is used in BREEAM® certifications.

Based on the various design studies, Altarea Cogedim uses systems that provide the most comfortable temperature and humidity levels in both summer and winter:

- In winter, a suitable overriding control makes it possible to maintain a stable temperature in the building;
- In the summer, protection from the sun and dissipation of excess heat are essential for comfortable temperature and humidity levels.

For example, hygrothermal comfort is being improved considerably for the building under renovation on Boulevard Raspail in Paris and in its certification process for the NF Démarche HQE® "Excellent" and BREEAM® "Excellent" ratings. To prevent overheating in the summer, the southwest-facing façades in the courtyard have been fitted with an opaque covering. However, the northwest-facing street façades are largely covered in glass to promote the capture of solar heat and offset heating needs. All façades are fitted with indoor blinds that can be opened or closed by the user to protect against sunlight.

A high-performance Building Management System (BMS) will also be installed to turn the heating back on before the offices are occupied and to program all production and emitting equipment to operate on two settings (occupied/unoccupied).

5.5.1.1.3. Acoustic comfort

Noise comes from a variety of sources. Altarea Cogedim's clients expect optimal acoustic comfort. Whether it comes from an external source (air traffic), a collision of objects or mechanical vibrations (equipment), noise is a source of discomfort that must be taken into account when designing a project. Altarea Cogedim goes further to offer its customers 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.

5.5.1.1.4. Sanitary quality of spaces

Two major concerns affect the sanitary quality of spaces: the limitation of electromagnetic disturbances and creation of specific hygiene conditions. Creation of specific hygiene conditions includes identification of sensitive areas as well as measures taken to create optimal health conditions in accordance with the specific health environment of each project.

As part of assessment measures for the Nework office project in Nanterre, currently undergoing the certification process to achieve BREEAM® "Excellent" and NF Démarche HQE® "Excellent" ratings, Altarea Cogedim called on Bureau Veritas to identify "energy" sources surrounding the site (railway lines). "Telecom" 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.

5.5.1.2. After-Sales Service Delivery Quality for new housing projects

In 2010, the standards that prevailed for upscale product lines were standardized for the midscale and entry-level product lines. The quality of delivery approach is implemented as early as the scheduling meeting and continues after the keys are handed to the customer. Quality audits are performed when the consultations take place to ensure that the residence meets quality standards. These audits include visits during the construction phase until delivery of the project. The Quality Manager works with the program Manager to address any reservations expressed until the program is transferred to After-Sales Service, once 80% of the reservations have been addressed or corrected. The After-Sales Service Manager ensures the compliance of the apartments delivered until the ten-year guarantee expires.

The After-Sales Service Quality department advises the different organizations participating in the project over the design and construction phases (information on claims, technical solutions). It offers the buyer tailored guidance, informing construction Managers of any requests from the buyer, and monitors the work of service providers after delivery.

At the same time, for all residential programs (excluding Serviced residences), the customer relations department is involved with buyers from the reservation agreement until delivery (structural technicians, carpenters and fitters; options catalogue; other options; decoration technicians, carpenters and fitters, or options catalogue; layout visit, pre-delivery; delivery) under the responsibility of the program Manager. This allows the buyer to have a dedicated point of contact at Altarea Cogedim. In concrete terms, the customer relations representative manages, coordinates and monitors the customization of apartments (layout, fittings, etc.). The customer is first sent an information letter presenting the team. Once the agreement is signed, the customer then receives the buyer's guide designed to answer the main questions he or she may have during the construction of his or her apartment, such as procedures for requesting adjustments, apartment payment methods, construction site procedures, delivery, etc.

A position of customer service assistant was also created in 2013 to to offer buyers a telephone hotline and respond more quickly to their questions and requests. To promote regular contact with the buyer and improve transparency, meetings are set up at the time of selecting services, the layout visit and until delivery when the keys are handed over.

5.5.1.3. Deployment of green leases

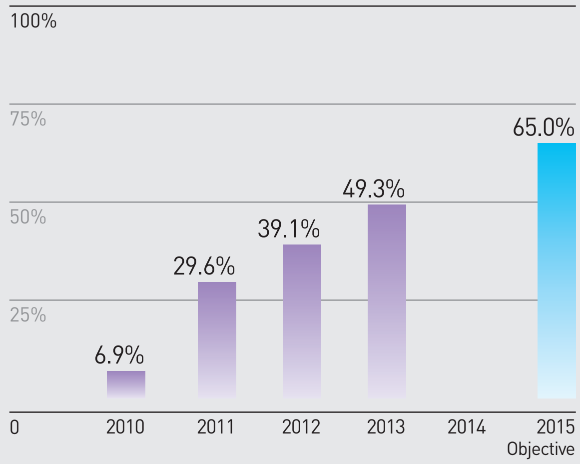
To anticipate regulatory requirements that will apply to its retail assets, Altarea Cogedim intends to work more closely with all tenants on developing environmentally friendly practices. The ultimate goal is to extend environmental reporting to tenants' environmental data and to improve sites' overall environmental performance.

As a result, the Group standardized the application of green leases for 100% of its new and renewed leases in 2010 as from the very first square meter.

Furthermore, as of July 14, 2013, the Grenelle II Act has made an environmental appendix mandatory for all existing leases over 21,000 ft² (2,000 m²). The Group has made arrangements to comply with this new requirement by drafting environmental appendices: 60, or 4.3% of all leases, are affected.

At December 31, 2013, 699, or 49.3% of the Group's 1,418 leases were green leases.

Coverage rate of green leases
(percentage)



From 2010 to 2013 the coverage rate for green leases has maintained positive momentum towards meeting the 65% target for the portfolio between now and the end of 2015.

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.

Under a green lease on assets subject to such environmental certification, tenants undertake to comply with a set of technical, architectural and environmental guidelines that provide maximum power thresholds for any equipment they may install and recommendations regarding inner materials. To ensure compliance with these guidelines, they must submit their planning documents to the Environment Works Management assistant before undertaking any interior finishing work.

In 2013, Altarea Cogedim conducted a study to measure tenant energy consumption at the HQE®-certified Okabé shopping center in Kremlin Bicêtre. Initial results have been obtained and will serve as a basis for establishing an action plan to reduce energy consumption across the site. The study, which was carried out in partnership with EDF, reviewed energy data for 156,000 ft² (14,550 m²) GLA (4% of the occupied space).

5.5.1.4. Visitor health and safety (Property Investment)

5.5.1.4.1. Asbestos

Asbestos represents a health risk for exposed persons, especially for customers of portfolio shopping centers.

In accordance with the French Health Code, Altarea Cogedim performs asbestos diagnoses on all assets whose building permits were issued before July 1, 1997. In addition, in accordance with existing regulations, an asbestos technical report is drafted and maintained for each asset. Property management teams make these reports available to the Group's clients.

Furthermore, in the event of a transaction, pursuant to the order of December 21, 2012, asbestos technical reports are to be updated for all affected sites.

In cases where materials containing asbestos are found to be in a proper state of conservation and able to be maintained in the properties, regular visual inspections are performed.

Specially authorized contractors perform the removal of all such materials. Their elimination is also carried out according to specifically authorized and certified channels.

5.5.1.4.2. Legionella bacteria (cooling towers)

The primary source of legionella bacteria is at the level of the cooling towers used in certain shopping centers. These cooling towers come under category 2921 of the list of facilities classified for environmental protection (ICPE). Facilities subject to declaration under this category must comply with the ministerial decree of December 13, 2004. Risk analyses are conducted on these towers every two years, with the results recorded in a supervision schedule.

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).

Six shopping centers, or 27% of the occupied space included in the scope of surface reporting, are equipped with cooling towers.

5.5.1.4.3. Termites

The presence of termites, wood-boring insects, or mold in buildings can have serious consequences on their structure, leading to material damage and risks for shopping center users.

Prefectural decrees on termites have been issued in municipalities at risk for wood-boring insects. In those areas, a termite diagnosis must be conducted in the event of any transaction. Upon selling or purchasing an asset subject to termite diagnosis, Altarea Cogedim carries out such studies.

Five sites, or 30% of the occupied space included in the scope of surface reporting, are situated in areas at risk for termites.

5.5.1.4.4. Radon

In light of the commercial nature of the assets in Altarea Cogedim's portfolio, shopping centers are not concerned by the order of July 22, 2004 on the management of radon-related risks.

5.5.1.4.5. ICPE classification

The power consumption of certain technical facilities may exceed the declaration or authorization thresholds set out in the list of facilities classified for environmental protection (ICPE) appended to Article R. 511-9 of the French Environmental Code.

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.

Eight sites, or 43% of the occupied space included in the scope of surface reporting, are ICPE sites subject to declaration or authorization. All have declaration receipts or authorization decrees.

5.5.1.4.6. Accessibility

Pursuant to the Act of February 11, 2005 on equal rights and opportunities, technical regulations regarding accessibility for people with disabilities apply as of January 1, 2007 to newly-built or renovated residential buildings and those housing establishments open to the public.

In accordance with the Construction and Housing Code, Altarea Cogedim has conducted accessibility diagnoses on the common areas of all establishments whose building permits were issued prior to January 1, 2007.

5.5.1.4.7. Fire safety

To protect people and property against the risk of fire, Altarea Cogedim implements regulatory fire safety systems, which are verified by authorized, certified organizations, in all assets included in the scope of reporting.

Regulatory periodic checks are carried out on fire-hose stations, dry and wet risers, natural smoke evacuation systems, mechanical smoke extraction systems, security signage (lights and audible signals), fire extinguishing and emergency equipment (extinguishers, fixed water-based fire-extinguishing installations, fire doors, etc.).

5.5.1.4.8. Air quality

The Group ensures proper ventilation and adapts airflow to activity levels to guarantee a healthy distribution of fresh air.

For all of its new projects, Altarea Cogedim complies with the health and safety regulations in force. The Group maintains a minimum of 20% fresh air intake.

In shopping centers, air renewal is ensured through rooftops or air-handling units. These units may be adjusted manually or by CO_2 sensors, which adjust motor speed and air flap orientation. The use of CO_2 sensors allows for an optimal balance between mandated fresh air intake and heating cost control by reducing the rate of mechanical ventilation to a minimum. Certain centers are already equipped with such units, such as the L'Aubette center in Strasbourg, with 100% fresh air intake for rates higher than 1,000 ppm.

Currently, 41% of the Group's occupied retail space included in the scope of reporting is equipped with CO_2 sensors. The Group is gradually installing sensors in its other assets.

Altarea Cogedim also considers parking lot ventilation systems. To ensure regulatory indoor air renewal, its covered parking lots are equipped with carbon monoxide (CO) sensors that control ventilation fans. The parking lot ventilation system at the Okabé shopping center in Kremlin Bicêtre is equipped with CO and NO sensors. Recent concerns regarding the carcinogenicity of diesel particles have made parking lot ventilation an ever more crucial issue. The parking lot at the Lifestyle center in Thiais Village is equipped with CO and NO sensors and it is built around a central well that lets in fresh air naturally. To simplify parking lot organization and optimize energy consumption, Altarea Cogedim favors well-ventilated parking lots wherever project configuration allows it.

The Group also ensures ventilation system safety through regulatory checks and maintenance. The systems are replaced when needed to guarantee constant safety and efficiency. Rooftop and air handling unit filters are changed regularly. At the Okabé center, rooftops are equipped with upstream filters with differential pressure sensors linked to a Building Management System (BMS). When the BMS indicates that the filters are clogged, they are changed. Visual checks are also performed on the filters. On average, the rooftop filters at Okabé are changed every three months.

5.5.1.4.9. Water sanitation

Water management at its shopping centers poses several challenges for Altarea Cogedim, including health-related issues.

To ensure that sanitary water is provided to its tenants, the Group only distributes water from municipal supply systems, which are subject to rigorous, regular checks and analysis.

5.5.1.4.10. Air pollution

In accordance with European regulation 2037/2000, the use of virgin HCFCs was banned in new refrigeration systems as of January 1, 2010, and recycled HCFCs will be banned as of January 1, 2015. R22 is the most common HCFC. The authorized alternatives are HFCs, the most common being R407C and R134A.

The main fluids used by the Group on its portfolio are HFCs 407C and R410A.

5.5.1.4.11. Transformers (risk of PCB contamination)

PCBs, banned by the decree of February 2, 1987 (as modified by a decree of January 18, 2001), have serious health and environmental impacts.

The entire Altarea Cogedim portfolio is completely free of transformers using PCBs such as dielectric fluids.

5.5.1.4.12. Natural and seismic risks

According to Article L. 125-5 of the French Environmental Code, a natural, mining and technological risk report must be drawn up in areas where any natural, technological, or seismic risks exist. These reports remain valid for 6 months.

Such reports are drafted each time an asset is sold, purchased or leased.

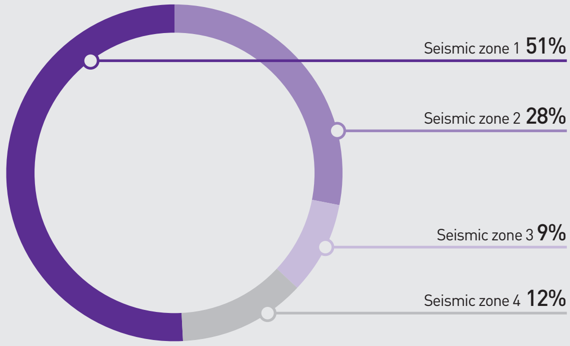
Furthermore, eight centers, or 36% of the occupied space, are covered by a natural risk prevention plan for flooding, ground movement and drought. None of the Group's sites are covered by a technological risk prevention plan.

The Group complies with the requirements of any natural risk prevention plans when constructing new shopping centers.

Seismic zoning in France is defined in decrees 2010-1254 and 2010-1255 of October 22, 2010, and codified in Articles R. 563-1 to 8 and D. 563-8-1 of the Environmental Code. The territory is divided into 5 levels of seismicity, from 1 (very low) to 5 (high).

For those sites included in the scope of reporting, the seismic risk is as follows, per area.

Breakdown of existing portfolio by area of seismic activity
(in surface area)



5.5.1.5. After sales service and e-commerce

To ensure clients are supported from placing orders through to returning products, customer advisor teams are available to answer questions 6 days a week, from 8am to 8pm, by phone, email, online chat, social network or directly at the customer center. Training plans and knowledge management tools ensure a quality response. In 2013, more than 1,500,000 contacts were processed.

Under its "satisfaction or money back" guarantee, Rue du Commerce offers a 2-week withdrawal period, twice the legal requirement. The return rate is approximately 3% of all shipped products. The After-Sales team at the Saint-Quentin Fallavier logistics platform processes returns. All products are electronically tracked, and any defective products are returned to suppliers for repair or replacement under the legal warranty.

5.5.2. URBAN INTEGRATION

Definition of the issue	Proximity and connections to public and alternative means of transportation Integration of projects into the local urban environment
Materiality level	Capital
Scopes concerned	Development, Property investment

Taking advantage of its position as a developer of retail, office, residential and hotel properties, Altarea Cogedim firmly believes in the importance of integrating its projects architecturally and harmoniously in their environment and interconnecting the various living spaces. Conscious of the economic and ecological impacts of travel, Altarea Cogedim strives to promote the use of more practical and economic modes of transportation with lower CO_2 emissions.

The Group has chosen to be transparent regarding the distance to public transportation for all of its new projects and properties. With this approach, the Group can foster a more sustainable and comfortable use and lifestyle for its customers and users.

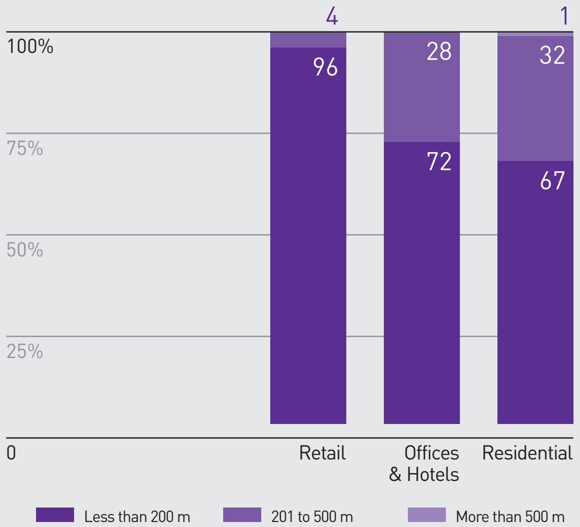
5.5.2.1. Urban integration – Property development business

5.5.2.1.1. Transportation accessibility – Development business

The Group systematically assesses the distance between its new projects and public transportation networks in an effort to offer customers economic and eco-friendly mobility options.

Level of proximity of public transportation to new developments

(percentage of commercial surface areas in m² of floor area or net floor area, or number of homes)



Breakdown of means of public transportation closest to new developments

(percentage of commercial surface areas in m² of floor area or net floor area, or number of homes)

5.5.2.1.2. Relationship of new projects with their environment

Altarea Cogedim also strives to promote projects that respect sites' neighbors and environment. To avoid causing neighbors any kind of nuisance, the Group strives to implement best practices in terms of neighboring buildings' access to views and natural light and the use of non-intrusive artificial lighting and limited sources of noise. Evidence of this is the percentage of projects that qualify for the "High-Performance" or "Very High Performance" label under NF HQE® target 1 – the building's relationship with its immediate environment:

- Retail: 100% (2,000,000 ft² or 188,216 m²) of NF HQE®-certified developments, or 96% (in surface area) of the Group's total production;
- Offices and Hotels: 95% (3,550,000 ft² or 329,529 m²) of NF HQE®-certified developments, or 90% (in surface area) of the Group's total production
- Residential: 89% (7,808 units) of NF HQE®-certified developments, or 42% (in number of homes) of the Group's total production.

5.5.2.2. Urban integration – Property investment business

Since 2012, Altarea Cogedim's reporting on access to the shopping centers in its portfolio and customers' modes of transportation has enabled it to calculate three indicators representing the connectivity of the Group's portfolio:

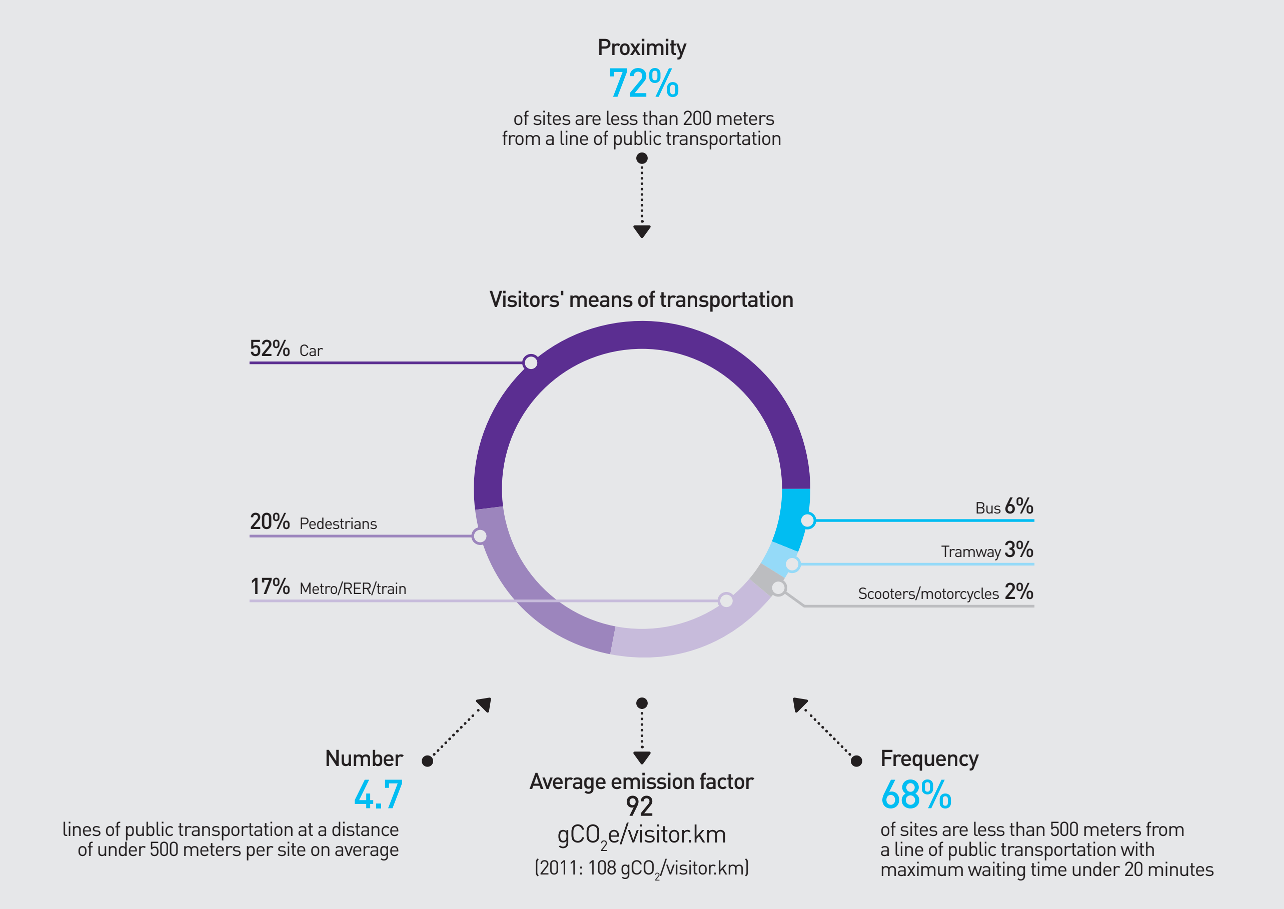
- distance to public transportation: percentage of sites with at least one line less than 200 meters away;

- availability of public transportation: average number of lines available less than 500 meters away per site; and
- frequency of public transportation: percentage of sites with at least one line less than 500 meters away and a frequency of less than 20 minutes.

Furthermore, the Group continues to assess visitors' modes of transportation to its centers, via onsite surveys for the main sites in the portfolio.

The indicator used to track emissions resulting from travel to shopping centers, expressed in grams of CO_2e/visitor/km, dropped 15% between 2011 and 2013.

In spite of the growing use of eco-friendly transportation, Altarea Cogedim is aware that many of its customers will always travel by car to its shopping centers. The Group is therefore equipping its new projects with parking spaces dedicated to hybrid and electric vehicles. This is one more way to encourage a lower carbon footprint and less expensive mobility over the long term.



The distance, number of lines and frequency were calculated for 100% of the sites in the scope of the present report, as detailed in section 5.2.2.2.3. The distribution of visitors' means of transportation is based on customer surveys carried out onsite on 80.7% (in value terms) of the scope of the current reporting.

5.5.3. PROFESSIONAL CODE OF CONDUCT

Definition of the issue	Professional code of conduct, fight against corruption and implementation of means of monitoring and preventing practices inconsistent with the Group's integrity and ethics
Materiality level	Capital
Scopes concerned	Group

5.5.3.1. Values and Code of Conduct

All Altarea Cogedim Group employees and officers must respect the principles established by the Code of Conduct applied since 2010 and updated in 2013. This Code of Conduct, which is available on the Group intranet and appended to all new recruits' employment contract, addresses every aspect of relations between Altarea Cogedim and its stakeholders, employees, customers/tenants and service providers/suppliers plus the best practices for internal operations, including:

- protection of privacy;
- rules a publicly listed company must respect concerning the use of inside information;
- duty of loyalty and conflicts of interest;
- respect for the Law and applicable regulations; and
- environmental protection and the principle of integrity, prohibited practices and corruption.

Management has appointed an ethics director to oversee the Group Code of Conduct. Any employee who has trouble discerning how he should behave in a particular situation can refer the situation to his superior or, if needed, to the ethics director. The consultation with the ethics director and his advice are confidential as guaranteed by the Code of Conduct.

The Code of Conduct of Rue du Commerce, whose business activity is specific, is currently under review and should be implemented in this scope of activity in 2015.

5.5.3.2. Governance and compensation

The information necessary to understand Altarea Cogedim's governance and compensation policies is provided in the description of these policies in sections 7.1 and 7.2.

5.5.3.3. Fight against money laundering, fraud and corruption

The Group's anti-corruption policy is restated 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 they may be confronted with. The Group 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 director. It also prohibits payment in cash, even within the limits authorized by applicable regulations, unless such payment is explicitly authorized.

These principles must also be applied reciprocally in relationships with customers and public authorities: any action that could be interpreted as an attempt at 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 be consulted immediately for his opinion.

In the context of its activities, Altarea Cogedim uses the services of many outside companies. They are selected according to formalized and supervised tender procedures (no supplier monopolies, one-year contracts for service providers in shopping centers, etc.). Consequently, in view of the Group's risk map updated in 2013, that the risk of fraud is limited given the Group's activities and organization.

Furthermore, in 2012, as part of strengthening the Group's procedures, specific anti-corruption clauses were systematically added to service contracts, business finder contracts and agreements with third parties. In particular these clauses stipulate that third parties must undertake to respect the applicable anti-corruption rules and, in the event they are not respected, that the contract may be terminated in advance.

To ensure that its fight against money laundering, fraud and corruption is implemented successfully, the Group plans awareness-raising actions with its employees. Training courses covering the different concepts of corruption, illegal acquisition of interest, delegations of power and potential related criminal liability risks should be offered in 2014 to employees identified as being the most exposed.

5.5.4. PROCUREMENT POLICY

Definition of the issue	Application of sustainable development criteria and clauses when selecting suppliers
Materiality level	Significant
Scopes concerned	Development, Property investment, E-commerce

5.5.4.1. Procurement policy – Property development business

As part of its development business, Altarea Cogedim calls on outside companies for virtually all work assignments, amounting to several hundred million euros of procurements per year and representing the Group's leading procurement item. Altarea Cogedim's service provider selection criteria include their ability to respect projects' qualitative and environmental certification requirements, their ability to control and minimize the impact of jobsites in terms of noise and visual pollution, waste management and their innovation capacity. 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.

For new commercial property projects, standard form project management contracts (Architect, General contractor and Technical design office) have been implemented, along with their common appendices. In 2014 these contracts will apply to 100% of new commercial property projects undertaken (shopping centers, Offices & Hotels). The primary objectives of these contracts are as follows:

- incorporate recent changes in regulations (labor code: fight against illegal work, etc.; urban development code: floor area, impact study, etc.);
- develop and specify the objectives and stakes of implementing environmental procedures on commercial property projects; and
- provide technical, program and development teams a common framework for consulting our contractors and implementing their contract quickly once they are selected.

The sustainable criteria incorporated in the procurement process for the commercial Property Development business are also incorporated in the selection of materials and systems: recognition of the efficiency of systems and their resource consumptions, specification of systems and materials that are easy to use, maintain and repair, specification of labeled products and, with FDES (environmental and health declaration sheets), consideration of total cost, etc.

As part of their environmental certification, all commercial property projects (shopping centers, Offices & Hotels) are subject to a low-nuisance jobsite charter. This approach was extended in 2013 to all new residential projects in France through the development of an Altarea Cogedim Low Nuisance Construction Charter. The company in charge of the work is directly responsible for ensuring that the charter is fully and correctly applied based on its objectives, which are as follows:

- Reduce disturbances (noise, dust) caused to neighbors by the jobsite;
- Limit the risks of water and land pollution during construction; and
- Sort and reduce jobsite waste buried in landfills.

5.5.4.2. Procurement policy – Property investment business

Altarea Cogedim is gradually requiring that all service providers involved in operating the Group's properties sign two documents by which they commit to an environmental approach:

- an environmental charter for contractors that provide occasional services. This charter includes the following issues: jobsite impacts, waste treatment and choice of materials;
- an environmental appendix to maintenance and cleaning contracts. This appendix includes the following issues: management, energy, ecology, pollution, materials, waste, water, comfort and health.

In 2014, standardizing the use of these contractual documents on 100% of the sites included in the scope of reporting and the sites managed on behalf of third parties (unless specified otherwise by the third parties) satisfies the requirements of BREEAM® In-Use certification.

5.5.4.3. Procurement policy and suppliers – E-commerce business

The commercial relationships between suppliers/merchants and Rue du Commerce are formalized 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, blackmail, etc.);
- comply with all applicable national and European regulations specifically relating to internet marketing activities.

Rue du Commerce is aware that the vast majority of suppliers have committed to an environmental policy through their Group charter (e.g.; Canon France's "Environment Management System" or Samsung's "Planet First" green management policy).

In 2013, Rue du Commerce enriched the unique goods and services distribution agreement between the company and its high-tech suppliers in order to strengthen their commitment to the company's CSR approach (additions made to the existing clauses, appendices added to the agreement, etc.) on the following themes: respect for social, fiscal, environmental and human rights legislation and the rules governing safety, health and the fight against undeclared work.

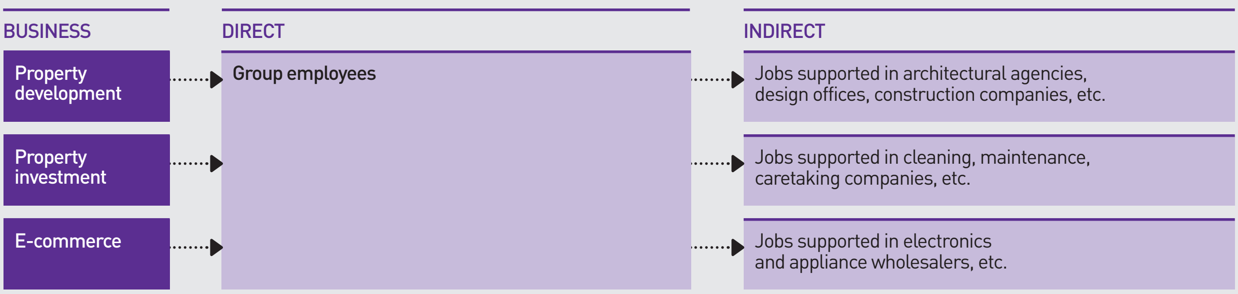
At the beginning of 2014, Rue du Commerce will enrich in turn the Partnership contract concluded with the merchants that distribute their products in the Galerie Marchande.

5.5.5. CONTRIBUTION TO EMPLOYMENT

Definition of the issue	Contribution to direct and indirect job creation and establishment of bodies to facilitate dialogue with local and regional stakeholders
Materiality level	Significant
Scopes concerned	Group

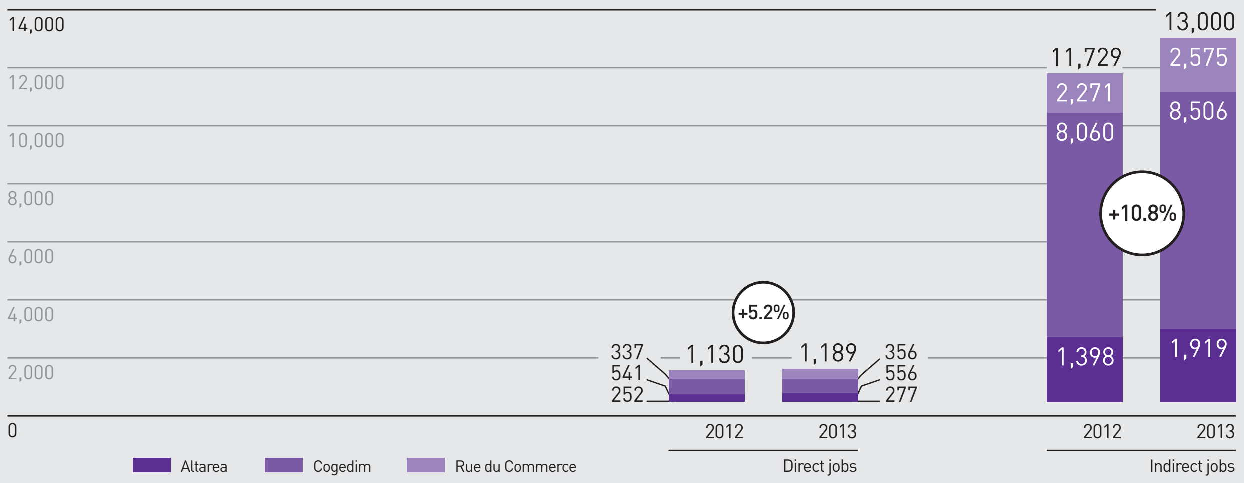
In an uncertain economic context that places a long-lasting strain on job creation, Altarea Cogedim has committed to quantifying and developing its indirect economic contribution to job creation and local development. The Group carries out its development, Property Investment and e-commerce activities almost exclusively in France. Consequently, it is innovating by developing quantitative indicators to measure annually the indirect jobs it supports at 100% in France through its purchases of goods and services.

Indirect jobs supported by Altarea Cogedim



Altarea Cogedim's diversification strategy in the Property Development and e-commerce sectors places the Group in a privileged position as a major consumer of goods and services. This unique position gives Altarea Cogedim a much higher direct/indirect employee ratio than that of a group centered exclusively on a real-estate activity.

Direct and indirect jobs by entity in France



For its activities that create many indirect jobs, the Group is studying the possibility of applying, in the medium-term, clauses that encourage economic development and job creation by forming partnerships with local authorities and the multiple employment and social integration players. This approach has been developed even further in the Qwartz regional shopping center in Villeneuve-la-Garenne. First, the construction contracts were attributed based on the condition of employing local workers directly or through subcontractors. Secondly, the Group set an objective of 50% local jobs created by the shopping center's future retailers, in consultation with the city of Villeneuve-la-Garenne. To facilitate the recruiting processes, a platform was created to connect job seekers and retailers.

For the construction work in the Docks mixed-use green district in Saint-Ouen (92), clauses inserted in companies' contracts encourage hiring persons in back-to-work programs for at least 6% of the hours worked, which represents the equivalent of 7,000 hours of back-to-work insertion during the project's construction.

5.5.6. SPONSORSHIP AND PARTNERSHIP

Definition of the issue	Sponsorship and partnership initiatives in areas related to Altarea Cogedim's businesses
Materiality level	Moderate
Scopes concerned	Group

Altarea Cogedim has been committed for more than six years alongside Habitat et Humanisme to help this association, recognized for its vitality and social innovations, to find lodging solutions for disadvantaged persons. This commitment has been driven by two three-year agreements, implemented and orchestrated entirely by a bipartite Oversight Committee. At December 31, 2013, this commitment represents a total financial investment of €2.14 million over the past five years, primarily apportioned as follows:

- participation in the financing of six social or intergenerational residences (of which two are operating today, three are under construction and one is in development);
- financing of three Habitat et Humanisme Manager positions in the Paris Region for the past five years: two real estate prospectors and one rental Manager;
- 13 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;
- development of expertise-sharing sponsorship initiatives with four 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 as part of the Rue du Commerce operation at the end of 2012, which involved paying 1 euro cent per order, and the payment starting in February 2013 of €1,000 per satisfaction questionnaire completed by the management boards of newly delivered buildings; and
- 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.

A third three-year agreement was signed in November 2013 on the same bases, confirming the Group's long-term commitment with Habitat et Humanisme in favor of reintegration through housing.

5.6. REPORTING METHODOLOGIES

5.6.1. METHODOLOGY FOR ENVIRONMENTAL INDICATORS

5.6.1.1. Data sources

5.6.1.1.1. Data sources for the corporate scope

The building's owner furnishes the energy and water consumption data along with the CO_2 emission data for Altarea Cogedim's head office.

The service provider in charge of collecting the head office's waste provides the waste production data.

5.6.1.1.2. Data sources for the development scope

The data used for reporting and preparing the environmental and social indicators for the development scope are collected from all Group subsidiaries. The Sustainable Development Department then compiles and verifies these data for each operation, based on auditable evidence:

- for general and administrative information (date, address, surface area): building permits and completion of work forms;
- for environmental certifications: certificates of certifying bodies, audit results and Cerqual/Qualitel/Certivea/BRE databases;
- for the energy efficiency level: regulatory calculations or Dynamic Thermal Simulations, audit results and Cerqual/Qualitel databases; and
- for the distance to public transportation: maps indicating the distance between the project's address, as indicated on the building permit, and the closest public transportation stop.

5.6.1.1.3. Data sources for the real estate investment scope

The data used to produce the real estate business's environmental and social indicators are transmitted by each site and then consolidated and verified at the head office. These data are based on auditable evidence:

- for the surface areas: surveyor studies;
- for energy, carbon, water and waste: invoices sent by suppliers and services providers;
- for environmental certifications: certificates issued by the certifying body (Certiva, BRE);
- for green leases: signed leases and environmental appendices;
- for transportation: maps indicating the distance between the entrance to the site and the public transportation stops; and
- for visitors' transportation mode: customer surveys carried out onsite.

5.6.1.2. Methodology used to calculate Group GHG emissions

The Group's GHG emissions 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.

5.6.1.2.1. 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.

5.6.1.2.2. 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 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.

5.6.1.2.3. 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 on 25% of the Group's Retail property assets. This calculation takes into account total activity of the shopping centers 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 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 and 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 leasable 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.

5.6.1.2.4. 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, Rue du Commerce's activities in its offices and logistics warehouse over a one-year period were taken into account.

Items taken into account are energy, commutes for Rue du Commerce 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 Rue du Commerce's own logistics platform. Shipping for products sent directly by the merchants was 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.

5.6.1.3. Environmental indicators for Property Development

5.6.1.3.1. Environmental performance levels of new developments

The objective of this series of indicators is to highlight the increasingly widespread use of an environmental approach for a substantial portion of the production and not just for one or two isolated programs. The housing indicators are calculated based on the number of units and the hotel, retail and office indicators are calculated based on the Net floor area for building permits subject to the RT 2000 thermal regulations/RT 2005 thermal regulations or to the floor area for building permits subject to the RT 2012 thermal regulations.

$$\text{Calculation formula} = \frac{\text{Surface (Net floor area or floor area) or number of residential properties certified or in process of certification}}{\text{Total surface (Net floor area or floor area) or total number of residential properties}}$$

The total surface areas (Net floor area or floor area) for each category expressed by type of environmental certification (NF HQE®, H&E®, BREEAM®, LEED®) provide additional insights into the environmental approaches applied to the Group's projects.

The total surface areas for the "Shopping Center" and "Office & Hotel" categories can be expressed by the actual or target performance level (Good, Very Good, Silver, etc.) for each type of environmental certification (NF HQE®, BREEAM®, LEED®) to take their performance levels more precisely into account.

5.6.1.3.2. Energy efficiency levels of new developments

This series of indicators shows the proportion of operations that surpass the energy requirements of the thermal regulations applicable to the project. Additional indicators present the distribution of new developmentsby energy efficiency level. The energy classes used are those that measure an improvement compared to a regulatory calculation (RT 2005/RT 2012) or compared to a dynamic thermal simulation when the regulatory calculation is not relevant:

- 2005 thermal regulations – RT 2005 minimum;
- High Energy Performance (HPE 2005®) – RT 2005 minimum – 10%;
- Very High Energy Performance (THPE 2005®) – RT 2005 minimum – 20%;
- Low Energy Consumption certification – RT 2005 thermal regulation (BBC-Effinergie®)/Climate Plan – 2005 thermal regulation minimum +50% for commercial properties and 50 kWhpe/m²/year adjusted for Residential property; Climate Plan – 50 kWhpe/m²/year for Residential property;
- BBC Rénovation® – reference minimum – 40%;
- 2012 thermal regulations – RT 2012 minimum;
- High Energy Performance (HPE 2012 ®) – RT 2012 thermal regulation minimum – 10%;
- Very High Energy Performance (THPE 2012 ®) – RT 2012 thermal regulation minimum – 20%;
- Low Energy Building RT2012 (Effinergie+®) – 45 kWhpe/m²/year adjusted for residential properties (until January 1, 2015), 30 kWhpe/m²/year adjusted for commercial property projects.

$$\text{Calculation formula} = \frac{\text{Surface (Net floor area or floor area) or number of residential properties of a given energy efficiency}}{\text{Total surface (Net floor area or floor area) or total number of residential properties}}$$

5.6.1.3.3. Distance of new developments to public transportation

This indicator shows the overall distance of new development projects to public transportation (bus, tramway, metro/RER suburban train, main-line train), categorized by distance (0 to 200 meters, 201 to 500 meters, over 500 meters). The closest transportation modes are broken down for each project category in order to provide additional indications about the distance information. The objective of these indicators is to show the cost-efficient transportation alternatives with lower greenhouse gas emissions that project users could take.

$$\text{Calculation formula} = \frac{\text{Surface (Net floor area or floor area) or number of residential properties by category of distance to public transportation}}{\text{Total surface (Net floor area or floor area) or total number of residential properties}}$$

For Residential buildings, Offices & Hotels, 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.

5.6.1.4. Environmental indicators for Property Investment

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 from ADEME's Base Carbone database:

- electricity: 0.060 kg. CO_2e/kWh;
- gas: 0.241 kgCO_2e/kWh;
- urban network: depending on site;
- heating oil: 0.329 kgCO_2e/kWh.

These factors take into account both production and combustion of each energy source. They are the same for the calculations between 2010 and 2013.

In the energy and carbon indicators used for the Altarea Cogedim portfolio, surface areas calculated in the denominator are those served by the energies recorded in the numerator.Thus, for a classic shopping center, the surface area in the denominator is the surface area of the central common areas plus the gross leasable area.

5.6.1.4.1. 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 CO_2e/m²/year);
- CO_2 emissions of Family Villages® and Retail Parks (in kg CO_2e/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, Altarea Cogedim 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 central 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.

5.6.1.4.2. Comparison of energy consumption on a constant climate basis

To calculate comparable energy and carbon indicators from one year to the next, the data are restated to neutralize the climate impact.

For each property in the scope of reporting, the share of consumption related to heating, air conditioning and other uses are identified. This analysis is based on the energy audit approach used on the properties in 2012 and 2013.

The climate severity is assessed for each weather station based on Degree Days:

- UDD (unified degree days) to assess the winter severity; and
- CDD (cooling degree days) to assess the summer severity.

An average of annual UDD and CDD was calculated over 10 years, from 2000 to 2009 for the closest weather station to each site (AvgUDD and AvgCDD).

The weather conditions for each station can then be compared to an average year by comparing the UDD and CDD values to the AvgUDD and AvgCDD values.

The annual consumption that would have been recorded in the case of average and constant weather conditions were then modeled for each center in the scope of reporting. Changes in consumptions and greenhouse gas emissions could then be analyzed for the scope based on identical weather conditions.

5.6.2. METHODOLOGY FOR SOCIETAL INDICATORS

Indirect jobs correspond to the jobs supported by the goods and services purchased by the Group from its 1st, 2nd, 3rd, and 4th level suppliers and subcontractors located in France. The goods and services purchased by the real estate, e-commerce (excluding the Galerie Marchande) and development activities (excluding outside entities) are taken into account. Tenants are excluded from the indicator because the methods of assessing retail outlet's indirect jobs are not sufficiently robust or homogeneous to ensure a reliable calculation. The calculation is based on job ratios defined by economic sector and calculated based on economic data taken from Eurostat.

Calculated with a one-year lag, the 2012 indicators were calculated based on the 2011 purchase volume and the 2013 indicators were calculated based on the 2012 purchase volume.

5.7. INDICATOR TABLES

5.7.1. ENVIRONMENTAL INDICATORS

5.7.1.1. Energy indicators

CORPORATE – ENERGY CONSUMPTION AND RATIOS FOR THE HEAD OFFICE

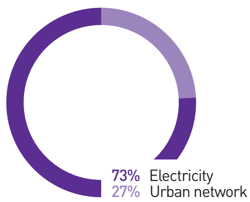
GRI G4 – CRESS codes:
Total energy consumption EN 3 & EN 4
Total energy consumption per m² and per employee CRE 1

Definition: Final (FE) and primary (PE) energy consumption of Altarea Cogedim's head office

Denominator: Calculations established on the basis of 88,781 ft² (8,248 m²) and 497 FTE for 2013

	2010 PE	2011 PE	2012 PE	2013 PE	Change 2010-2013	2013 FE
Total consumption *(GWh)*	3.90	4.64	4.39	4.39	**+12.5%**	2.03
RATIOS						
Total consumption per m² *(kWh/m²)*				532	-	246
Total consumption per full-time equivalent *(kWh/FTE)*				8,833	-	4,088

2013 energy mix (FE)



NEW DEVELOPMENTS – BREAKDOWN BY ENERGY EFFICIENCY LEVEL

GRI G4 – CRESS codes:
CRE 1 & CRE 8

Definition: Breakdown of surface area for retail, office and hotel property developments or number of homes in residential developments with a building permit (provisional or permanent) under construction or delivered in 2013 by energy efficiency level

2013	Regulatory	High Energy Performance (HPE®)	Very High Energy Performance (THPE®)	Low Energy Building (BBC®)
Retail (m²)	4.3%	0.0%	0.0%	95.7%
Offices and Hotels (m²)	8.6%	1.0%	10.1%	80.3%
TOTAL COMMERCIAL PROPERTY (Retail, Offices, Hotels) (m²)	**7.0%**	**0.7%**	**6.6%**	**85.7%**
Total surface area (m²)	39,669	3,742	37,027	481,250
HOMES (number)	**11.1%**	**5.9%**	**3.0%**	**80.0%**
Number of homes (number)	2,091	1,100	553	14,960

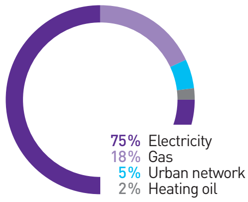
PORTFOLIO - ENERGY CONSUMPTION AND RATIOS FOR THE EXISTING PORTFOLIO

GRI G4 – CRESS codes:
Total energy consumption EN 3 & EN 4
Total energy consumption per m² CRE 1

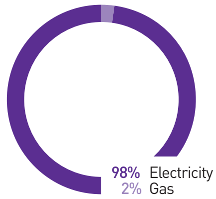
Definition: Final (FE) and primary (PE) energy consumption of the portfolio managed by Altarea Cogedim. In the current and the overall scope, total and per m² of surface area over which energy is distributed. These surface areas may be common areas, outdoor pedestrian areas and/or GLA

Scope concerned: Current scope of reporting (6,059,371 ft² or 562,934 m²) and overall scope of reporting (5,536,999 ft² or 514,404 m² for 2010-2013)

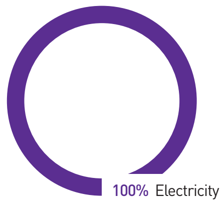
		2010 PE	2011 PE	2012 PE	2013 PE	Change 2010-2013	Change 2010-2013 constant climate	2013 FE	Surfaces concerned
Shopping centers	Total energy consumption: *(GWh)*	49.2	62.2	60.0	59.3	+20.5%	**+3.6%**	27.1	- Common area - GLA
	Total consumption per m² *(kWh/m²)*	202	199	201	204	+1.1%	**-13.1%**	93	
	Share of the scope of ownership	*47%*	*54%*	*53%*	*54%*	*+13.4%*		*54%*	



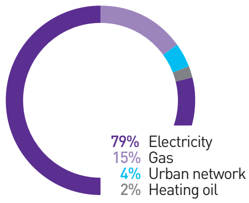
		2010 PE	2011 PE	2012 PE	2013 PE	Change 2010-2013	Change 2010-2013 constant climate	2013 FE	Surfaces concerned
Life Style Centers	Total consumption *(GWh)*	14.3	12.9	13.5	13.8	-3.4%	**-5.7%**	5.4	- Outdoor pedestrian area - GLA
	Total consumption per par m² *(kWh/m²)*	188	170	165	169	-10.3%	**-12.4%**	66	
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*-13.5%*		*19%*	



		2010 PE	2011 PE	2012 PE	2013 PE	Change 2010-2013	Change 2010-2013 constant climate	2013 FE	Surfaces concerned
Family Villages® and Retail Parks	Total consumption *(GWh)*	4.1	4.4	3.9	3.1	-23.5%	**-23.8%**	1.2	- Outdoor pedestrian area
	Total consumption per m² *(kWh/m²)*	127	116	109	88	-31.2%	**-31.4%**	34	
	Share of the scope of ownership	*20%*	*17%*	*17%*	*17%*	*-12.5%*		*17%*	

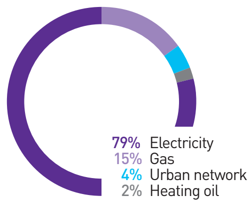


		2010 PE	2011 PE	2012 PE	2013 PE	Change 2010-2013	Change 2010-2013 constant climate	2013 FE	Surfaces concerned
CURRENT SCOPE	Total consumption *(GWh)*	67.6	79.5	77.3	76.2	+12.8%	**+0.3%**	33.8	- Common area - Outdoor pedestrian area - GLA
	Total consumption per m² *(kWh/m²)*	192	186	186	187	-2.8%	**-13.5%**	83	
	Share of the scope of ownership	*89%*	*90%*	*91%*	*90%*	*+1.0%*		*90%*	



		2010 PE	2011 PE	2012 PE	2013 PE	Change 2010-2013	Change 2010-2013 constant climate	2013 FE	Surfaces concerned
LIKE-FOR-LIKE SCOPE	Total consumption *(GWh)*	76.9	66.5	66.2	66.7	-13.2%	**-14.5%**	29.7	- Common area - Outdoor pedestrian area - GLA
	Total consumption per m² *(kWh/m²)*	218	188	179	180	-17.1%	**-18.4%**	80	
	Share of the scope of ownership					*84%*			

2013 energy mix FE



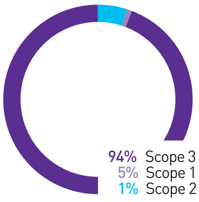
5.7.1.2. GHG (CO_2) EMISSIONS INDICATORS

ALTAREA COGEDIM - GROUP GHG EMISSIONS AND RATIOS

GRI G4 – CRESS codes:
Direct and indirect GHG emissions: EN 15, EN 16 and EN 17

Definition: Total GHG emissions associated with Altarea Cogedim Group's business

Article 75 and GHG Protocol[a]	$teqCO_2$	Scope 1	Scope 2	Scope 3
SIREN Altarea	187,566	3%	2%	95%
SIREN Cogedim	457,835	4%	0%	96%
SIREN Rue du Commerce	10,922	1%	2%	97%
Altarea Cogedim	656,324	5%	1%	94%



(a) Scope 1 does not take into account emissions from electricity line losses (combustion); in accordance with Article 75 of the Grenelle II Law, they are accounted for here in scope 2. This discrepancy with the GHG Protocol represents a difference of less than 1% between the two scopes.

CORPORATE – GHG EMISSIONS AND RATIOS FOR THE HEAD OFFICE

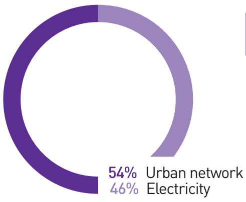
GRI G4 – CRESS codes:
Direct and indirect GHG emissions: EN 15 and EN 16
Total GHG emissions per m² CRE 3

Definition: Total GHG emissions associated with energy consumption of the portfolio managed by Altarea Cogedim
In the current and the overall scope, total and per m² of surface area over which energy is distributedThese surface areas may be central areas, outdoor pedestrian areas and/or GLA

Denominator: Calculations established on the basis of 88,781 ft² (8,248 m²) and 497 FTE for 2013

	2010	2011	2012	2013	Change 2010-2013
Total GHG emissions *($teqCO_2$)*	232	259	227	195	-16.1%
RATIOS					
Total emissions per m² *($kgeqCO_2/m^2$)*				24	-
Total emissions per full-time equivalent *($kgeqCO_2$/ETP)*				392	-

Breakdown by energy type 2012



Breakdown between diret ans indirect emissions

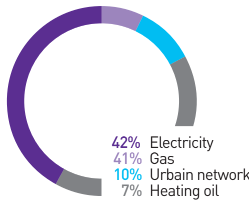
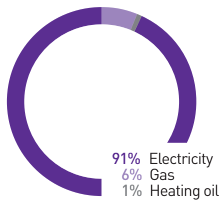
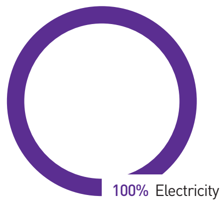
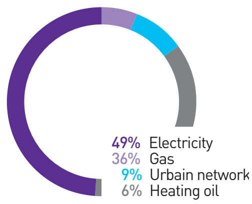
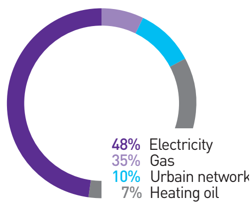
Scope 2: 100%

PORTFOLIO – GHG EMISSIONS AND RATIOS FOR THE EXISTING PORTFOLIO

GRI G4 – CRESS codes:
Direct and indirect GHG emissions: EN 15 and EN 16
Total GHG emissions per m² CRE 3

Definition: Total GHG emissions associated with energy consumption of the portfolio managed by Altarea Cogedim
In the current and the overall scope, total and per m² of surface area over which energy is distributed
These surface areas may be central areas, outdoor pedestrian areas and/or GLA

Scope concerned: Current scope of reporting (6,059,371 ft² or 562,934 m²) and overall scope of reporting (5,536,999 ft² or 514,404 m² for 2010-2013)

		2010	2011	2012	2013	Change 2010-2013	Change 2010-2013 constant climat	Surfaces concerned	Breakdown by energy type 2013
Shopping centers	Total GHG emissions *(teqCO_2)*	2,355	2,846	2,860	2,889	+22.7%	**+17.0%**	- Central areas - GLA	
	Total GHG emissions per m² *(kgeqCO_2)*	9.7	9.1	9.6	9.9	+2.9%	**+1.9%**		
	Share of the scope of ownership	*47%*	*54%*	*53%*	*54%*	*+13.4%*			
Life style Center	Total GHG emissions *(teqCO_2)*	380	337	337	352	-7.5%	**-8.7%**	- Outdoor pedestrian area - GLA	
	Total GHG emissions per m² *(kgeqCO_2)*	5.0	4.4	4.1	4.3	-14.1%	**-15.2%**		
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*-13.5%*			
Family Villages® and Retail Parks	Total GHG emissions *(teqCO_2)*	94	102	90	72	-23.5%	**-23.8%**	- Outdoor pedestrian area	
	Total GHG emissions per m² *(kgeqCO_2)*	3.0	2.7	2.5	2.0	-31.2%	**-31.4%**		
	Share of the scope of ownership	*20%*	*17%*	*17%*	*17%*	*-12.5%*			
	Breakdown between direct and indirect emissions					Scope 1: 42%	Scope 2: 58%		
CURRENT SCOPE	Total GHG emissions *(teqCO_2)*	2,829	3,285	3,287	3,313	+17.1%	**+12.2%**	- Central areas - Outdoor pedestrian area - GLA	
	Total GHG emissions per m² *(kgeqCO_2)*	8.0	7.7	7.9	8.1	+0.9%	**-3.3%**		
	Share of the scope of ownership	*89%*	*90%*	*91%*	*90%*	*+1.0%*			
	Breakdown between direct and indirect emissions					Scope 1: 43%	Scope 2: 57%		
LIKE-FOR-LIKE SCOPE	Total GHG emissions *(teqCO_2)*	3,368	2,773	2,873	2,962	-12.1%	**-12.4%**	- Central areas - Outdoor pedestrian area - GLA	
	Total GHG emissions per m² *(kgeqCO_2)*	9.5	7.9	7.8	8.0	-16.0%	**-14.4%**		
	Share of the scope of ownership				*84%*				

5.7.1.3. Water and waste indicators

CORPORATE – WATER CONSUMPTION AND WASTE PRODUCED FOR THE HEAD OFFICE

GRI G4 – CRESS codes:
Total water consumption: EN 8
Total waste production: EN 23
Total water consumption per m² and per employee CRE 2

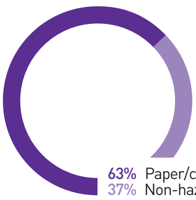
Definition: Total water consumption per m² and total waste production at Altarea Cogedim's head office

Denominator: Calculations established on the basis of 88,781 ft² (8,248 m²) and 497 FTE for 2013

WATER	2010	2011	2012	2013	Change 2010-2013
Water consumption *(m³)*	6,263	5,880	5,750	6,748	+7.7%
RATIOS					
Water consumption per m² *(L/m²)*				818	-
Water consumption per employee *(L/FTE)*				13,577	-

WASTE	2010	2011	2012	2013	Change 2010-2013
Waste produced *(tons)*	535	594	547	648	+21.1%
RATIOS					
Waste produced per m² *(kg/m²)*				79	-
Waste produced per full-time equivalent *(kg/FTE)*				1,304	-

Breakdown by type of waste



5.7.1.3.1. Water indicators

PORTFOLIO – WATER CONSUMPTION FOR THE EXISTING PORTFOLIO

GRI G4 – CRESS codes:
Total water consumption: EN 8
Total water consumption per visitor: CRE 2

Definition: Total water consumption (common areas + private areas) and water consumption in common areas for the portfolio managed by Altarea Cogedim in the current and overall scope, total and per visitor. Common areas (PC) correspond to central areas for shopping centers and outdoor pedestrian areas for Life Style Centers and Retail Parks. Private areas (PP) correspond to GLA surface area

Scope concerned: Current scope of reporting (6,059,371 ft² or 562,934 m²) and overall scope of reporting (5,536,999 ft² or 514,404 m² for 2010-2013)

		2010	2011	2012	2013	Change 2010-2013	Surface concerned
Shopping centers	Total water consumption *(m³)*	159,951	219,498	189,267	183,036	+14.4%	PC + PP
	Water consumption in common areas *(m³)*	63,185	93,154	99,439	77,407	+22.5%	PC
	Water consumption in common areas per visitor *(L/visitor)*	0.98	1.35	1.66	1.33	+35.2%	
	Share of the scope of ownership	*47%*	*54%*	*53%*	*54%*	*+13.4%*	
Life Style Centers	Total water consumption *(m³)*	86,143	99,001	103,912	106,774	+23.9%	PC + PP
	Water consumption in common areas *(m³)*	10,193	8,198	9,428	16,901	+65.8%	PC
	Water consumption in common areas per visitor *(L/visitor)*	0.53	0.41	0.45	0.78	+47.9%	
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*-13.5%*	
Family Villages® and Retails Parks	Total water consumption *(m³)*	24,166	29,114	31,418	17,885	-26.0%	PC + PP
	Water consumption in common areas *(m³)*	17,718	14,548	16,008	11,848	-33.1%	PC
	Water consumption in common areas per visitor *(L/visitor)*	0.46	0.39	0.59	0.51	+11.6%	
	Share of the scope of ownership	*20%*	*17%*	*17%*	*17%*	*-12.5%*	
CURRENT SCOPE	Total water consumption *(m³)*	270,261	347,613	324,597	307,695	+14%	PC + PP
	Water consumption in common areas *(m³)*	91,096	115,899	124,874	106,157	+17%	PC
	Water consumption in common areas per visitor *(L/visitor)*	0.74	0.92	1.15	1.03	+38%	
	Share of the scope of ownership	*89%*	*90%*	*91%*	*90%*	*+1.0%*	
LIKE-FOR-LIKE SCOPE	Total water consumption *(m³)*	277,362	282,336	285,430	276,240	-0.4%	PC + PP
	Water consumption in common areas *(m³)*	103,231	95,176	114,032	88,826	-14.0%	PC
	Water consumption in common areas per visitor *(L/visitor)*	0.97	0.92	1.21	0.99	+2.4%	
	Share of the scope of ownership			*84%*			

5.7.1.3.2. Waste indicators

PORTFOLIO – WASTE PRODUCED FOR THE EXISTING PORTFOLIO

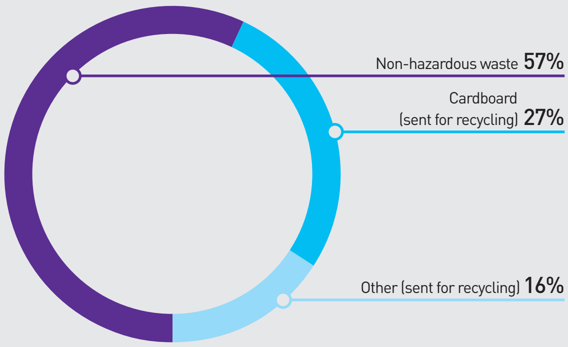
GRI G4 – CRESS codes:
Total waste production: EN 23

Definition: Waste produced for the portfolio managed by Altarea Cogedim nin the in the current and the overall scope, total and per visitor.

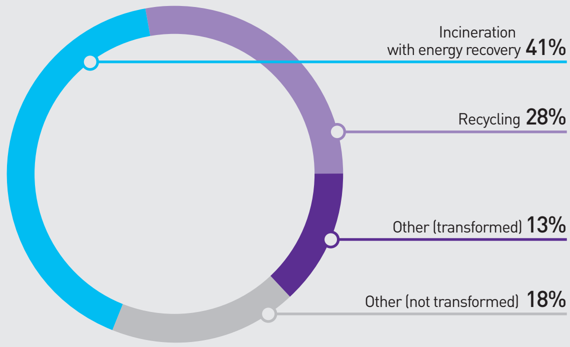
Scope concerned: Current scope of reporting (6,059,371 ft² or 562,934 m²) and overall scope of reporting (5,536,999 ft² or 514,404 m² for 2010-2013)

		2010	2011	2012	2013	Change 2010-2013
Shopping centers	Waste produced *(tons)*	3,048	3,566	2,955	2,810	-7.8%
	Waste produced per visitor *(kg/visitor)*	0.05	0.05	0.05	0.05	+1.7%
	Percentage of waste sorted	23%	24%	24%	42%	+83.1%
	Share of the scope of ownership	*47%*	*54%*	*53%*	*54%*	*+13.4%*
Life Style Centers	Waste produced *(tons)*	525	583	547	613	+16.8%
	Waste produced per visitor *(kg/visitor)*	0.03	0.03	0.03	0.03	+4.2%
	Percentage of waste sorted	35%	31%	32%	30%	-13.6%
	Share of the scope of ownership	*22%*	*18%*	*20%*	*19%*	*-13.5%*
Family Villages® and Retail Parks	Waste produced *(tons)*	1,214	1,370	1,185	1,272	+4.7%
	Waste produced per visitor *(kg/visitor)*	0.03	0.04	0.04	0.05	+74.8%
	Percentage of waste sorted	44%	48%	53%	52%	+18.2%
	Share of the scope of ownership	*20%*	*17%*	*17%*	*17%*	*-12.5%*
CURRENT SCOPE	Waste produced *(tons)*	4,788	5,518	4,687	4,695	-2%
	Waste produced per visitor *(kg/visitor)*	0.04	0.04	0.04	0.05	+16%
	Percentage of waste sorted	30%	31%	32%	43%	+46%
	Share of the scope of ownership	*89%*	*90%*	*91%*	*90%*	*+1.0%*
LIKE-FOR-LIKE SCOPE	Waste produced *(tons)*	4,289	4,611	4,089	4,162	-3.0%
	Waste produced per visitor *(kg/visitor)*	0.04	0.04	0.04	0.05	+15.4%
	Percentage of waste sorted	32%	32%	33%	45%	+42.8%
	Share of the scope of ownership			*84%*		

Breakdown of tons of waste produced by sorting category
(percentage)



Breakdown of tons of waste produced by end-of-life category
(percentage)



5.7.2. SOCIAL INDICATORS

Scope: Group employees on fixed-term and open-ended contracts (France, Italy, Spain, Luxembourg) at 12/31/13

REPRESENTATION, DIVERSITY, SOCIAL DIALOGUE

RECRUITMENT AND STAFF MANAGEMENT

Code GRI G4	Theme	Indicator	Unit	Altarea Cogedim 2012	Altarea Cogedim 2013	Altarea Cogedim Change	Altareit 2013
G4-10	Total headcount	Number of employees	number	1,232	1,286	+4.4%	971
	Breakdown by contract	Number of employees on permanent contracts	number	1,166	1,221	+4.7%	915
		Number of employees on fixed-term contracts	number	66	65	-1.5%	56
	Breakdown by gender	Percentage of female employees	%	56.2%	55.7%	-0.9%	53.6%
		Percentage of male employees	%	43.8%	44.3%	+1.1%	46.4%
	Breakdown by age group	Percentage of employees under 30	%	21.8%	20.8%	-4.9%	24.8%
		Percentage of employees between 30 and 50	%	65.1%	64.8%	-0.5%	61.0%
		Percentage of employees over 50	%	13.1%	14.5%	+10.7%	14.2%
	Breakdown by country	Percentage of employees in France	%	96.5%	97.2%	+0.7%	99.9%
		Percentage of employees in Italy	%	2.9%	2.3%	-22.8%	0.1%
		Percentage of employees in Spain	%	0.5%	0.5%	-4.2%	0.0%
		Percentage of employees in Luxembourg	%	0.1%	0.1%	-4.2%	0.0%
	Breakdown by status	Percentage of employees in management positions	%	60.3%	63.5%	+5.2%	62.4%
		Percentage of employees in non-management positions	%	39.7%	36.5%	-7.9%	37.6%
LA 1	Recruitment	New hires (open-ended contract) during the period	number	210	188	-10.5%	157
		New hires (fixed-term contract) during the period	number	119	122	+2.5%	108
		Percentage of new hires in management positions	%	41.0%	51.0%	+24.2%	49.4%
		Percentage of new hires in non-management positions	%	59.0%	49.0%	-16.9%	50.6%
	Departures	Number of dismissals	number	14	17	+21.4%	14
		Departure rate: number of employee departures during the period/average headcount	%	19.6%	20.2%	+2.8%	21.7%
		Manager departure rate	%	12.6%	12.8%	+1.3%	13.2%
		Non-manager departure rate	%	30.6%	32.8%	+7.1%	35.7%
	Reasons for departure	Departure during trial period	%	7.9%	7.1%	-10.2%	6.3%
		End of fixed-term contract	%	45.9%	43.5%	-5.1%	47.6%
		End of contract (miscellaneous)	%		0.4%	NA	0.5%
		Early termination of fixed-term contract (employee's decision)	%	0.9%	0.0%	-100.0%	0.0%
		Resignations	%	28.4%	27.5%	-3.3%	22.8%
		Dismissals	%	6.1%	6.7%	+9.1%	6.8%
		Retirement or pre-retirement	%	0.4%	1.6%	+256.5%	1.9%
		Termination of fixed-term contract by mutual agreement	%		1.2%	NA	1.0%
		Amicable termination of contract	%	10.5%	12.2%	+16.0%	13.1%
G4-10	Organization of working hours	FTE (full-time equivalent) headcount (open-ended and fixed-term)	number	1,220	1,246	+2.1%	935
		Average age	years	38	38	+1.2%	37
		Average length of service	years	5.2	6.2	+19.0%	5.9
		Percentage of full-time employees	%	96.5%	96.3%	-0.3%	96.2%
		Percentage of full-time employees on open-ended contracts	%	94.6%	95.1%	+0.5%	94.4%
		Percentage of full-time employees on fixed-term contracts	%	5.4%	4.9%	-8.4%	5.6%
		Percentage of part-time employees	%	3.5%	3.7%	+6.9%	3.8%
		Percentage of part-time employees on open-ended contracts	%	95.4%	91.7%	-3.9%	89.2%
		Percentage of part-time employees on fixed-term contracts	%	4.7%	8.3%	+79.2%	10.8%
		Number of hours theoretically worked	hours	1,866,239	1,982,297	+6.2%	1,480,231
		Number of hours worked by temporary employees	hours	35,091	24,597	-29.9%	19,066
		Number of overtime hours worked	hours	1,501	3,370	+124.5%	3,370

PROMOTING DIVERSITY

Code GRI	Theme	Indicator	Unit	Altarea Cogedim 2012	Altarea Cogedim 2013	Altarea Cogedim Change	Altareit 2013
LA 12	Gender equality	Percentage of women in the total headcount	%	56.2%	55.7%	-0.9%	53.6%
		Percentage of women among management-level employees	%	42.5%	44.0%	+3.4%	42.4%
		Percentage of female Managers	%	45.7%	50.1%	+9.8%	49.4%
		Percentage of female non-managers	%	76.9%	76.0%	-1.2%	72.1%
		Percentage of female members of the extended Management Committee	%	23.6%	24.5%	+3.8%	19.4%
		Percentage of departures concerning women	%	55.9%	56.1%	+0.3%	52.4%
	Disabilities	Number of employees having reported a disability	number	4	4	+0.0%	3
	Fight against discrimination	Number of interns during the period	number	52	53	+1.9%	40
		Number of work-study contracts	number	36	39	+8.3%	31

DIALOGUE WITH EMPLOYEE REPRESENTATIVES

Code GRI	Theme	Indicator	Unit	Altarea Cogedim 2012	Altarea Cogedim 2013	Altarea Cogedim Change	Altareit 2013
LA 5	Organization of social dialogue	Number of employee representatives	number	49	46	-6.1%	33
G4-11	Collective bargaining agreements	Percentage of employees covered by a collective bargaining agreement	%	99.9%	99.7%	-0.2%	99.6%

COMPENSATION AND SKILL DEVELOPMENT

SHARING SUCCESS WITH EMPLOYEES

Code GRI	Theme	Indicator	Unit	Altarea Cogedim 2012	Altarea Cogedim 2013	Altarea Cogedim Change	Altareit 2013
G4-54	Fixed compensation*	Average gross annual employee compensation – excluding variable compensation and employer payroll taxes	€	50,521	51,755	+2.4%	47,941
		Average gross annual non-management compensation – excluding variable compensation and employer payroll taxes	€	30,153	28,432	-5.7%	26,640
		Average gross annual management compensation – excluding variable compensation and employer payroll taxes	€	64,417	67,711	+5.1%	64,241
	Variable compensation*	Percentage of variable compensation in management compensation (%)	%	14.6%	13.7%	-6.6%	15.0%

* Excluding Cogedim Management Board.

BUILDING SKILLS AND EXPERTISE

Code GRI	Theme	Indicator	Unit	Altarea Cogedim 2012	Altarea Cogedim 2013	Altarea Cogedim Change	Altareit 2013
LA 9	Budget	Total training expenditure	€ thousands	1,369	1,473	+7.6%	1,098
		Average training expenditure per employee trained	€ thousands	2.17	2.31	+6.5%	2.23
		Investment rate for training	%	1.85%	1.84%	-0.4%	1.87%
	Hours of training	Average number of hours per employee participating in at least one training course	number	17.8	16.8	-5.9%	16.9
		Average number of hours for Managers	number	18.8	18.3	-2.7%	18.3
		Average number of hours for non-managers	number	16.4	13.8	-15.6%	14.2
	Types of training*	Weight of the number of training hours spent in technical and business line courses	%	38.5%	48.3%	+25.5%	47.5%
		Weight of the number of training hours spent in IT and office skills courses	%	39.1%	8.8%	-77.4%	8.7%
		Weight of the number of training hours spent in management and support courses	%	15.0%	31.1%	+107.5%	32.9%
		Weight of the number of training hours spent in language courses	%	7.5%	4.9%	-34.2%	2.1%
		Percentage of the number of training hours spent in health and safety courses	%		6.9%	NA	8.8%
LA 11	Promotions	Number of employees promoted during the period	58	132	99	-25.0%	80
		Percentage of employees promoted during the period	%	11.3%	7.8%	-30.7%	8.4%
LA 11	Mobility	Number of employees having benefited the from one or more types of mobility during period (geographic and/or professional and/or inter-departmental/inter-group mobility)	number	71	62	-12.7%	46
		Percentage of employees having benefited from one or more types of mobility during the period	%	6.1%	4.9%	-19.4%	4.9%

* Including in-house training courses.

EMPLOYEE HEALTH AND SAFETY

ENSURING EMPLOYEE HEALTH AND SAFETY

Code GRI	Theme	Indicator	Unit	Altarea Cogedim 2012	Altarea Cogedim 2013	Altarea Cogedim Change	Altareit 2013
LA 6	Absenteeism*	Total absentee rate	%	6.5%	6.4%	-1.1%	6.2%
		Management absentee rate	%	4.5%	4.3%	-2.4%	4.1%
		Non-management absentee rate	%	9.6%	10.0%	+4.5%	9.6%
		Overall absentee rate excluding maternity/paternity leave	%	4.3%	4.1%	-5.8%	4.0%
	Reasons	Absence due to workplace accident	%	0.2%	1.5%	NA	1.8%
		Absence due to occupational illness	%	0.0%	0.0%	NA	0.0%
LA 8	Safety and Working Conditions Committee (CHSCT)	Number of CHSCT meetings (DP + works council)	number	12	19	+58.3%	15
		Workplace health and safety agreements signed	number	0	0	NA	0
LA 6	Workplace accidents	Frequency rate of workplace accidents	%	0.03	6.46	NA	7.90
		Severity rate of workplace accidents	%	0.00	0.14	NA	0.17
		Number of occupational illnesses declared (and recognized) over the year	number	0	0	NA	0
		Frequency of subcontractor workplace accidents	%	0	0	NA	0
		Severity of subcontractor workplace accidents	%	0	0	NA	0

* All absence except annual vacations and "RTT" days (days for recuperation of overtime worked).

5.8. CROSS-REFERENCE TABLE

ENVIRONMENTAL

Theme	Issue	GRI 4	Chapter	Page
Overall environmental policy	Corporate organization to address environmental issues	-	5.1.2	151
	Environmental assessment or certification procedures (if applicable)	CRE 8	5.1.2	151
	Environmental protection training and information initiatives for employees	-	5.1.2	151
	Resources devoted to preventing pollution and environmental risks	EN 31	5.5.1	189
	Amount of provisions and guarantees for environmental risks, provided where such information is not liable to cause damage to the Company regarding an ongoing dispute	EC 2	5.3.7	182
Waste disposal and management	Measures to prevent, reduce or compensate for emissions into the air, water or soil with grave environmental consequences	CRE 5	5.3.3	173
	Measures to prevent, recycle and eliminate waste	-	5.3.4	174
	Taking account of noise pollution and any other type of pollution specific to an activity	-	5.3.7	182
Sustainable use of resources	Water supply and consumption in accordance with local constraints	EN 8, EN 9 CRE 2	5.3.6	181
	Energy consumption, measures taken to enhance energy efficiency	EN 1, EN 2 CRE 1	5.3.2	169
	Use of renewable energies	EN 3 to EN 7	5.3.5	175
	Land use	-	5.3.3	173
Climate change	Greenhouse gas emissions	EN 15 to EN 19 CRE 3	5.3.5	175
	Adjustment to the consequences of climate change	EC2	5.3.5	175
Protecting biodiversity	Measures taken to preserve or develop biodiversity	-	5.3.3	173

SOCIAL

Theme	Issue	GRI 4	Chapter	Page
Jobs	Total workforce and breakdown by gender, age and geographical region	G4-10 LA 1, LA 12	5.4.1	183
	New hires and dismissals	LA 1	5.4.1	183
	Compensation and associated developments	EC 1	5.4.2	186
Work organization	Organization of working hours	-	5.4.1	183
	Absenteeism	LA 6	5.4.3	188
Social relations	Organization of social dialogue, particularly procedures to inform, consult and negotiate with employees	HR4	5.4.1	183
	Collective bargaining agreements	-	5.4.1	183

Theme	Issue	GRI 4	Chapter	Page
Health and safety	Workplace health and safety conditions	CRE 6	5.4.3	188
	Agreements signed with labor unions or employee representatives regarding workplace health and safety	LA 8	5.4.3	188
	Workplace accidents, particularly frequency and severity, as well as occupational illnesses	LA 6 LA 7	5.4.3	188
Training	Training policies implemented	LA 10 LA 11	5.4.2	186
	Total training hours	LA 9	5.4.2	186
Diversity and equal opportunities/equal pay	Policies implemented and measures taken to promote gender equality	LA 3 LA 13	5.4.1	183
	Policy implemented and measures taken to promote employment and integration of persons with disabilities	-	5.4.1	183
	Policy implemented and measures taken to fight discrimination	HR 3	5.4.1	183
Promotion of and compliance with provisions of fundamental ILO agreements	Respect for freedom of association and right to collective bargaining	HR 4	5.4.1	183
	Elimination of employment and occupational discriminations	-	5.4.1	183
	Elimination of forced or compulsory labor	HR 6	5.4.1	183
	Effective abolition of child labor	HR 5	5.4.1	183

SOCIETAL

Theme	Issue	GRI 4	Chapter	Page
Territorial, economic and social impact of the Company's business	Concerning employment and regional development	EC 7 to EC 9	5.5.5	197
	On local or resident populations	SO 1, SO 2, CRE 7	5.5.5	197
Terms of dialogue with these groups or organizations	Terms of dialogue with these groups or organizations	G4-24 to G4-27	5.5.5	197
Partnership or sponsorship initiatives	Partnership or sponsorship initiatives	-	5.5.6	198
Subcontracting and suppliers	Taking account of social and environmental issues in procurement policies	EC 9, LA 14, LA 15, EN 33, EN 32, HR 4, HR 5, HR 9 to HR 11, SO 9	5.5.4	196
	Degree of subcontracting and recognition of social and environmental responsibility in relations with subcontractors and suppliers	EC 9, LA 14, LA 15 EN 32, EN 33, HR 4 to HR 6 HR 9, HR 10, HR 11, SO9	5.5.4	196
Fair business practices	Actions undertaken to prevent corruption	G4-56 to G4-58, SO 3 to SO 5	5.5.3	195
	Measures taken to promote consumer health and safety	PR 1, PR 2, PR 6, PR 7, PR 9	5.5.1	189
Other actions undertaken in favor of human rights	Other actions undertaken in favor of human rights	HR 1, HR 2, HR 5 to HR 10	5.4.1	186

5.9. INDEPENDENT ASSURANCE REPORT ON THE SOCIAL AND ENVIRONMENTAL INFORMATION PROVIDED IN THE MANAGEMENT REPORT

(For the financial year ended December 31, 2013)

To the Shareholders,

In our role as an independent third-party organization, with our request for accreditation deemed admissible by COFRAC (France's accreditation and certification body) under number 3-1050, and as a member of one of the auditing firms of Altarea Cogedim, we hereby report to you on the consolidated social and environmental information for the year ended December 31, 2013, presented in Chapter 5 "Corporate Social Responsibility" of the management report ("CSR Information") in application of Article L. 225-102-1 of the French Commercial Code.

Management's Responsibility

The Company's management is responsible for the preparation of the management report. This includes the CSR Information in accordance with Article R. 225-105-1 of the French Commercial Code, presented as required by the Company's internal reporting standards, which comprise social and environmental reporting guidelines as at October 2013 (the "Guidelines"). A summary of the Guidelines is provided in the introduction to Chapter 5.2.2 "Scope of reporting and guidelines" in the management report and available upon request at the Company's head office.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, our professional compliance code and Article L. 822-11 of the French Commercial Code. In addition, we maintain a quality control system that encompasses documented policies and procedures to ensure compliance with ethical requirements, standards of professional conduct and applicable legal and regulatory requirements.

Independent third-party organization's responsibility

It is our role, on the basis of our work:

- to attest whether the required CSR Information is presented in the management report or, if not presented, whether an appropriate explanation is provided in accordance with the third paragraph of Article R. 225 105 of the French Commercial Code (Attestation of CSR Information presentation);
- to provide limited assurance on whether the CSR Information, taken as a whole, is fairly presented, in all material respects, in accordance with the Guidelines (Reasoned opinion on the fair presentation of CSR Information).

Our verifications were performed by a team of five people between September 2013 and March 2014 and lasted approximately six weeks.

We conducted the work described below in accordance with professional standards applicable in France and the French order of May 13, 2013, which defines the terms for independent third-party organizations in performing their duties. We also applied the International Standard on Assurance Engagements, ISAE 3000[1], in establishing our reasoned opinion on the fair presentation of CSR Information.

1. Attestation of CSR information presentation

We examined the sustainable development strategy, through interviews with the relevant department Managers, based on the social and environmental impacts of the Company's activities, its social commitments and any resulting measures or programs.

We compared the CSR Information presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated Information, we verified that an appropriate explanation was provided in accordance with Article R. 225-105 paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, namely the Company and its subsidiaries as defined by Article L. 233-1 and its controlled entities as defined by Article L. 233-3 of the French Commercial Code, within the limits specified in the methodology section of Chapter 5.2.2 of the management report.

Based on our work and the above-mentioned limits, we hereby confirm that the required CSR Information is presented in the management report.

(1) ISAE 3000 – *Assurance engagements* other than audits or reviews of historical information.

2. Reasoned opinion on the fair presentation of CSR information

Nature and scope of work

We conducted about twelve interviews with ten people-from the sustainable development, human resources, technical, management control and Corporate Secretary departments-responsible for preparing CSR Information, the information collection process and internal control and risk management procedures. This was done to:

- assess the appropriateness of the Guidelines as regards their relevance, comprehensiveness, reliability, neutrality and clarity, taking into consideration sector best practices and the social and environmental guidelines released by the French National Shopping Center Council (CNCC) in July 2013;
- check that the Company has set up a process to collect, compile, process and control the comprehensiveness and consistency of the CSR Information and understand its internal control and risk management procedures applied in preparing CSR Information.

We determined the nature and scope of our tests and controls depending on the type and importance of the CSR Information with respect to the Company's characteristics, the social and environmental issues concerning its activities, sustainable development strategy and sector best practices.

Concerning the CSR information that we deemed to be the most important[(2)]:

- at the level of the consolidating entity and different businesses (Property Investment, development and e-commerce), we consulted the documentary sources and conducted interviews to corroborate this qualitative information (organization, policies, measures, etc.), analyzed the quantitative information and, based on sampling, verified the calculations and the consolidation of this information and its consistency with other information provided in the management report;
- at the level of a representative sample of sites[(3)] that we selected based on their business, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures were correctly applied and performed detailed tests based on sampling, which consisted in verifying the calculations made and reconciling the data with the supporting documents.

In the Property Investment business, site visits covered 9% of the shopping center surface area in addition to the visits that took place in the previous two years. For the development business, the supporting documents for the social and environmental information on residential, retail and office buildings (permits, location, certifications, etc.) are centralized at the Company's head office. Supporting documents on the Company's labor information are are also available at its head office.

As regards the other consolidated CSR information, we assessed its consistency in relation to our knowledge of the Company.

Finally, we assessed the relevance of the explanations given in the event of the total or partial absence of certain information.

We believe that the sampling methods and sample sizes we used this year and the two previous years, according to our professional judgement, enable us to provide a moderate level of assurance regarding this information. Providing greater assurance would require more extensive verifications. Due to the use of sampling techniques and other restrictions inherent to any information and internal control system, the risk of not detecting a material misstatement in the CSR Information cannot be entirely ruled out.

(2) **Environmental information:** organization and assessment or certification programs (proportion of certified buildings or buildings undergoing environmental certification), waste treatment and recycling (waste sorting and recovery rates), energy efficiency and greenhouse gas emissions (energy efficiency, energy consumption and greenhouse gas emissions per m^2).

Social information: regional economic and social impact (direct and indirect employment), engagement with stakeholders (percentage rollout of green leases with tenants), access to public transportation (distance), social and environmental issues taken into account by suppliers and subcontractors, fairness of practices and ethics, measures taken to promote consumer health and safety.

Labor information: total headcount, absenteeism, total training hours.

(3) The OKABÉ shopping center in Kremlin-Bicêtre and the Family Village® in Aubergenville.

Conclusion

Our engagement did not reveal any significant anomalies that would cause us to believe that the CSR Information, taken as a whole, is not fairly presented, in accordance with the Guidelines.

Observations

We would like to draw your attention to the following observations, which do not affect the above conclusion:

- Chapter 5 provides a very detailed account of the Company's CSR issues, organization, targets and performance.
- The headcount of Rue du Commerce has been consolidated in the labor indicators since its acquisition in 2012. The social and environmental information pertaining to the e-commerce businesses is gradually being integrated into the information on the Company's traditional businesses (Property Investment and development).
- In line with the recommendations of the CNCC guidelines, the energy efficiency of buildings is monitored based on a constant scope and climate for the common areas (i.e. excluding tenant energy use).

Paris-La Défense, March 20, 2014

Independent third-party organization
ERNST & YOUNG et Associés

Eric Duvaud
Sustainable Development Partner

Bruno Perrin
Partner

GENERAL INFORMATION

6

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, Mr 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 registration 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 within 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, 2013 provided in section 3.9. contains an emphasis of matter paragraph concerning changes in accounting methods.

The report on the consolidated financial statements for the year ended December 31, 2012 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 – A.A.C.E.
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 financial 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 *société anonyme*.

It was transformed into a *Société en Commandite par Actions* by resolution of the Shareholders at the Combined General Meeting held on June 26, 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 *société anonyme*. Limited Partners may decide, by a majority required for the Extraordinary General Meeting, to terminate the status of the *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 section 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 made in March 2005 by the Company and its eligible subsidiaries to elect for the tax regime applicable to *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 this 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 numbers are:
00 33 (0)1 44 95 88 10 and 00 33 (0)1 56 26 24 00.

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 it is 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;
- secondarily: 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. Consultation of legal documents

Legal documents relating to the Company which must be made available by Law to the Shareholders may be consulted 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 may be 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 same 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 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 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 is in exactly the 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 to the 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 electronically 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 this purpose by their legal representatives.

(iii) Double voting rights

No double voting rights currently exist.

The Extraordinary General Meeting called for May 7, 2014 will rule on the adoption or rejection of double voting rights for shareholders having held shared in registered form for more than two years. Please note that the Supervisory Board at its March 5, 2014 meeting unanimously chose to recommend that the shareholders fully reject double voting rights and amend the Articles of Association accordingly to specify this point.

(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 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 discretion.

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 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 The Meeting to one tenth of the shares held respectively by them. The Relevant Shareholder will recover all 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 shares owned directly or through its controlled entities to registered form no later than the third business day before the date of The Meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the Law. Notwithstanding the foregoing, shares must be in registered form where 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 in a share registry held by the issuer, its appointed registrar in the case of registered shares or in 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 purposes of the Company.

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 the occurrence, advise the Company by registered letter 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 from voting 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 €177,145,238.70 divided into 11,592,805 fully paid share all of the same class. The rounded par value is €15.28 a share.

6.2.2.3. Authorities involving the share capital

Note 8.10 to the consolidated financial statements (section 3 of this registration document) provides detailed information on:

- stock option plans;
- free share 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 authorities granted by extraordinary resolution of the Shareholders and their use during the past financial year. Each new authority granted to Management supersedes and cancels all previous authorities granted for the same purpose.

(i) Authorities granted by the Combined General Meeting of May 25, 2012 that remained valid until the Combined General Meeting of June 27, 2013

(i) Authorities to increase the share capital

Authorization granted	Resolution	Expiry date	Use in 2013
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	8th resolution	07/25/2014	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	07/25/2014	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 offer	10th resolution	07/25/2014	None
Authority granted to the Management to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	11th resolution	07/25/2014	None
Option of increasing the amount of an issue in case of oversubscription	12th resolution	07/25/2014	None
Authority to issue shares to pay for contributions in kind, without pre-emptive rights, subject to a ceiling of 10% per year	13th resolution	07/25/2014	None
Authority to issue ordinary shares or securities giving access to equity to minority shareholders of subsidiaries in consideration for their interest 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	07/25/2014	None
Setting aggregate ceiling of authorities to the Management at €120 million for share issues and at €120 million for issues of 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	07/25/2014	None

The above authorities were canceled at the Combined General Meeting of June 27, 2013 through the adoption of resolutions on the same authorities.

(ii) Share buyback program

Authorization 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	07/25/2014

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2013 are detailed in paragraph 6.2.2.4 below on the share buyback program.

The above authorities were canceled at the Combined General Meeting of June 27, 2013 through the adoption of resolutions on the same authorities.

(iii) Employee share offers

Authorization granted	Resolution	Expiry date	Use in 2013
Authority to issue ordinary shares to members of an employee share savings plan; aggregate ceiling: €10 million	18th resolution	07/25/2014	None

The above authority was canceled at the Combined General Meeting of June 27, 2013 through the adoption of a resolution on the same authority.

(ii) Authorities granted by the Combined General Meeting of June 27, 2013

(i) Authorities to increase the share capital

Authorization granted	Resolution	Expiry date	Use in 2013
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	21st resolution	08/10/2015	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	22nd resolution	08/10/2015	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 offer	23rd resolution	08/10/2015	None
Authority granted to the Management to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% per year	24th resolution	08/10/2015	None
Option of increasing the amount of an issue in case of oversubscription	25th resolution	08/10/2015	None
Authority to issue shares to pay for contributions in kind, without pre-emptive rights, subject to a ceiling of 10% per year	26th resolution	08/10/2015	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	27th resolution	08/10/2015	None
Authority to issue shares to pay for securities tendered under a public exchange offer up to a ceiling of €120 million	28th resolution	08/10/2015	None
Setting aggregate ceiling of authorities to the Management at €120 million for share issues and at €120 million for issues of negotiable securities representing debt in the Company	29th resolution	Applies to each authority	None
Authority to increase the share capital by capitalizing reserves	30th resolution	08/10/2015	None

The above authorities will be canceled at the Combined General Meeting of May 7, 2014 through the adoption of resolutions on the same authorities.

(II) Share buyback program

Authorization 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	08/10/2015

Purchases and sales of treasury shares made in accordance with the foregoing authorities in 2013 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 of May 7, 2014 through the adoption of resolutions on the same authorities.

(iii) Employee share offers

Authorization granted	Resolution	Expiry date	Use in 2013
Authority to issue ordinary shares to members of an employee share savings plan; aggregate ceiling: €10 million	18th resolution	07/25/2014	None

The above authority will be canceled at the Combined General Meeting of May 7, 2014 through the adoption of a resolution on the same authority.

Grants of authority proposed for approval at the next Combined General Meeting of May 7, 2014

(i) Authorities to increase the share capital

Authorization granted	Resolution	Expiry date
Authority to issue for cash ordinary shares or securities giving access to equity or debt securities, with pre-emptive rights	9th resolution	07/07/2016
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	10th resolution	07/07/2016
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 offer	11th resolution	07/07/2016
Authority granted to the Management to fix the issue price for share issues without pre-emptive rights subject to a ceiling of 10% of share capital per year	12th resolution	07/07/2016
Option of increasing the amount of an issue in case of oversubscription	13th resolution	07/07/2016
Authority to issue shares to pay for contributions in kind of shares, without pre-emptive rights, subject to a ceiling of 10% per year	14th resolution	07/07/2016
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	15th resolution	11/07/2015
Authority to issue shares to pay for securities tendered under a public exchange offer up to a nominal ceiling of €120 million	16th resolution	07/07/2016
Setting aggregate nominal ceiling of authorities to the Management at €120 million for share issues and at €300 million for issues of negotiable securities representing debt in the Company	17th resolution	Applies to each authority
Authority to increase the share capital by capitalizing reserves	18th resolution	07/07/2016

(ii) Share buyback program

Authorization granted	Resolution	Expiry date
Authority to buy back shares at a maximum price of €200 per share; maximum: €100 million	7th resolution	11/07/2015
Authority to reduce the share capital by canceling shares purchased under the buyback program	8th resolution	07/07/2016

(iii) Employee share offers

Authorization granted	Resolution	Expiry date
Authority to issue ordinary shares to members of an employee share savings plan; aggregate ceiling: €10 million	19th resolution	07/07/2016
Free shares plans	20th resolution	07/07/2017
Stock option plans (existing shares)	21st resolution	07/07/2017
Stock option plans (new shares)	22nd resolution	07/07/2017
Warrants (warrants, new or existing share subscription warrants, redeemable equity warrants)	23rd resolution	11/07/2015

6.2.2.4. Share buyback program

At the Combined General Meetings of May 25, 2012 and of June 27, 2013, the Shareholders authorized the Company to purchase its own shares up to 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, Management decided to implement a share buyback program on May 25, 2012 and June 27, 2013 for the following purposes, which are 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 Autorité des marchés financiers; (2) to keep the shares to tender as payment or exchange for future acquisitions as a practice recognized by the Autorité des marchés financiers; (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 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; (5) to cancel the shares purchased; (6) to implement any market practice that may be recognized by the Autorité des marchés financiers.

A description of these share buyback programs was published in accordance with Articles 241-1 et seq. of the AMF's General Regulation.

Pursuant to these authorizations, the Company bought and sold the following shares in 2013:

Month	Number of shares bought	Number of shares sold	Price at end of month	Balance Treasury shares
January 2013	8,435	995	117.50	122,771
February 2013	1,370	1,297	124.00	122,844
March 2013	10,505	2,840	142.50	130,096
April 2013	10,692	2,965	141.00	137,823
May 2013	9,914	5,877	130.05	141,860
June 2013	11,902	2,102	125.00	139,210
July 2013	3,202	2,271	116.00	140,141
August 2013	8,147	989	119.50	147,299
September 2013	10,690	2,414	121.65	155,575
October 2013	4,194	960	125.50	158,809
November 2013	1,131	1,339	130.00	158,601
December 2013	1,097	651	128.00	156,047

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 1,998 shares at December 31, 2013. The line item "Shares intended for allotment", which corresponds to purpose (3), comprised 154,049 shares at December 31, 2013.

In accordance with the information set out in paragraph 6.2.2.3 above relating to authorities involving the share capital, at the Ordinary General Meeting held to approve the 2013 accounts, the Shareholders will be asked to renew, on the same terms and conditions as the authorities granted by the AGM of June 27, 2013, the authority to buy back shares up to 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 *Autorité des marchés financiers*; (ii) to keep the shares to tender as payment or exchange for future acquisitions as a practice recognized by the *Autorité des marchés financiers*; (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 *Autorité des marchés financiers*.

As was the case last year, the Shareholders will be asked to authorize that the purchase, sale or transfers 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, the 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. Securities giving access to share capital

Details are provided in Note 8.10 to the consolidated financial statements (section 3 of this registration document).

6.2.2.6. Pledges over shares

At December 31, 2013, 3,416,604 registered shares, representing 29.47% of the share capital (which comprised 11,592,805 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 (07/10/2007)	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
Merger by absorption of Aréal (06/27/2013)	145,000	€2,215,600	€16,344,400	€168,949,596.78	11,056,441	At par
New share issue for proposed dividend payment in shares (07/22/2013)	536,364	€8,195,641.92	-	€177,145,238.70	11,592 805	At par

In 2013, the Company thus increased its share capital twice.

The first increase was carried out as part of the merger by absorption of Areal. Under resolution 36, the Combined General Meeting of June 27, 2013 approved the agreement for a merger by absorption of Areal, by virtue of which Areal contributed to the Company under certain conditions precedent all assets and liabilities comprising its portfolio; the General Meeting approved the valuation of Areal's portfolio, measured at €18,560,000, the consideration for the contribution for this merger using an exchange basis of 29 shares in the Company for 3 Areal shares, retroactivity from a tax and accounting perspective from June 1, 2013 and the amount of the merger premium, which came to €16,344,400. Under resolution 37, the General Meeting approved the capital increase in consideration for the merger contribution, in the amount of €2,215,600, by the creation of 145,000 new shares to be attributed Areal partners at a rate of 29 shares in the Company for 3 Areal shares; the General Meeting ruled that these shares would not carry dividend rights for the financial year ended December 31, 2012 and would thus not be eligible for any dividend distributions voted by the Ordinary General Meeting under resolutions 2 and 4. The General Meeting decided that the difference between the total amount of actual net assets transferred (€18,560,000) and the amount of the effective capital increase (€2,215,600), i.e. €16,344,400 would be recorded in a "Merger premium" account to which the rights of new and former shareholders in the Company shall be applicable.

Under resolution 38, the General Meeting authorized Management to charge to the merger premium all fees, duties and taxes arising from the merger, as well as those subsequent to the capital increase and the completion of the merger. It further authorized Management to withdraw from the merger premium the amounts necessary to fully fund the statutory reserve. Finally, under resolution 39, the General Meeting decided to amend Article 6 of the Company's Articles of Association concerning the share capital following from the capital increase, the capital being henceforth set at €168,949,569.78 divided into 11,056,441 fully paid shares all of the same class.

The second capital increase was carried out during the payment of the 2012 dividend, as the Combined General Meeting of June 27, 2013 offered shareholders the option of a share-based dividend payment. 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 €10 decided by the second resolution and rounded up to the nearest euro cent. The shares thereby issued became valid on January 1, 2013. The deadline for exercising the option was set for Monday, July 15, 2013. The Meeting gave full power to Management 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 June 27, 2013, the Management noted that, given that the average opening price over the twenty trading days preceding The Meeting stood at €127.335, that is €114.6015 after a 10% discount, which would be reduced by the amount of the dividend of €10, the issue price of new shares that could be subscribed by shareholders opting for dividend payment in shares thus came to €104.60 per share. On July 22, 2013, 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 536,364 shares subscribed. Rounded to €15.28 per share, the nominal amount of the capital increase resulting from the subscription of the 536,364 new shares came to €8,195,641.92. Company capital thereby increased from €168,949,596.78 to €177,145,238.70, divided into 11,592,805 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, 2012 and December 31, 2013 can be found in Note 13 to the consolidated financial statements (section 3 of this registration document).

The voting rights disclosed in Note 13 are actual voting rights that can be exercised in General Meetings at December 31, 2013, 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, 2013:

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	*5,259,491*	*45.37*	*5,259,491*	*45.99*
Controlled by Jacques Nicolet	*188,085*	*1.62*	*188,085*	*1.64*
CONTROLLED BY FOUNDERS	5,447,576	46.99	5,447,576	47.63
Predica	3,130,515	27.00	3,130,515	27.37
ABP	947,205	8.17	947,205	8.28
Treasury shares	156,047	1.35	0	0
Free float	1,911,462	16.49	1,911,462	16.72
Total	**11,592,805**	**100.00**	**10,796,110**	**100.00**

The 10 existing General Partner (*commandité*) shares 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:

	12/31/2013	12/31/2013	12/31/2012	12/31/2012	12/31/2011	12/31/2011
Shareholder	Number of shares	% of share capital	Number of shares	% of share capital	Number of shares	% of share capital
Controlled by Alain Taravella	*5,259 491*	*45.37*	*5,059,249*	*46.37*	*4,635,065*	*45.54*
Controlled by Jacques Nicolet	*188,085*	*1.62*	*323,042*	*2.96*	*336,960*	*3.31*
CONTROLLED BY FOUNDERS	5,447 576	46.99	5,382,291	49.33	4,972,025	48.85
Predica	3,130 515	27.00	2,045,825	18.75	1,693,920	16.64
APG	947,205	8.17	864,551	7.92	789,234	7.75
FDR	0	0	889,250	8.15	1,228,046	12.06
Treasury shares	156,047	1.35	115,331	1.06	212,880	2.09
Free float	1,911 462	16.49	1,614,193	14.79	1,282,712	12.61
Total	**11,592 805**	**100.00**	**10,911,441**	**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.

Threshold crossings notified to the *Autorité des marches financiers* (AMF):

In 2013, the following threshold crossings were notified to the AMF:

- on July 25, 2013, Altafinance 2 declared that it had crossed the 25% threshold for Company capital and voting rights in the downward direction on July 22, 2013, when the Company's capital was increased subsequent to the dividend payout in shares (AMF Decision & Information No. 213C1077);
- on September 5, 2013, Foncière des Régions declared that it had crossed the 5% threshold for Company capital and voting rights in the downward direction on September 2, 2013, following an off-market sale of shares (AMF Decision & Information No. 213C1339);
- on September 9, 2013, Crédit Agricole SA declared that it had crossed the 20 and 25% threshold for Company capital and voting rights in the upward direction on September 2, 2013 through the companies Predica, La Médicale de France, Dolcéa Vie, Crédit Agricole Assurances and Crédit Agricole Life Insurance Company, which it controls, following an off-market acquisition of shares (AMF Decision & Information No. 213C1346).

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 Mr Alain Taravella, Alta Group (formerly Altafinance 2), Alta Patrimoine and Alta Pat 1, which he and his family control, and Mr 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[a]	Signatories	Commitments
Shareholders' Agreement	06/26/2007	10	Mr Taravella, Mr Nicolet, Altafinance, and Predica	Right of preference in favor of the other signatory in case of transfer by Predica to a non-affiliate of more than 2% of the capital or securities with a value of over €30 million.
Shareholders' Agreement	05/26/2008	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 the Retail property sector through Altarea. This pact has lapsed as a result of the sale of all the shares of Foncière des Régions in 2013.
Shareholders' Agreement	06/12/2008	10	Mr Taravella, Mr Nicolet, Altafinance 2, JN Holding and Fonds ABP	ABP Fund has the right to appoint one member to sit on Supervisory Board and Board's Special Committees (number of seats consistent with 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

(a) In number of years as of signing.

6.2.2.10. Trading in Altarea shares in 2013 by executive officers or persons closely related to them

From January 1, 2013 to December 31, 2013, 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 financial instrument	Transaction	Transaction Date	Number of securities	Unit price	Transaction total
Predica	Supervisory Board member	Ordinary shares	Acquisition by Predica	09/02/2013	886,750	€129.90	€115,188,825.00

2 – SALE OF SHARES

Executive officer	Title on transaction date	Type of financial instrument	Transaction	Transaction Date	Number of securities	Unit price	Transaction total
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/02/2013	665	€117.00	€77,805.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/04/2013	434	€117.00	€50,778.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/07/2013	1,102	€117.00	€128,934.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/08/2013	1,473	€117.00	€172,341.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/09/2013	943	€117.16	€110,481.88
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/10/2013	1,721	€117.18	€201,675.39
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/11/2013	1,003	€117.10	€117,453.31
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/14/2013	2,197	€117.11	€257,299.02
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/15/2013	4,577	€117.59	€538,232.32
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/16/2013	3,273	€117.86	€385,770.84
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/17/2013	5,964	€117.31	€699,688.73
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/18/2013	884	€117.13	€103,547.34
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/21/2013	1,144	€117.32	€134,224.38
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/22/2013	1,286	€117.10	€150,600.89
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/23/2013	1,380	€117.03	€161,511.06
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/24/2013	648	€117.00	€75,816.00

Executive officer	Title on transaction date	Type of financial instrument	Transaction	Transaction Date	Number of securities	Unit price	Transaction total
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	01/25/2013	628	€117.00	€73,476.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	03/05/2013	859	€129.62	€111,345.30
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	03/06/2013	1,259	€129.11	€162,552.01
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	03/07/2013	177	€129.00	€22,833.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by Mr Jacques Nicolet	03/08/2013	32,498	€125.30	€4,072,226.89
FDR	Supervisory Board member	Ordinary shares	Sale by FDR	09/02/2013	886,750	€129.90	€115,188,825.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/11/2013	10,250	€122.05	€1,251,099.63
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/12/2013	20,066	€122.05	€2,449,105.47
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/13/2013	434	€122.80	€53,295.20
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/16/2013	749	€122.80	€91,977.20
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/17/2013	406	€122.80	€49,856.80
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/18/2013	66	€122.00	€8,052.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/19/2013	2,500	€121.19	€302,975.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/23/2013	1,250	€121.19	€151,487.50
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/24/2013	414	€122.05	€50,528.70
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/24/2013	279	€121.53	€33,907.85
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/25/2013	275	€121.53	€33,421.60
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/26/2013	375	€120.84	€45,316.16
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	09/27/2013	387	€120.69	€46,707.84
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding (1)	10/01/2013	400	€121.57	€48,631.40

(1) Controlled by Mr Jacques Nicolet.

Executive officer	Title on transaction date	Type of financial instrument	Transaction	Transaction Date	Number of securities	Unit price	Transaction total
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	10/02/2013	520	€121.93	€63,405.63
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	10/03/2013	1,076	€121.67	€130,920.58
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	10/04/2013	600	€121.96	€73,177.98
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	10/07/2013	1,148	€122.25	€140,352.99
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	10/08/2013	700	€123.23	€86,265.13
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	10/30/2013	605	€121.41	€73,453.29
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	11/27/2013	3,000	€129.25	€387,750.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	11/28/2013	1,582	€129.00	€204,078.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	11/29/2013	441	€130.00	€57,330.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/02/2013	772	€130.00	€100,360.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/03/2013	205	€130.00	€26,650.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/09/2013	673	€130.46	€87,805.03
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/10/2013	390	€130.54	€50,913.80
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/11/2013	929	€130.74	€121,462.01
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/12/2013	154	€130.00	€20,020.00
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/19/2013	1,790	€128.07	€229,246.73
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/20/2013	6,879	€128.36	€882,996.01
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/30/2013	3,308	€127.31	€421,174.23
Mr Jacques Nicolet	Chairman of the Supervisory Board	Ordinary shares	Sale by JN Holding [1]	12/31/2013	8,219	€127.53	€1,048,188.80

(1) Controlled by Mr Jacques Nicolet.

3 – DIVIDEND PAYMENT IN SHARES

Executive officer	Title on transaction date	Type of financial instrument	Transaction	Transaction Date	Number of securities	Unit price	Transaction total
Mr Alain Taravella	Supervisory Board member	Ordinary shares	Payment to Alta Patrimoine [2]	07/22/2013	137,405	€104.60	€14,372,563.00
Mr Alain Taravella	Co-Manager	Ordinary shares	Payment to Alta Pat 1 [2]	07/22/2013	62,837	€104.60	€6,572,750.20
Predica	Supervisory Board member	Ordinary shares	Payment to Predica	07/22/2013	195,580	€104.60	€20,457,668.00
Predica	Supervisory Board member	Ordinary shares	Payment to APG	07/22/2013	61,604	€104.60	€6,443,778.40
Predica	Supervisory Board member	Ordinary shares	Payment to Opus Investment	07/22/2013	8,712	€104.60	€911,275.20

6.2.3. NON-EQUITY FINANCIAL INSTRUMENTS OTHER THAN THOSE CONVERTIBLE INTO EQUITY

On December 10, 2012, Management decided to proceed with 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 on 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 Euronext Paris regulated market 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.

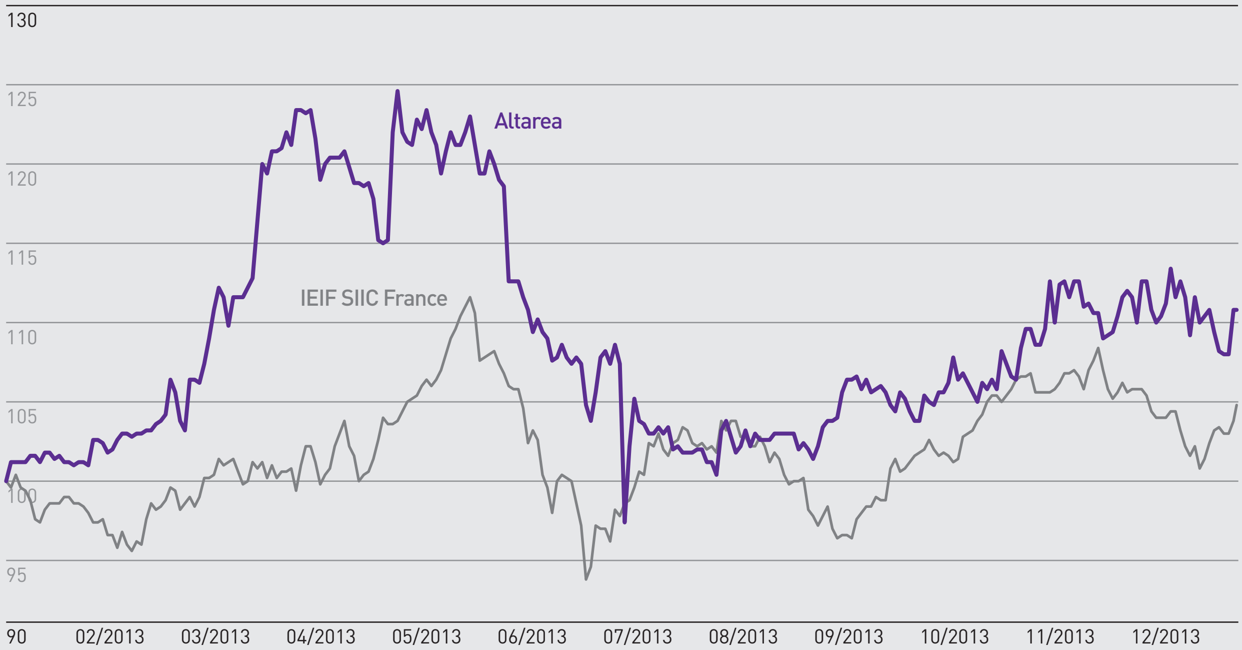
(2) Controlled by Mr Alain Taravella.

6.3. MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Imaffine/Altarea						
Market						Compartment A – NYSE Euronext
Securities exchange						Paris
	2008	2009	2010	2011	2012	2013
Market capitalization	1,346,280,012.00	1,091,302,737.00	1,272,352,125.00	1,226,547,449	1,276,638,597	1,483,879 040
Number of shares traded	30,816.00	69,062.00	160,896.00	366,875	551,953	587,100
Average price (€)	189.33	110.00	115.29	133.70	115.42	126.7584
Value of shares traded (€)	5,834,393.00	7,596,820.00	18,550,102.00	49,051,188	64,926,335.80	74,419,856.00
Highest	238.00	133.00	128.00	148.50	130.99	154.00
Lowest	118.00	100.00	103.00	111	98.51	105.40
Latest	132.00	107.00	125.00	120.50	117	128.00

	High	Low	Latest	Number of shares traded	Value of shares traded (€)
January 2014	133.00	125.15	130.75	50,453	6,596,729.75
December 2013	131.40	124.85	128.00	77,099	9,868,672.00
November 2013	131.00	125.50	130.00	68,506	8,905,780.00
October 2013	126.85	121.10	125.50	66,444	8,338,220.00
September 2013	126.00	116.50	121.65	966,438	117,567,182.70
August 2013	122.90	117.00	119.50	28,179	3,367,390.50
July 2013	127.00	105.40	116.00	69,417	8,052,372.00
June 2013	135.00	119.00	125.00	44,712	5,589,000.00
May 2013	144.00	130.05	130.05	37,425	4,867,121.25
April 2013	154.00	131.20	141.00	47,486	6,695,526.00
March 2013	142.80	123.50	142.50	83,513	11,900,602.25
February 2013	125.00	117.50	124.00	26,046	3,229,704.00
January 2013	118.95	115.00	117.50	45,521	5,348,717.50
December 2012	117.00	113.20	117.00	7,484	3,302,181.03
November 2012	116.95	113.00	114.00	13,117	1,744,283.90
October 2012	117.00	115.00	115.50	18,643	2,164,228.10
September 2012	119.00	107.50	116.00	30,354	3,466,100.00
August 2012	122.00	114.00	117.50	24,639	2,930,822.50
July 2012	121.00	99.02	120.00	22,374	2,512,479.55
June 2012	105.00	98.51	102.00	22,551	2,293,481.90
May 2012	118.00	109.00	112.65	13,117	1,504,354.50
April 2012	121.99	112.00	113.99	7,484	873,616.00
March 2012	128.55	120.00	120.50	74,616	9,238,340.00
February 2012	130.99	118.00	128.51	115,688	14,867,065.00

Comparative change in the stock price of Altarea and the IEIF SIIC France index
(from 01/01/2013 to 12/31/2013, base: 100)



6.4. DIVIDEND POLICY

6.4.1. DIVIDENDS PAID OVER THE PAST FIVE FINANCIAL YEARS

Financial year	Dividend per share
Ended 12/31/2008	€7.00
Ended 12/31/2009	€7.20
Ended 12/31/2010	€8.00
Ended 12/31/2011	€9.00
Ended 12/31/2012	€10.00

Individual Shareholders resident in France have been eligible for 40% tax relief on these dividends as of January 1, 2006.

6.4.2. DIVIDEND DISTRIBUTION POLICY

A dividend of €10.00 per share in respect of 2013 will be proposed at the Annual General Meeting to be held on May 7, 2014. This is the same dividend as was offered the year before.

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).

6.4.3. EXPENDITURES AND FEES UNDER ARTICLE 39-4 OF THE FRENCH GENERAL TAX CODE

No expense or fee that is non-deductible for tax purposes within the meaning of Article 39-4 of the General Tax Code was incurred in 2013.

6.5. SUMMARY OF THE COMPANY'S PAYMENT TERMS

In accordance with Article D. 441-4 of the French Commercial Code, created by the French Economic Modernization Act (LME) of August 4, 2008, we specify that:

- the Company's total trade payables (including amounts due on non-current assets) amounted to €14,350,156 at December 31, 2012, including €11,297,152 of unbilled payables at the closing date and €352,168 in holdbacks. The balance of €2,700,835 represented €2,497,296 in debts that matured at the period-end and €203,539 of trade payables with a 30-day payment period;
- the Company's total trade payables (including amounts due on non-current assets) amounted to €14,990,348 at December 31, 2013, including €8,214,503 of unbilled payables at the closing date and €366,802 in holdbacks. The balance of €6,409,043 represented €2,004,047 in debts that matured at the period-end and €4,404,996 of trade payables with a 30-day payment period.

6.6. SUMMARY OF EARNINGS FOR THE LAST FIVE FINANCIAL YEARS

TYPE OF INFORMATION	2013	2012	2011	2010	2009
Duration of the period (months)	12	12	12	12	12
CAPITAL AT YEAR-END					
Share capital	177,146,239	166,734,997	155,540,502	155,540,502	155,540,502
Number of shares	11,592,805	10,911,441	10,178,817	10,178,817	10,178,817
- *ordinary*	*11,592,805*	*10,911,441*	*10,178,817*	*10,178,817*	*10,178,817*
- *preferred*					
Maximum number of shares to be created					
- *by bond conversions*					
- *by subscription rights*					
OPERATIONS AND EARNINGS					
Revenues excl. tax	41,034,088	39,407,606	40,158,840	42,913,200	37,803,839
Profit before tax, interest, depreciation and provisions	191,804,094	36,216,000	(4,186,943)	21,715,911	(14,396,706)
Income tax	(88,331)	(24,266)	(57,333)		733,398
Employee participation					
Allowances for depreciation, amortization and provisions	74,973,819	32,818,718	(9,521,967)	17,198,685	(22,972,768)
Net profit	116,918,606	3,421,549	5,392,357	4,517,227	7,842,664
Distributed earnings					
EARNINGS PER SHARE					
Profit after tax and interest, before depreciation and provisions	16.6	3.3	(0.4)	2.1	(1.5)
Profit after tax, interest, depreciation and provisions	10.1	0.3	0.5	0.4	0.8
Dividend distributed					
PERSONNEL					
Average workforce	6	6	5	5	4
Payroll	1,845,482	1,819,892	1,394,862	1,443,867	1,013,878
Amounts paid in benefits (social security, social welfare, etc.)	1,270,590	4,598,122	1,838,671	2,036,935	600,295

6.7. RECENT EVENTS AND LITIGATION

Recent events and litigation are discussed in section 3 of this registration document, in Notes 14.2 and 16 to the consolidated financial statements.

Note 9.9 details the proposed corrections received by the Company and several of its subsidiaries from tax authorities over the course of 2013. The Company maintains its position and is continuing to pursue legal recourse. As a result, no provision was allocated at December 31, 2013.

6.8. INFORMATION THAT COULD 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 accounted for 27.22% of total rental income (excl. tax) in 2013. No single tenant accounted for more than 10% of rental income.

The ten largest customers in Altarea's Residential and Office Property businesses together accounted for 18% of total revenue (excl. tax) in 2013. No single customer accounted for more than 10%.

6.9. COMPETITIVE ENVIRONMENT

The sections of this registration document containing the Company description and management report (sections I and II) provide detailed, quantitative information on Altarea'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 segment, the eight property companies with a market capitalization of over €1 billion, independent of Altarea Cogedim Group, are Unibail-Rodamco, Klépierre, Gecina, Icade, Foncière des Régions, Nexity, Mercialys and Foncière des Murs [3];
- in the Residential and Office Property development segment, the ten largest companies not including the Altarea Cogedim Group are Bouygues Immobilier, Nexity, Icade, Kaufman & Broad, Vinci Immobilier, Promogim, Crédit Agricole Immobilier, Eiffage Immobilier, Sodéarif and Bouwfonds Marignan Immobilier [4];
- in the e-commerce segment, Altarea Cogedim Group's main competitors are general operators (CDiscount, Amazon and Mistergooddeal), specialized operators (Pixmania, LDLC and Grosbill), traditional retailers (Fnac, Darty and Boulanger), large retailers and supermarkets, buying groups of independent retailers, and household appliance chains [5].

6.10. 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 earnings, 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, and more 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.

6.10.1. 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 segments 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 Altarea Cogedim Group's businesses, asset values, earnings, development projects, and investments.

Risks related to trends in the e-commerce market and competition

Through its subsidiary Rue du Commerce, 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, Rue du Commerce's strategic

(3) Source: Boursorama February 17, 2014.
(4) In overall revenues reserved in 2012 – Palmarès 2013 – Property Developer Rankings - Special edition: *Lettre de la Pierre* – page 15.
(5) See the Journal du Net 06/11/2013 on the biggest e-retailers in France and Europe – Flore Fauconnier.

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 distribution and online shopping centers are seeing increased competition that could jeopardize growth prospects for the Group in this segment. Heightened competition could result in price reductions, lower 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 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 sale 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 applicable regulations.

Risks related to inventory and its management

The main risks for Rue du Commerce 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 Rue du Commerce'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, deterioration in consumer solvency would mainly impact demand for Residential property at 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 requirements.

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 registration document) on investment properties and assets held for sale.

The condensed reports of the Company's appraisers are reproduced in full below.

SUMMARY REPORT
31 DECEMBER 2013

1. GENERAL CONTEXT OF THE VALUATION ASSIGNMENT

GENERAL CONTEXT

The ALTAREA Cogedim group periodically commissions valuations of the Market Value of all of its real estate assets carried out by independent valuers in order to provide financial markets with valuations of its entire portfolio each semester (June 30 and December 31).

In this regard, CBRE Valuation has been instructed to carry out the valuation of some of the assets located in metropolitan France, in line with an agreement signed between the two parties for 2013 to 2014. CBRE Valuation confirms having carried out this assignment in complete financial and capital independence, and that it has the necessary expertise to value the relevant assets in line with professional ethics.

CBRE Valuation confirms that it does not have any conflict of interest with regard to this assignment.

The assignment was undertaken in accordance with AMF (Financial Markets Authority) recommendations on the presentation of valuation elements and risks of property portfolios held by listed companies, published 08 February 2010.

CURRENT INSTRUCTION

CBRE Valuation's December 2013 instruction comprised the desktop update of the valuations valued and inspected on 30/06/2013, and the determination of the Fair Values, taking in to consideration their occupancy as at 31 December 2013.

In line with Altarea's classification, the outline of the 20 assets valued are summarised as follows:

- 7 retail parks
- 5 shopping centres,
- 2 retail galleries in railway stations
- 5 other assets
- 1 asset under construction

We hereby remind the Client that when it is a lessee under a lease-purchase contract, the Valuer exclusively values the underlying assets to the contract and not the lease-purchase contract itself. Similarly, when a property is held by a special purpose company the value of the property is estimated by assuming the sale of the underlying real estate asset and not that of the company.

2. SCOPE OF WORK

SOURCES OF INFORMATION

The subject assignment was carried out based upon documentation and information provided to us, which we have assumed to be correct and correspond to all of the information and documentation of which the Client has possession or knowledge, which could materially affect the market value of the property.

REFERENCE DOCUMENTATION

The due diligence and valuations were carried out in accordance with:

a. On a national basis:
- the recommendations of the Barthès de Ruyter report on the valuation of property portfolios held by listed publicly traded companies, published in February 2000,
- the Real Estate Valuation Charter (*Charte de l'Expertise en Evaluation Immobilière*) (4th Edition),
- the principles laid down by the Code of Conduct for SIIC (Quoted Real Estate Investment Company).

b. On an international basis, alternatively or cumulatively recognised standards:
- Tegova's (The European Group of Valuers' Association) European valuation standards, published in its blue guide "European valuation standards".
- as well as The Royal Institution of Chartered Surveyors' (RICS) Red Book standards, as published in its "Appraisal and valuation manual (8th Edition)".

METHODOLOGY ADOPTED

The valuations have been carried out based on the valuation methodologies regularly adopted for these types of assets, and in particular via the income approaches:

- income capitalisation method,
- discounted cash-flow method.

The comparable method has only been adopted as a cross reference for certain assets.

3. OVERALL FAIR VALUE AS AT 31 DECEMBER 2013

The studies undertaken have allowed us to arrive at the fair value of the assets, taking into account their occupancy levels, as at 31/12/2013, of:

	Fair value excluding taxes and legal costs	Fair value including taxes and legal costs
100% Value	€1,127,490,163	€1,186,954,573
Proportionate value on share of ownership	€683,516,023	€720,577,333

Costs and registration fees: common law regime at 6.2% or at 1.8% (VAT regime) depending on the asset.

This value is subject to market stability and the absence of significant changes to the properties between the date of undertaking of the studies and the date of the valuation.

This summary report is an integral part of the works performed under the valuation instruction.

In the current context, our findings should be considered as average prices that would have been negotiated to date at the end of a certain timeframe and in conditions that can be considered normal and natural.

CONFIDENTIALITY

Besides the limitations of publication of the report mentioned in the "General conditions of the intervention of the Valuer" which can be found in the appendix, we inform you that any publication or reference to this valuation report will only be permitted with the express written consent of CBRE Valuation.

Catherine Hamon
Directeur Adjoint

DENIS FRANÇOIS
EXPERT EN ÉVALUATION IMMOBILIÈRE – FNAIM

D. François
Denis FRANCOIS
President

Carried out in Paris, 27 January 2014

Short Report | Altarea Cogedim – Retail Portfolio

DTZ

Short Report Altarea December 2013

1.1. Context of Instruction

Outline

- ALTAREA Cogedim's property assets are given a market value periodically so that every semester (on the 30th June and 31st December) the group can provide the financial markets with a value of its total holdings as certified by independent experts.
- According to an agreement signed between the parties for the years 2012 – 2014, DTZ Valuation France, DTZ Valuation Italy and DTZ Valuation Spain have been commissioned to carry out the valuation of a number of the assets located in France, Italy and Spain.
- DTZ Valuation France, DTZ Valuation Italy and DTZ Valuation Spain, subsidiaries of DTZ, confirm to have carried out the valuation acting as an External Valuer qualified for the purpose of the valuation with all capital and financial independence. We also confirm that we have the appropriate knowledge, skills and understanding to undertake the valuation competently.
- DTZ Valuation France, DTZ Valuation Italy and DTZ Valuation Spain confirm that they have no conflict of interest for this Valuation.
- The valuation has been prepared in accordance with the AMF recommendations for the presentation of valuation and risk assessment data for listed companies' property assets, published 8th February 2010.

Appointment

DTZ Valuation France, DTZ Valuation Italy and DTZ Valuation Spain's December 2013 valuation consisted of expert assessment with partial internal and external property visits, and the determination of market values taking into account occupancy conditions as at 31st December 2013.

The assets valued, according to Altarea, consist of 38 sites used as follows:

- 23 shopping centres,
- 4 retail parks,
- 7 other sites,
- 3 buildings undergoing development.

The 37 sites are divided between France, Italy and Spain as follow:

France:

- 16 shopping centres,
- 4 Retails Park
- 7 Other sites
- 3 buildings undergoing development

Date d'évaluation : 31 december 2013 Page 2

Short Report | Altarea Cogedim – Retail Portfolio

DTZ

Italy:

- 6 shopping centres;

Spain:

- 1 shopping centre,

Please note that as long as the property is subject to the terms of a financial lease ("crédit bail"), the valuation expert evaluates exclusively the underlying assets and not the financial lease. Similarly, as long as the property asset is held by an ad hoc company the value of the latter is estimated according to the hypothetical selling of the underlying property asset and not according to that of the company.

1.2. Terms of Instruction

Valuation Elements

The valuation has been carried out on the basis of documents and information provided to us which we assume to be true and which we assume correspond to the entirety of information and documents held by the company which could have an effect on the price of the property.

Reference Documents

The valuation has been carried out in accordance with:

- On a national level :
  - The recommendations of the Barthès de Ruyter report on the valuation of property holdings of listed companies carrying out a public offering, published in February 2000,
  - The French property appraisal charter ("Charte de l'Expertise en Evaluation Immobilière"), (4th Edition),
  - Principles set out by the SIIC (Sociétés d'investissements immobilières Cotées) [listed real estate investment companies] code of conduct.
- On an international level:
  - The European Group of Valuers' Association European valuation standards published in its blue book "European valuation standards".
  - The Royal Institution of Chartered Surveyors' (RICS) Red Book published within its "Appraisal and valuation manual" (8th Edition).

Valuation Method

The valuations techniques used are based upon methods regularly used for these types of assets, notably methods based on income:

- Income capitalisation method,
- Discounted cash flow (DCF) method

The comparison method of valuation has been used only for crosschecking purposes for certain assets.

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DTZ

1.3. Market Value as at 31st December 2013

The overall market value corresponds to the sum of the individual value of each asset.

Total Market Value :
€2,610,906,650including fees and transfer taxes

Market value of share:
€2,006,699,482 including fees and transfer taxes

This value is to be understood assuming a stable market and an absence of notable changes to the properties between the date of the expert assessment and the date of the value.

Completed in Neuilly-sur-Seine, 31th January 2014.

This short report should be taken as an inseparable element of the total works produced during the expert valuation.

Jean-Philippe Carmarans, MRICS
International Director
For and behalf of DTZ

Date d'évaluation : 31 december 2013 Page 4

Risks related to internet failure or failure of the Rue du Commerce technical platform, viruses and hacking

Internet performance and reliability are critical for attracting customers to Rue du Commerce and for gaining their loyalty. Rue du Commerce 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 Rue du Commerce's efforts to protect its IT systems, viruses and hacking could cause delays in or interruption of service. They could expose Rue du Commerce 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.

6.10.2. 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 Group has been 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 recognizes a provision whenever a risk is identified and its cost can be reasonably estimated.

Litigation risk

As of the date of this registration document, and as stated in Note 14.2 to the consolidated financial statements (section 3), on litigation and claims, no significant new litigation issues arose in 2013 other than those for which provisions were set aside or that the Company has challenged.

Other provisions are presented in Note 8.12 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 financial 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 would come to own 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 explicitly state 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.

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.

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.

Altarea's overall policy concerning insurance and the main types of coverage enjoyed are set out in paragraph 8.3.3.3. (c) "Risks related to the cost and availability of insurance coverage" in the Chairman's report on internal control.

6.10.3. SOCIAL AND ENVIRONMENTAL RISKS

Health and public-safety risks (asbestos, legionella, 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. To mitigate these risks, Altarea closely follows all applicable regulations and takes a preventive approach to carrying out property inspections and any building work needed for compliance. The Group's actions to mitigate these risks are detailed at paragraph 5.5.1.4 "Visitor health and safety (Property Investment)".

Social and environmental risks

Social 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, 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 II 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 to 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.

6.10.4. 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 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 that affects investors' perception 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 default or 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 registration 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 December 31, 2013 and at the date of this registration document, the relevant company or companies met all covenants.

Interest rate and hedging risk

Note 11 to the consolidated financial statements (section 3 of this registration 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 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 December 31, 2013.

Currency risk

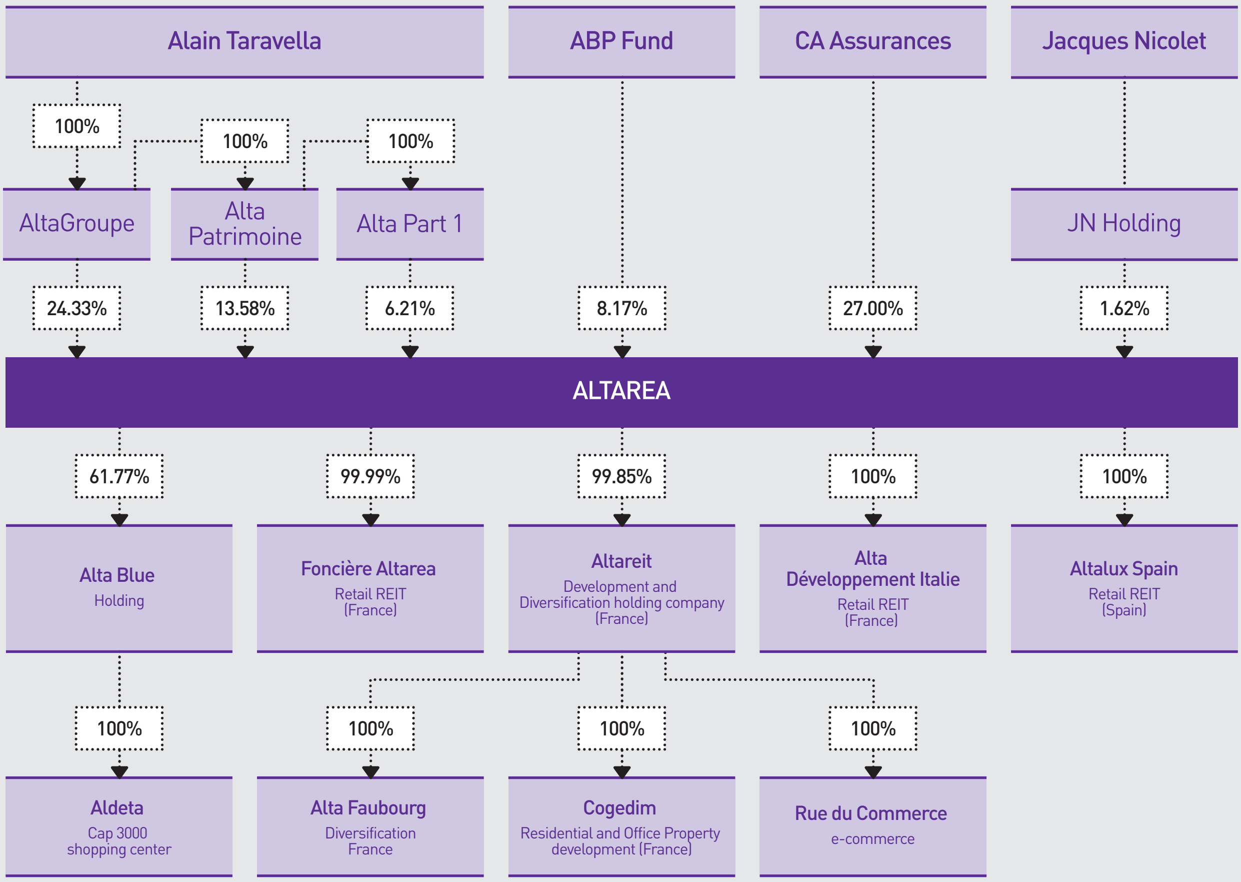
At the date of this registration document, Altarea generates almost all of its revenue in the Eurozone and pays almost all of its expenses (investments and capital expenditures) in euros. Altarea is therefore not significantly exposed to currency risk.

6.10.5. RISKS OF CONFLICTS OF INTEREST

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 affiliates.

6.11. SIMPLIFIED ORGANIZATIONAL CHART AT DECEMBER 31, 2013

Simplified organizational chart at December 31, 2013 [6]



Altarea centralizes the Group's cash surpluses. Note 11 to the consolidated financial statements (section 3 of this registration document) on 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.

Bear in mind that the Extraordinary General Meeting of June 27, 2013 approved the merger by absorption of Aréal, which owned the remaining 15% of shares SCI Bercy Village 2, now 100% owned by the Group.

In 2013, Altarea acquired the 25,476 remaining shares in Alta Développement Italie and now owns 100% stake in the latter.

(6) Altareit's stake in Rue du Commerce is owned through the companies Alta Penthievre and Altacom, subsidiary and sub-subsidiary owned at 100%. Following Altacom's buyout offer with a minority squeeze-out in 2013, the Group's stake thus increased to 100% of the capital of Rue du Commerce.

6.12. 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 center development and created in 1973. Altarea wins a contest sponsored by the city of Le Havre for development of Espace Coty.

1996: Altarea wins a contest sponsored by the city of Roubaix for the 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 the development of Carré de Soie (Vaulx-en-Velin/Villeurbanne), Porte Jeune (Mulhouse), L'Aubette (Strasbourg). Altarea Italia enters into a partnership agreement for development of a shopping center 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 center 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 is converted into a *Société en Commandite par Actions*. The Group becomes the largest 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 centers 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 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 first three HQE® Commerce (high environmental quality) certifications for its Okabe shopping center in Le Kremlin-Bicêtre. NF Logement – HQE® certification approach applied to all residential projects.

2010: Acquisition of Cap 3000 regional shopping center 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 Alta Fund, a commercial Property Investment vehicle with equity of €350 million[7]. The Group submits a public offer on the shares of e-commerce operator Rue du Commerce, and on December 29, 2011 announces it has acquired more than one-third of the company's capital through Altacom. The Group holds 80% of Rue du Commerce'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 Rue du Commerce's capital and voting rights. Altarea brings its stake in Alta Blue to 61.77%. Alta Blue in turn holds the entire share capital of Aldeta, the company that owns the Cap 3000 regional shopping center in Nice. The Group raises €530 million in corporate finance, including €250 million in bonds.

2013: Altarea enters into a long-term partnership with Allianz Real Estate for a portfolio of five shopping centers over which Altarea will retain control and management.

6.13. 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 offering 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 the economic and competition analysis of the Property Portfolio.

(7) €600 million today.

CORPORATE GOVERNANCE

7

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 2013, the Managers were Alain Taravella and the company Altafi 2, of which Alain Taravella is the Chairman.

Alain Taravella, Co-Manager

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 et Vacances Group, of which he was appointed Chief Executive Officer in 1985. In 1994, he founded the Altarea Group, which he has managed since.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Co-Manager: Altarea[1]; Altareit[1][2]

Chairman and Supervisory Board member: Cogedim (SAS)[2], Altarea France (SNC)[2]

Director: Boursorama (listed SA)

Representative of Altarea, Chair: Alta Blue[2]; Alta Delcassé[2]; Alta Développement Italie[2]; Alta Rungis[2]

Representative of Alta Faubourg, Chair: Alta Montaigne

Representative of Alta Blue, Chair: Aldeta[2]

Permanent representative of Altarea, Director: *Société d'Économie Mixte d'Aménagement et de gestion du Marché d'Intérêt National* de Rungis – SEMMARIS

Representative of Alta Patrimoine, Manager: SNC Altarea Commerce; SNC ATI; SCI Matignon Toulon Grand Ciel

Chairman and/or Director of foreign companies: Altarag Srl[2][3]; Altarea Inc.[2][3]; Altarea España[2][3]; Altarea Italia Srl[2][3]

Representative of Altarea, Member of the Foreign Companies Committee: AltaFund Value-Add

Representative of Altarea, Co-Manager of foreign companies: Alta Spain Archibald BV[2][3]; Alta Spain Castellana BV[2][3]; Altalux Spain[2][3]; Altalux Italy[2][3]

Corporate offices outside the Group

Chairman: Altafi 2; Altafi 3; ATLAS (formerly Altafi 4); Altafi 5; AltaGroupe (formerly Altafinance 2); Alta Pat 1; Alta Patrimoine

Representative of AltaGroupe (formerly Altafinance 2), Manager: SCI Sainte Anne

Corporate offices expired within the past five years

Chairman and CEO: Altarea (in its previous legal form as a société anonyme); Aldeta[2]

Chairman of SAS: Altafi; Altafinance; Altapar; Foncière Altarea[2]

Chairman and Supervisory Board member: Altarea France (SAS)[2]

Director: Alta Blue

Representative of Altarea, Chair: Alta Cité; Alta Développement Espagne[2]; Alta Développement Russie[2]

Representative of Altarea, Manager: SNC Richelieu International

Representative of Altarea Old, Manager: Grand Tour; SNC Alta Saint Georges

Representative of Alta Penthièvre, Director: Altacom

Representative of Altacom, Director: Rue du Commerce

Chairman and/or Director of foreign companies: SSF III Zhivago Holding Ltd[2][3]

As of December, 31, 2013, to the Company's knowledge, Mr. Taravella owned 5,259,491 shares in Altarea, directly or indirectly through AltaGroupe (formerly known as Altafinance 2), Alta Patrimoine and Alta Pat 1, which he and members of his family control.

Altafi 2, Co-Manager

Altafi 2 is General Partner of the Company and is presented in paragraph 7.1.2 below.

At the March 5, 2014 meeting of the Supervisory Board, the General Partner announced its intention to incorporate Mr. Gilles Boissonnet and Mr. Stéphane Theuriau into Management.

(1) Listed companies. (2) Companies directly or indirectly controlled by Altarea Cogedim. (3) Foreign companies.

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*).

The Manager can 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 purpose 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 AltaGroupe (formerly 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 is for an unlimited period.

On January 2, 2012, Altafi 2 resigned from its position as Supervisory Board member of Altareit[2]. As of that date, it is Manager of Altareit[2]. It is Co-Manager of Altarea and represents Altareit, Chairman of Alta Penthièvre.

At December 31, 2013, 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.

(2) Companies directly or indirectly controlled by Altarea Cogedim..

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 Partner (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

Member and Chairman of the Supervisory Board

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 et 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.

Mr. Nicolet was appointed as a member and Chairman of the Supervisory Board on June 26, 2007. His term of office expires at the end of the General Meeting called to vote on the 2018 financial statements. At the March 5, 2014 meeting of the Supervisory Board, Mr. Nicolet resigned from his position as Chairman effective June 2, 2014, to better devote himself to his other professional activities. Mr. Nicolet remains a member and continues to chair the Investment Committee as mentioned in the report of the Chairman of the Supervisory Board on internal control.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Chairman and member of the Supervisory Board of SCA: Altarea[(1)]; Altareit[(1)(2)]

Supervisory Board member: Altarea France[(2)] (SNC); Cogedim[(2)] (SAS)

Chairman and/or Director of foreign companies: Altarag Srl[(2)(3)]; Altarea España[(2)(3)]; Altarea Italia Srl[(2)(3)]; Productions de Monte-Carlo[(3)]

Corporate offices outside the Group

Chairman of SAS: JN Holding; JN Investissement

Co-Manager/Manager: 14 rue des Saussaies; SCI Damejane; JN Participations

Representative of JN Holding, Chair: Immobilière Dame Jane; JN Automotive; JN Properties; Onroak Automotive; Proj 56; Proj 73; Shootshareshow

Representative of JN Holding, itself Chair of JN Automotive, Chair: OAK Invest

Representative of JN Holding, itself Chair of JN Properties, Manager: SCI Immotech; SCI Innovatech; SCI Les Fleurs

Representative of JN Investissements, Chair: OAK Racing

Corporate offices expired within the past five years

Senior Executive Vice-President and Director: Altarea (in its previous legal form as an SA)

Chairman of the Board of Directors and CEO: Sillon (SA)[(2)]

Chairman of SAS: Cogedim (formerly Compagnie Altarea Habitation)[(2)]; JN Investissements[(2)]; Les Halles du Beffroi[(2)]

Chairman of the Supervisory Board (and previously Chief Executive Officer): Altafinance (SAS)

Director: Altapar (SAS)

Representative of JN Investissements, Manager: SNC Cap Sud Est

Permanent representative of Alta Rungis[(2)], Director: *Société d'Économie Mixte d'aménagement et de gestion du Marché d'Intérêt National de Rungis* – SEMMARIS

Chairman and/or Director of foreign companies: SSF III Zhivago Holding Ltd[(2)(3)]

At December 31, 2013, to the Company's knowledge, Mr. Nicolet owned 188,085 shares in Altarea, directly or indirectly through JN Holding, which he controls.

Gautier Taravella

Supervisory Board member

Gautier Taravella is a French citizen, born in Maisons-Laffitte (78) in 1980. Mr. Taravella was appointed as a member on June 26, 2007. His term of office expires at the end of the General Meeting called to vote on the 2018 financial statements. Gautier Taravella is the son of Alain Taravella.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Supervisory Board member: Altarea[(1)]

Corporate offices outside the Group

Chief Executive Officer: AltaGroupe (formerly Altafinance 2)

Corporate offices expired within the past five years

Supervisory Board member: Altafinance

At December 31, 2013, to the Company's knowledge, Gautier Taravella owned 56,750 shares in Altarea.

(1) Listed companies. (2) Companies directly or indirectly controlled by Altarea Cogedim. (3) Foreign companies.

Matthieu Taravella

Supervisory Board member

Matthieu Taravella, a French citizen, was born in Paris (16th arrondissement) in 1978. 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 2018 financial statements. Matthieu Taravella is also a Director and Corporate Secretary of Altarea Inc. He is the son of Alain Taravella.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

Corporate offices outside the Group

Chief Executive Officer: AltaGroupe (formerly Altafinance 2)

Corporate offices expired within the past five years

Supervisory Board member: Altafinance

Director/Vice-Chairman: Altarea Inc. [2][3]

At December 31, 2013, to the Company's knowledge, Matthieu Taravella owned 57,011 shares in Altarea.

Predica – Crédit Agricole Assurances

Supervisory Board member

Émeric Servin

Permanent representative of Predica

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 HEC Business School.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

Member of the Board of Directors: Alta Blue [2]

Corporate offices outside the Group

Chairman and Chief Executive Officer, Director: SA Foncière Hypersud; SA Francimmo Hôtels

Chairman of the Board of Directors: OPCI Predica Commerces; OPCI Iris Invest; OPCI Camp Invest; OPCI Messidor

Chairman of the Supervisory Board: SCPI Unipierre Assurance

Chairman of SAS: Holding Euromarseille; IMEFA (142 to 145)

Director:

Manager – Co-Manager, Management Board: (140) SCI IMEFA; (19) SCI FEDER; SCI Le Village Victor Hugo; SCI Euromarseille 1; SCI Euromarseille 2; SCI Montparnasse Cotentin; SCI Carpe Diem; SCI Dahlia; SCI Eco Campus

Permanent representative of Predica, Board of Directors: SA Foncière Développement Logements [1]; OPCI Predica Bureaux; OPCI CAA Commerces 2; OPCI B2 Hôtels Invest

Permanent representative of Predica, Supervisory Board SCPI Rivoli Avenir Patrimoine; SCA Foncière des Murs [1]

Corporate offices expired within the past five years

Chairman of the Board of Directors: SA B.Immobilier; SA Resico

Director: Aldeta [2]

Representative of Predica, Board member: OPCI France Régions Dynamique; Lion SCPI

At December 31, 2013, to the Company's knowledge, Predica owned 3,130,515 shares in Altarea, directly or indirectly through Groupe Crédit Agricole Assurances, its parent company.

At December 31, 2013, to the Company's knowledge, Émeric Servin did not hold any shares in Altarea in his own name.

Françoise Debrus

Supervisory Board 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 the Caisse régionale dÎle-de-France, and since March 2, 2009, she has been with Crédit Agricole Assurances as head of investments.

Her term expires at the close of the Annual General Meeting called to vote on the 2018 financial statements.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

Corporate offices outside the Group

Supervisory Board member: Foncière Développement Logement [1]; Foncière des Murs [1]

Director: Ramsay Santé; Beni Stabili [1][3]

Permanent representative of Predica, Director: Eurosic [1]; Medica

Corporate offices expired within the past five years

Director: Socadif; CAAM's Portfolio Stratégie SICAV

Permanent representative of Predica, Director: Foncière des Régions; Crédit Agricole Immo. Promotion

Permanent representative of Predica, Supervisory Board member: Foncière Paris France SA

At December 31, 2013, to the Company's knowledge, Françoise Debrus owned 2 shares in Altarea.

(1) Listed companies. (2) Companies directly or indirectly controlled by Altarea Cogedim. (3) Foreign companies.

Christian de Gournay

Supervisory Board member

Christian de Gournay is a French citizen born in 1952. He attended HEC and ENA. After beginning his career at the French Council of State in 1978, and later working for Indosuez Bank as Director of Treasury and Bond Markets, he joined Cogedim in 2002 as Vice-Chairman of the Management Board. In 1994, he became Senior Executive Vice-President of AGF, where he was in charge of managing Group financial and real estate assets, as well as banking and financial activities. He has served as Chairman of Cogedim's Management Board as of 2003.

Christian de Gournay was co-opted by the Supervisory Board meeting on March 5, 2014 to replace resigning member Opus Investment for the remainder of the term of his predecessor, set to expire at the close of the Annual General Meeting called to vote on the 2018 financial statements, subject to ratification of his appointment by the Ordinary General Meeting of May 7, 2014.

Christian de Gournay was appointed as the new Chairman of the Supervisory Board as of June 2, 2014, on the recommendation of Mr. Jacques Nicolet. This appointment is subject to ratification of his co-opting by the Ordinary General Meeting of May 7, 2014.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Chairman and Member of the Management Board: Cogedim

Manager: Cogedim Valorisation

Corporate offices outside the Group

Co-Director: Opus Investment

Corporate offices expired within the past five years

Chairman and Member of the Management Board: Cogedim (absorbed in 2008 by the company CAH, which then took the name Cogedim)

Co-Manager: Cogedim Valorisation

Supervisory Board member: Altarea

At December 31, 2013, to the Company's knowledge, Christian de Gournay directly or indirectly owned 129,991 shares in Altarea.

APG (ABP Fund)

Supervisory Board member

The term of office of Algemene Pensioen Groep NV (APG) expires at the end of the General Meeting called to vote on the 2018 financial statements.

The Company's permanent representative is Alain Dassas.

Alain Dassas

Permanent representative of APG

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.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

Corporate offices outside the Group

Director: Strategic Initiatives (London) [2]

Corporate offices expired within the past five years

Director: Renault Samsung (Pusan-Korea); Segula Technologies (Paris); Renault Finance (Lausanne); Hardware Infogérance (Paris)

At December 31, 2013, to the Company's knowledge, APG and its parent company Groupe ABP owned 947,205 shares in Altarea.

To the company's knowledge, Alain Dassas does not hold any shares in Altarea in his own name.

Dominique Rongier

Supervisory Board member

Dominique Rongier, a French citizen, graduated from HEC Business School in 1967. He served in succession as auditor with Arthur Andersen (1969-1976), Chief Financial Officer of the Brémond – Pierre et 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 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 acted 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.

His term expires at the close of the Annual General Meeting called to vote on the 2014 financial statements.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

(1) Listed companies. (2) Foreign companies.

Corporate offices outside the Group

Director: SA Search Partners

Manager: BLP & Associés

Corporate offices expired within the past five years

Chair: SAS Enora Technologies

At December 31, 2013, to the Company's knowledge, Dominique Rongier owned 10 shares in Altarea.

ATI

Supervisory Board member

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 number 498 496 520 RCS Paris. Its Manager is Alta Patrimoine SAS, whose Chairman is Alain Taravella.

Its term expires at the close of the Annual General Meeting called to vote on the 2014 financial statements.

ATI does not hold any other offices.

At December 31, 2013, to the Company's knowledge, ATI owned one share in Altarea.

Éliane Fremeaux

Supervisory Board member

A French citizen, born in Paris (15th arrondissement) on September 8, 1941, Ms. Éliane Frémeaux was a partner at the notary firm THIBIERGE Associés until October 18, 2012. Ms. Éliane Frémeaux 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. Frémeaux 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.

Corporate offices held at December 31, 2013

Other corporate offices in the Group

Supervisory Board member: Altarea [1]

Corporate offices outside the Group

Co-Manager: SCI PALATIN

Corporate offices expired within the past five years

None

7.2. COMPENSATION

7.2.1. PRESENTATION

As a *société en commandite par actions* (partnership limited by shares), 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

Managers' compensation is determined in accordance with the provisions of Article 14 of the Articles of Association, which reads as follows:

"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.

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."

In accordance with Article 18 of the Articles of Association, the Compensation Committee, made up entirely of independent members of Management, submit its management compensation proposal to the Supervisory Board at its meeting of February 19, 2013. The General Partner decided to present a compensation proposal identical to that of the Compensation Committee at the Ordinary General Meeting of June 27, 2013. On February 27, 2013, the Supervisory Board unanimously reported favorably on the General Partner's compensation proposal, which was inserted into the sixth resolution submitted to the annual Ordinary General Meeting.

(1) Listed companies.

The General Meeting voted to approve the resolution and consequently set Managers' compensation for 2013, 2014 and 2015 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, i.e.:
  - 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; in the event that 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:

$$\frac{\text{€100 million or €150 million x the average number of shares for the current financial year}}{\text{Average number of shares of the previous year (in 2012: 10,911,411 shares)}}$$

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 that 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, i.e.:
  - 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; in the event that 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:

$$\frac{\text{€100 million or €150 million x the average number of shares for the current financial year}}{\text{Average number of shares of the previous year (in 2012: 10,911,411 shares)}}$$

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 set out 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 the General Meeting decides 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 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 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.

At its meeting of February 19, 2013, the Compensation Committee, made up entirely of independent members of Management, 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 attendance 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 attendance fees awarded by comparable companies, the Supervisory Board decided in its February 27, 2013 meeting 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 32.5 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, February 9, 2012 and October 10, 2013.

Important note: Article 24.3 of the AFEP-MEDEF Corporate Governance Code for Listed Companies, revised in June 2013, provides for consultation of shareholders regarding individual compensation of executive officers. Such a consultation is clearly impossible at Altarea, as the Ordinary General Meeting of shareholders itself determines executive compensation pursuant to the Company's Articles of Association. The General Meeting of shareholders, which possesses authority beyond that vested in the shareholders of listed companies, cannot issue an opinion on its own decisions.

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, and 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 €1,345,060.35 in respect of 2011 and €1,618,300.50 in respect of 2012. The Ordinary General Meeting of May 7, 2013 was asked to approve payment of a dividend to shareholders resulting in a €1,715,518.50 payment to the General Partner.

Note: Figures appearing in the tables below are in thousands of euros.

Table 1

Summary table of compensation, stock options and shares awarded to each executive officer

(€ thousands)	FY 2013	FY 2012
1. ALAIN TARAVELLA – CO-MANAGER		
Compensation due in respect of the financial year (itemized in Table 2)	1.5	6
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	1.5	6
2. ALTAFI 2 – CO-MANAGER		
Compensation due in respect of the financial year (itemized in Table 2)	3,031	6,201
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	3,031	6,201

Notes:

Regarding application of articles L. 225-102-1 and L. 233-16 of the French Commercial Code, note that beside Altarea, its subsidiaries and Altafi 2, no other company paying compensation to a corporate officer falls within the scope of these provisions. In 2013, Mr. Alain Taravella received compensation in the amount of €52,008 from Altafi 2.

The amounts provided in the compensation table below and the following tables include all compensation due or paid by Altarea and the companies it controls.

The figures below include amounts invoiced to Altarea and amounts invoiced directly to its subsidiaries.
Variable executive compensation is calculated by applying the rules set out by the Ordinary General Meeting of shareholders, which determined executive compensation in accordance with the provisions of Article 7.2.1.1 above.

Table 2

Summary table of compensation of each executive officer

Name and position of executive officer			FY 2013	FY 2012
(€ thousands)	Amount due [1]	Amount paid	Amount due [1]	Amount paid
ALTAFI 2 – CO-MANAGER				
Fixed compensation	2,000	1,500	1,745	1,745
Variable compensation	1,031	581	4,456	2,955
Exceptional compensation	0	0	0	0
Attendance fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**3,031**	**2,081**	**6,201**	**4,700**
ALAIN TARAVELLA – CO-MANAGER				
Fixed compensation	0	0	0	0
Variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Attendance fees [2]	1.5	6	6	0
Benefits in kind	0	0	0	0
TOTAL	**1.5**	**6**	**6**	**0**

Table 3

Table of attendance fees and other compensation received by the non-executive corporate officers and, where applicable, by their permanent representatives

Non-executive corporate officers	FY 2013 (€ thousands)	FY 2012 (€ thousands)
Jacques Nicolet, Chairman of the Supervisory Board		
Attendance fees [6]	10.5	4.5
Other compensation [3]	267	287
Matthieu Taravella, Supervisory Board member		
Attendance' fees	15	6
Other compensation [4]	0	14
Gautier Taravella [5], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Altarea Commerce [5], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
ALTA Patrimoine [5], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
JN Holding [5], Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0

(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.
(3) The compensation paid in 2012 to Jacques Nicolet, Chairman of the Supervisory Board, was deducted from the fixed compensation of the Board of Managers.
(4) 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.
(5) 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.
(6) This compensation includes attendance fees granted not only by Altarea but also by its subsidiaries.

Non-executive corporate officers	FY 2013 (€ thousands)	FY 2012 (€ thousands)
Olivier Dubreuil (6), Permanent representative of JN Holding, Supervisory Board member		
Attendance fees	5.5	6
Other compensation	0	0
Opus Investment BV (5), Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
APG (5), Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Alain Dassas, Permanent representative of APG, Supervisory Board member		
Attendance fees	15	7.5
Other compensation	0	0
Prédica – Crédit Agricole Assurances (5), Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Émeric Servin (6), Permanent representative of Prédica, Supervisory Board member		
Attendance fees	9	10.5
Other compensation	0	0
Foncière des Régions (5), Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Olivier Estève, Permanent Representative of Foncière des Régions, Supervisory Board member		
Attendance fees	15	6
Other compensation	0	0
Françoise Debrus, Supervisory Board member		
Attendance fees	15	7.5
Other compensation	0	0
FDR 3 (5), Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Dominique Rongier (6), Supervisory Board member		
Attendance fees	18	12
Other compensation	0	0
ATI (5), Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
Altafi 3 (5), Supervisory Board member		
Attendance fees	0	0
Other compensation	0	0
TOTAL Non-executive corporate officers	**370**	**361**

(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.
(3) The compensation paid in 2012 to Jacques Nicolet, Chairman of the Supervisory Board, was deducted from the fixed compensation of the Board of Managers.
(4) 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.
(5) 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.
(6) This compensation includes attendance fees granted not only by Altarea but also by its subsidiaries.

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.

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 FY 2012 and 2013, 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 AltaGroupe (formerly Altafinance 2), Alta Patrimoine and Alta Pat 1, which he controls) and Jacques Nicolet, together with JN Holding, which he controls, act in concert. At December 31, 2013, the founders collectively held 46.99% of the capital and theoretical voting rights of the Company and 47.63% 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, and independent members sit on the special committees of the Supervisory Board, namely the Audit Committee, the Investment Committee and the Management Compensation 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; FORESEEABLE CHANGES IN BUSINESS OPERATIONS

Over the last twelve months, with the exception of what appears in Note 16 to the consolidated financial statements, the Company has not experienced significant changes in its financial or business position.

Altarea Cogedim Group composed of the Company and its subsidiaries enjoys both the recurring revenue characteristic of a retail REIT and the added value of a developer active on the three main real estate markets (Retail, Housing, Offices).

Altarea Cogedim Group aims to continue developing its business in FY 2014. The Group will continue implementing its strategic plan in its different businesses: for retail, the Group will continue concentrating its asset portfolio around regional shopping centers and major Retail Parks using the "Family Village®" concept; in housing, the Group intends to continue gaining market share; finally, for offices, the Group means to capitalize on the new business cycle thanks to its investment capacity for Office property. On each of these three markets, Altarea Cogedim enjoys a distinguished and competitive position based on innovation, brand image and technology. With the acquisition of Rue du Commerce, Altarea Cogedim Group became the first multi-channel real estate company, enriching its revenue model with the incorporation of e-commerce.

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;
- Christian de Gournay, in charge of Residential and Office property in French regions other than Île-de-France;
- Stéphane Theuriau, in charge of Commercial Property in Île-de-France.

Christian de Gournay, Gilles Boissonnet, Stéphane Theuriau and Éric Dumas, the Group's Chief Financial Officer, 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;
- Eric Dumas, Group Chief Financial Officer;
- Albert Malaquin, Senior Executive Vice-President of Altarea France;
- Patrick Mazières, Financial Director of Cogedim;
- Philippe Mauro, Group Corporate Secretary.

3. The Executive Management Committee, which is made up of the Group's principal executives, and 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 registration document, the management bodies have made no firm commitment on significant investments about which the Company has not provided information.

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

REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON INTERNAL CONTROL

8

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. This report was submitted to the Supervisory Board, which approved it at its meeting of March 5, 2014.

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, as amended on December 4, 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;
- the 2013 AMF report on corporate governance and executive compensation published on October 10, 2013.

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), revised in June 2013. 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, the lead director, cannot be applied. Because the company is a partnership limited by shares, the financial statements are established by Management and not by a collegiate body. The Supervisory Board is responsible for overseeing the Company's management on a continual basis, but is not involved in this management. Article 17.1 of the Company's Articles of Association states that the Supervisory Board has the right to be provided the same documents by the Managers as those made available to the Statutory Auditors. The Articles of Association also give the Supervisory Board significantly greater powers than required by Law, for example in reviewing investments. Lastly, the Company affords shareholders greater power than provided for in applicable legislation or in the AFEP-MEDEF Code, in particular with respect to establishment of Management compensation. This compensation was set out explicitly in the Company's Articles of Association until 2012. Since 2013, Managers' compensation has been 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. As a result, the Company's legal structure prevents it from applying 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;
- information on compensation of corporate officers and the policy of granting stock options and performance shares.

The Audit Committee does not contain two-thirds independent members. Only half of the members were considered independent following the Supervisory Board's examination of March 5, 2014.

The section of the AFEP-MEDEF Code concerning the Compensation Committee entered into force as of January 1, 2013, as explained below in paragraph 8.2.8 on the Supervisory Board's Special Committees.

"Say on pay" is a particularly salient point for the governance of listed companies in 2014. The Company Notes that Article 24.3 of the AFEP- MEDEF Corporate Governance Code for Listed Companies, revised in June 2013, provides for consultation of the shareholders regarding individual compensation of executive officers. Such a consultation is clearly impossible at Altarea, as the Ordinary General Meeting of Shareholders itself determines executive compensation pursuant to the Company's Articles of Association. The General Meeting of Shareholders, which possesses authority beyond that normally vested in the shareholders of listed companies, cannot issue an opinion on its own decisions.

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, and renews or terminates the appraiser's term of office. In the latter case, it provides for the appraiser's replacement. 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 also 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 call an Ordinary or Extraordinary Shareholders' Meeting according to the procedures set forth in French Law, if the Board deems necessary and after informing the Managers in writing. The Altarea Supervisory Board also plays an important role in terms of the Company's investments and commitments, above and beyond the traditional role played by this body in companies in the form of *sociétés en commandite par actions*. More specifically, Management must consult the Supervisory Board 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 social and environmental report and the report prepared by Management on the comparative situation of overall employment and training conditions of men and women.

8.2.2. COMPOSITION OF THE SUPERVISORY BOARD

(a) Members

As of the date of this report, the Supervisory Board comprised the following ten members:

Name	Duties	Permanent Representative[a]	Term Expires in[b]
Mr. Jacques Nicolet	Chairman	-	2019
Mr. Matthieu Taravella	Member	-	2019
Mr. Gautier Taravella	Member	-	2019
Ms. Françoise Debrus	Member	-	2019
Ms. Eliane Fremeaux	Member	-	2019
Mr. Dominique Rongier	Member	-	2015
APG	Member	Mr. Alain Dassas	2019
Crédit Agricole Assurances	Member	Mr. Emeric Servin	2019
Mr. Christian de Gournay	Member	-	2019
ATI	Member	None	2015

(a) 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.
(b) Year of Ordinary General Meeting.

The appointment of Mr. Christian de Gournay to replace the company Opus Investment BV at the Supervisory Board Meeting of March 5, 2014 is subject to ratification by the Ordinary General Meeting of May 7, 2014. At the Supervisory Board Meeting of March 5, 2014, Mr. Jacques Nicolet resigned from his duties as Chairman while remaining a Board member and Chairman of the Investment Committee, effective June 2, 2014. Upon Mr. Nicolet's proposal, Mr. Christian de Grounay was appointed as the new Chairman as of June 2, 2014, provided that his appointment as member is ratified by the Ordinary General Meeting of May 7, 2014.

Section 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. Please note that each member must hold at least one share in the Company in accordance with Article 15.4 of the Articles of Association.

(b) Balanced gender representation in the Supervisory Board

The Company is currently in compliance with the initial requirements of Law no. 2011-103 of January 27, 2011, as neither gender represents under 20% of the Supervisory Board at the first Annual General Meeting held after January 1, 2014, namely the Annual Combined General Meeting.

The Company intends to comply gradually with the future stages of said Law, viz., to ensure that neither gender represents less than 40% of board members at the first Ordinary Shareholders' Meeting after January 1, 2017.

(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-entity members are represented at Board meetings either by their legal representative, by a permanent representative if they have chosen to designate one, or by any other *ad hoc* proxy. It is therefore no longer relevant to establish and communicate an 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 Annual General Meeting and is 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 interests.

DECISION OF THE 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

Chairman of the Supervisory Board:

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 time the latest known Syntec index on January 1, 2009. This decision was adopted subject to 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 it 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. On the recommendation of the Management Compensation Committee, the Supervisory Board decided at its February 27, 2013 meeting to set the annual compensation of its Chairman at €300,000 as of January 1, 2013.

Directors' fees:

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 for attendance at a meeting of the Board or its Special Committees, as of January 1, 2011. To encourage members of the Supervisory Board to effectively participate in the Board's work, the Management Compensation Committee recommended increasing the amount of attendance fees to €2,500 for 2013 and subsequent financial years. The Supervisory Board decided to follow this recommendation at its meeting on February 27, 2013, highlighting that this will be advantageous for Company governance.

A detailed breakdown of compensation is provided in an appendix to the management report to which this report is attached.

(f) Independent members

CHOICE OF INDEPENDENCE CRITERIA

At its meeting of August 31, 2009, the Supervisory Board unanimously voted, on the Chairman's recommendation, to adopt the independence criteria set out 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 of its consolidated entities): employee, corporate officer or 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".

The criteria chosen are made public each year in this report.

APPLICATION OF THE INDEPENDENCE CRITERIA TO SUPERVISORY BOARD MEMBERS

The Board examines the situation of its members with regard to the independence criteria each year.

The latest review of the status of Board members was carried out by the Supervisory Board at its meeting of March 5, 2014. On the basis of the independence criteria it had adopted, the Board deemed unreservedly that Dominique Rongier, Alain Dassas and Elaine Fremeaux qualified as independent members.

8.2.3. FREQUENCY OF MEETINGS

The Board met three times in 2013. The attendance rate in person or by proxy was 87.50%.

8.2.4. NOTICE OF MEETING

The Company's Articles of Association provide that Board members be notified via simple letter or by any means of electronic communication. The Supervisory Board can meet by any means as soon as 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 in urgent circumstances.

8.2.5. INFORMATION

Under French Law, the Company's Managers must provide Supervisory Board members the same documents as those given to the Statutory Auditors.

8.2.6. MEETING LOCATION – MANAGEMENT ATTENDANCE

Meetings take place at the head office located at 8 avenue Delcassé in Paris (75008).

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. Management answers any questions that the members deem appropriate to ask. These questions may or may not be included on the agenda. Management does not participate in deliberations and cannot vote on decisions made by the Board or on opinions it issues.

The presence of at least half of the Supervisory Board's members is required to validly conduct deliberations. Decisions are made by a majority of the members present or represented and able to take part in the vote. A member present may only represent one absent member and may do so only upon presenting a valid proxy. In the event of a tie, the Chairman has the deciding vote.

8.2.7. INTERNAL REGULATIONS

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 Special Committees present their work at Supervisory Board meetings. The work is presented by committee chairs, all of whom are members of the Board.

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 5, 2014, amending the Investment Committee's rules of procedure):

- Mr. Jacques Nicolet;
- Mr. Alain Dassas, representing Fonds APG;
- Mr. Emeric Servin, representing Crédit Agricole Assurances;
- Mr. Christian de Gournay.

The committee is chaired by Mr. Jacques Nicolet.

Operational Managers involved in the investment project(s) also participate in the meeting.

Proceedings – minutes

Investment Committee opinions are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. Minutes are drawn up and signed during the meeting indicating the decision made. 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 meeting are sent by any means (post, fax, email, etc.).

Missions

The Investment Committee advises the Supervisory Board on investment and divestment decisions for amounts between €15 million and €100 million, under the following conditions:

a) Investment and divestment opportunities 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 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 ceiling is understood to be:

- before entering into any bilateral sales agreements for real estate of over €15 million;
- before signing any deeds for real estate of over €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, exceeds €15 million.

d) Investments and divestments of:

- less than €15 million do not require a Supervisory Board opinion; and
- over €100 million must be submitted to the Supervisory Board for a recommendation.

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 limits given above apply as a percentage of the Group's equity interests, and exclude tax.

Work of the Committee

The Investment Committee did not meet in 2013 because all investment and divestment opportunities were reviewed by the full Supervisory Board as required by Article 17.6 of the Articles of Association (see section 8.2.2 (e) above and 8.2.9. below), or by its Chairman, considering 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. The Investment Committee currently consists of the following members (pursuant to a Supervisory Board decision of March 5, 2014, amending the Investment Committee's rules of procedure):

- Ms. Françoise Debrus;
- Mr. Matthieu Taravella;
- Mr. Alain Dassas;
- Mr. Dominique Rongier.

The Rules of Procedure of the Audit Committee were amended on March 5, 2014 to reflect the resignation of Foncière des Régions, whose permanent representative was Olivier Esteve, due to the sale of its interest in Altarea; to acknowledge the change in Chairman; and to fulfill the duties of the Committee in accordance with the amendments made to the AFEP-MEDEF Code in June 2013.

Mr. Dominique Rongier serves as Chairman of the Audit Committee.

Skills and experience of the Audit Committee members relevant to the Committee's responsibilities:

- Françoise Debrus 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 dÎle-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, Committee Chairman, independent member, was an auditor at Arthur Andersen, Chief Financial Officer of the Brémond-Pierre et Vacances Group, Chief Financial Officer of Brossette SA, and Chief Financial Officer of the holding company Oros Communication;
- 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 two independent members. Consequently, the Company meets the requirement under French Law that an Audit Committee must have at least one independent member. However, the Company does not comply with recommendation 16.1 of the AFEP-MEDEF Code of Corporate Governance of Listed Companies, which stipulates that the two-thirds of Audit Committee members should be independent. The Company will make every effort to expand the composition of the Audit Committee to meet this requirement. The Committee includes no executive officer, in accordance with Article 16.1 of the Code.

Proceedings – minutes

A quorum is reached when at least half of the Committee members are present. Opinions 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. A meeting can be called at any time if necessary. Notices of meeting are sent by any means (post, fax, email, etc.). The Group's Financial Department sends any necessary documentation before the meeting.

During the 2013 financial year, the Committee met twice to examine the following points:

- on January 31, 2013: update of the Group's risk map. Property appraisal of the Group's commercial assets. Rue du Commerce file. Cap 3000 file;
- on February 27, 2013: review of the annual financial statements at December 31, 2012;
- on July 30, 2013: examination of the main internal control and risk management procedures conducted during the first half of 2013, and the 2013-2014 action plan. Review and approval of interim financial statements for the six months to June 30, 2013.

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 by analyzing the accounting impact of significant events or operations that had

an effect on the Company's accounts. 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 reviews risks that have an impact on the Company's financial statements (including information in the Notes) and risks identified by the internal control systems established by Management and that could have an impact on the financial statements. The Committee may consider the potential impacts on financial information and accounting documents arising from a significant unidentified risk that it learns of or identifies during its work and may use reports on other main risks identified by Management and/or Corporate Secretary. In the event shortcomings are identified, the Committee ensures that appropriate action plans have been set up and that the situation has been addressed. 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 verifies that the budget for Statutory Auditors' fees is monitored to ensure that it is in keeping with their engagement 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 engagement; and (iii) information on work and services related directly to the statutory audit engagement;
- 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 guidelines 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.

The Audit Committee reviews the scope of consolidation and, where applicable, the reasons for which companies are not included.

If it deems necessary, the Committee may call on external experts, ensuring their competence and independence.

The Committee ensures that there exist internal control and risk management systems and monitors their use and the implementation of corrective actions in the event of deficiencies or material anomalies. To this end, it is informed of the main findings of the Statutory Auditors and the internal audit. It meets with the heads of the internal audit and of risk control and advises on the organization of their departments. It is informed of the internal audit program and receives internal audit reports and/or periodic summaries.

The Committee reviews significant risks and off-balance sheet commitments, assesses the seriousness of malfunctions or deficiencies of which it is made aware, and informs the Supervisory Board, if necessary.

MANAGEMENT COMPENSATION COMMITTEE

History

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 with 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.

Members

The Management Compensation Committee is composed exclusively of members of the Supervisory Board, except for the Group Corporate Secretary, who performs secretarial duties during meetings but cannot vote.

All members of the Management Compensation Committee are independent of company Management.

The Supervisory Board, at its March 5, 2014 meeting, modified the composition of the Compensation Committee, which is now comprised as follows:

- Ms. Françoise Debrus;
- Mr. Dominique Rongier;
- Mr. Alain Dassas;
- Mr. Dominique Rognier chairs the Compensation Committee.

Mr. Philippe Mauro, Group Corporate Secretary, was appointed as Secretary of the Compensation Committee.

Responsibilities (Article 18 of the Articles of Association)

The Management Compensation Committee submits proposals for Managers' compensation to the Supervisory Board.

Work

The Committee used a study conducted by the specialized firm Towers Watson and submitted to the Supervisory Board at its February 27, 2013 meeting proposals related to Management compensation. These proposals allowed the Supervisory Board to make an informed recommendation on the General Partner's proposal, in accordance with Article 14 of the Articles of Association, to the Ordinary General Meeting of Shareholders responsible for setting Management compensation.

The Compensation Committee also made proposals on the annual compensation of the Supervisory Board Chairman, which it advised to set at €300,000, and on the amount of attendance fees. The Committee advised that the latter be increased to €2,500 to encourage members to actively participate in the work of the Supervisory Board.

At its February 27, 2013 meeting, the Supervisory Board decided to adopt all recommendations put forth by the Compensation Committee.

8.2.9. SUPERVISORY BOARD MEETINGS AND WORK IN 2013

The Altarea Supervisory Board held the following meetings in 2013:

- on February 27, 2013: review and approval of the annual financial statements at December 31, 2012. Proposal of earnings appropriation to the Ordinary Shareholders' Meeting. Supervisory Board's Compensation Committee opinion on the proposed compensation of Management to be addressed to the Annual General Meeting, setting of the Chairman's compensation, attendance fees. Authority granted to Managers to effect capital increases or reductions. Preparation of the Supervisory Board's report to the Annual General Meeting. Corporate Governance: change in the composition of the Supervisory Board, annual review of the operation and preparation of the Board's work, review of criteria independence for Supervisory Board and Special Committee members, Chairman's report on internal control, annual deliberation on the Company's policy on occupational and wage inequality, social and environmental report, sustainable development and diversity, situation of real estate experts. Recommendation to Management for guarantees, pledges and endorsements given to the Company's subsidiaries. Review of forecast documents. Recommendation on two investment projects. Recommendation on a divestment project. Review of forecast documents;
- on June 24, 2013: update on Group business. Group financial policy. Company strategy on arbitrage. Renewal of the term of the Chairman of the Supervisory Board. Merger by absorption of the company Aréal by Altarea;
- on July 30, 2013: review and approval of interim financial statements for the six months to June 30, 2013. Opinion given on investment projects. Signature of the investment memorandum with Allianz. Forecast documents.

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 WORK OF THE BOARD AND SPECIAL COMMITTEES

At its meeting of March 5, 2014, the Supervisory Board assessed the way in which its work is prepared and conducted. The Company believes that the operating practices of the Supervisory Board are appropriate and that no formal assessment procedures are necessary.

8.3. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

In accordance with Article L. 225-37 of the French Commercial Code, the following sections describe the principal measures that the Company took in 2013 and has taken in 2014 to enhance its internal controls.

8.3.1. OBJECTIVES OF INTERNAL CONTROL AND RISK MANAGEMENT

8.3.1.1. Objectives of internal controls and risk management

Internal control aims 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;
- the 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. Objectives related to the preparation of financial and accounting 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 earnings 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, along with the corresponding IFRIC and SIIC interpretations, as adopted by the European Union.

8.3.1.3. Limits inherent to internal control and risk management systems

One of the goals of internal control is to foresee and control risks resulting from the Company's business and the risk of error or fraud, especially with respect to accounting and financial information. 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. OVERALL ORGANIZATION OF INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

8.3.2.1. Internal control environment

Internal control is based on codes of conduct and integrity established by the company's governing bodies and communicated to all employees.

Each new employee receives a copy of the Altarea Cogedim Group's Code of Conduct when he or she is hired.

This code of ethics sets out Altarea Cogedim's values and rules of conduct that all Group employees and corporate officers must respect in their working relationships. The clear and precise principles outlined in the code should inspire and guide Group employees in their daily tasks, enabling them to resolve issues of conduct, ethics, and conflicts of interest in a clear and coherent way.

In accordance with AMF Recommendation 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 any other persons 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 buying Cogedim housing or purchasing on the Rue du Commerce website.

The Code of Conduct may be viewed on the Group intranet site under "the Group".

8.3.2.2. Participants

(a) Management

Management is responsible for the overall organization of the internal control system. It establishes internal control procedures and defines orientations in order to control the risks associated with the Company's business.

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 is 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 primarily used to commission outside firms for internal audit or control missions.

Priority missions 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

Every Altarea Cogedim Group employee is urged to formulate proposals to keep the internal control system effective and up to date. Operational Managers see to it that the processes are suited to the goals assigned them.

(f) External consultants

The company regularly hires specialized firms to perform audits and provide advice or assistance.

In 2013, firms provided support to Altarea Cogedim teams on issues relating to risk management, internal controls and internal audits.

8.3.2.3. Components of the internal control and risk management systems

The internal control system consists of four 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 8.3.3.2, Risks related to the preparation of financial and accounting information, paragraph (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 Rue du Commerce, a risk-mapping process specific to this company and its activity was established in June 2012. The results of this risk-mapping process were presented to the Audit Committee in July 2012. A formal process to update the risk map established in 2010 on the French Group structure was completed in late 2012, including the Group's online retail business. The description and assessment of identified risks were presented to the Audit Committee on January 31, 2013.

The Internal Control function, which falls under the Corporate Secretary's responsibility, used 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 summaries of internal control review work, are analyzed and considered when 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 Rue du Commerce 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 to Altarea Cogedim's businesses

(a) Risks related to trends in the market, economic situation and competitive environment

Altarea Cogedim Group's positions in various segments of the real-estate market (shopping centers, Residential property, Office property) and 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 in the economy; the strategy and policies that they implement are designed to anticipate and mitigate 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, Special Committees) 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. Chaired by Group Management, it meets once a month to examine the most strategic issues;
- 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 is made up of the members of the Management Board of Altarea France and the subsidiary's key operating Managers. It handles all subjects related to the subsidiary (development, operation, leasing, Promotion).

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.

Risks related to development operations are also monitored through several processes and reporting systems:

- monitoring of investments: authorized investments are tracked individually on a monthly basis and are subject to a control system carried out by the Operational and Financial Departments. The General Management of Altarea France then authorizes payment based on previous controls;
- a quarterly report is 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. Fully operational since 2010, this procedure provides for the budgets of developments under construction to be signed by the subsidiary's General Management.

Administrative authorization requests (building permit, regional retail development commissions, etc.) are subject to prior review by a specialized Law firm.

(ii) Italy and Spain

New investments in Italy and Spain are reviewed by the Group Investment Committee.

- **In Italy**, various committees (Property Development, construction, management/resale and finance) have been formed. 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 developments have been discontinued.

In addition, Altarea Managers hold monthly meetings with 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 the Residential property segment, a best practices guide brings together the practices applicable at each key stage of housing creation. The guide aims to define the role of each actor within Cogedim Résidence and Cogedim by region, to improve and harmonize practices and facilitate interactions with partner services. The guide, updated in 2012, is available on the intranet and is distributed to all relevant staff members.

The following systems are designed to cover risks related to Property Development:

(i) Cogedim Commitment Committee: Cogedim's Commitment Committee reviews all real estate 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 Committees, 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 Market Department is responsible for consulting the companies prior to the signature of work contracts. Companies are chosen via calls for tender according to established specifications. The final selection is made from a comparative analysis of offers 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. For each building, the commercial strategy is defined by the program Director and Manager, the Commercial Director and the Cogedim Vente product head. Cogedim Vente also provides staff in charge of developing studies and opinions to evaluate local markets and their prices, which allows teams to incorporate these figures in operations' forecasted budgets. The digital budget monitoring tool used for each project is updated in real time with commercial data (reservations and sales) and allows each Manager to track the progress made in programs for which he or she is responsible.

In addition, every week a business report is produced presenting sales figures for the week and a 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 underway. In addition, monthly reports on overdue invoices are sent to operational departments.

- Under the Cogedim Club® brand, Altarea Cogedim Group is developing a serviced-residence concept for active seniors with a variety of *à la carte* services and attractive downtown locations. The first serviced senior residence of this kind opened in Villejuif in H2 2013.

The Group has chosen to manage the design and the development of these residences, as well as rentals during the building's operation. Given this new rental management business, which was still in its infancy in 2013, one focus for the internal control unit will be to review the internal control procedures put in place.

3. OFFICE-PROPERTY DEVELOPMENT

The systems designed to hedge the risks relating to the Property Development transactions described above (see paragraph 2, Residential-property development) are also applicable to office-property development.

(c) Risks related to the Company's property-investment business and assets

(i) France

The risks associated with the Property Investment business and assets are as follows:

- 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 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 outside consultants, to mitigate risks relating to the valuation and inclusion of these shopping centers in the portfolio.

The Marketing Coordination Committee monitors all re-marketing actions on a monthly basis to determine terms for renewing lease agreements for the Company's portfolio properties.

In addition, Altarea France's Executive Management Committee meets monthly to address matters related to shopping centers in operation.

- Property portfolio reports: property portfolio Managers regularly provide the Group Finance Department with financial statements and reports, including forecasts of rental income and noncollectable 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.
  As of summer 2012, the creation of a legal-dispute unit in Altaix has simplified management of insolvent tenants and has been 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 therefore 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 center are sent to the Executive Management of the subsidiary and to Group Management.

(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, 2013, 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

Altarea Group assets are assessed twice a year by an independent appraiser. In 2013, appraisal of assets located in France was entrusted to:

- DTZ and CBRE for appraisal of shopping centers and office properties in France;
- DTZ for appraisal of hotels or business franchises.

Appraisal of assets located in Italy and Spain was entrusted to DTZ.

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 Rue du Commerce'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;
- Rue du Commerce has taken 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:

- Rue du Commerce 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, Rue du Commerce 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 placed, 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.

(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 12.31.2013.
(2) For further information on the methods used by the appraisers, see paragraph 1.8. Accounting principles and methods - Investment property, of the Notes to the consolidated financial statements (section 3.7 of the registration document).

(e) Risks related to failure of the internet or the Rue du Commerce platform, to viruses, and to hacking

The Rue du Commerce information systems, which simultaneously ensure the company's revenue, logistics-management tool, and internal-audit system, must always be available and secure. The company therefore 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.

In order to prevent hacking, the IT department has always implemented protective systems (firewalls, anti-virus and anti-spam software).

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, hardware, and other IT equipment. A complementary insurance policy was taken out for Rue du Commerce in FY 2013 to cover "cyber" risks.

Hacking includes attempts at accessing and substituting credit card numbers or other personal data of Rue du Commerce 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. Rue du Commerce never has access to or possession of its customers' credit card numbers, thereby eliminating all related risks.

Mindful of system security, in S2 2013 the Group Information Security Department commissioned a security audit including internal and external intrusion tests for the Group as a whole. Based on the results of this audit, a remediation plan has been implemented.

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 Chief Financial Officer sets the agenda of the meeting, at which accounting, tax and financial issues are presented to Executive Management. During these committee meetings, Executive Management defines and sets out Altarea Cogedim Group's financial targets.

The largest subsidiaries, including Cogedim, Altarea France and Rue du Commerce, 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 physically maintained by Group employees within each operating subsidiary;
- management controllers within 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 preparation and inspection of half-year and full-year Group financial statements. 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; 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 establishing of quarterly accounts;
- unaudited interim statements (March 31 and September 30) providing 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 Rue du Commerce 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: 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 for third parties: continually updated guidelines for consolidation and accounting procedures; formal documentation of claims and legal disputes,
  - E-Commerce: 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 via 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.

FY 2013 made it possible to consolidate the tools and measures implemented in 2012 (tools to prepare Group consolidated financial statements, manage real estate transactions, etc.).

(d) Information systems

Accounting and financial information is prepared using financial and business-based information systems featuring automatic and manual controls to safeguard the flow and processing of data generated.

(i) Rental property software

In 2007, the company's French and Italian operations adopted Altaix software for rental-property management; Spain followed in 2011. This system allows for automatic transfer of social accounting data from Altaix to Sage. Moreover, Altaix automatically transmits data on entry of supplier invoices and monitoring of shopping centers' commitments to the centralized rental-property management department. In 2009, 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. New modules were rolled out in 2013, with the particular advantage of upgrading rebilling of charges to tenants and forecasting work to be carried out over several years, thus estimating an overall cost for an asset.

(ii) Primpromo property-transaction software

The development division uses management software for real estate programs that optimizes monitoring and control of these programs throughout the different phases. 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 financial division uses Sage Ligne 1000 accounting software. The accounting department conducts numerous controls (cut-off, rent reductions, doubtful accounts, etc.). The Consolidation Department performs the Sage/SAP BFC reconciliation (net income, comprehensiveness of consolidated data, etc.).

The Property Development division uses Comptarel corporate accounting software, which incorporates data generated by the Primpromo business software for property transactions. 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 this 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, 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. The accounting department performs numerous controls (thoroughness of integrated data, review of age of receivables, etc.).

(iv) Account-consolidation software

SAP BFC – Business Financial Consolidation – software, based on unified and multi-business accounting charts using a single database, was introduced on December 31, 2012 for all of the Group's business segments: brick-and mortar and online retail, as well as Residential and Office property development. Thanks to its particular structure, this solution offers a platform that allows for considerable incorporation of accounting systems within the Group, thus reducing the risk of significant errors. This system authorizes modifications to allow for continued compliance with regulatory requirements. 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. This business software was introduced in Group subsidiaries in 2013.

(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 analyses changes in the 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, Altarea Cogedim Group entities 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 the issue of all permits required to carry out their operations. The regulations relate mainly to urban planning (business licenses, building permits, etc.), construction rights and commercial leases. Spanish subsidiaries use outside Law firms. The Corporate Secretary of the Altarea Cogedim Group coordinates the Legal Departments of the subsidiaries.

2. Cogedim

Operations Managers regularly call on specialized outside Law firms. In addition, Cogedim increasingly asks for assistance from Altarea's Property Legal Department, particularly for complicated deals.

3. Rue du Commerce

Rue du Commerce 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 set out in 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. Rue du Commerce 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. Rue du Commerce uses external consultants to assist it with these various tasks.

4. Group Corporate Legal Department

This department reports to the Group Chief Financial Officer. It ensures that Altarea and its main subsidiaries comply with workplace legislation and that Altarea and its subsidiary Altareit adhere to the requirements of being 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, Cogedim Gestion and Syndeco 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 [3].

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.

(3) See paragraph 6.10.2. "Legal, regulatory, tax and insurance risks", under Risk factors.

2. Summary of insurance coverage

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Group for 2013. 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 2013, the total budget for the Group's principal insurance coverage (excluding shopping center construction, Italy, Spain, and social welfare) is estimated at approximately €12.4 million:

- **Assets in operation**: for all assets in operation, the Group has enjoyed coverage with the companies Chubb and Allianz since January 1, 2014. These policies replaced policies taken out with a single company, AXA: multi-risk property insurance and a civil liability policy. The damages portion covers the reinstatement value of buildings and operating losses over a period of two years. With regards to the Cap 3000 shopping center, market-value partial complementary insurance is also taken into account. The damages portion includes non-occupant owners insurance as of January 1, 2014, a policy that was previously independent and purchased from AXA. These insurance policies are for the most part invoiced to tenants under contracts and regulatory provisions in force.
- **Property under construction**: Altarea has "construction damages" and "all worksite risks" insurance policies with AXA for property under construction. The Group has a unique framework agreement for "construction damages" and "all worksite risks" for all construction sites that do not exceed a certain size.
- **Professional liability**: the Group and its subsidiaries, including Cogedim and Rue du Commerce, have professional-liability insurance policies with several insurers, including Generali, Allianz and Covea Risks.
- **Various insurance policies**: the Company has several other insurance policies to cover items such as leased offices (comprehensive coverage), vehicle fleets, and computer equipment (comprehensive coverage), constructors' decennial liability insurance, operating losses and "cyber" threats associated with Rue du Commerce. Finally, AXA provides a "senior executive and corporate officer civil liability" insurance policy.

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.

(b) Employee-related and environmental risks

Social risks

Altarea Cogedim has developed an active training policy through targeted actions for business skills. These courses account for 48% of the total number of training hours. A transversal Group training platform facilitates sharing of experience. In 2013, an e-learning training system for office skills was launched and is available to all Group employees. Information is also made available on a daily basis: magazine, intranet, internal conferences and committees bringing together the Group's top Managers are the primary means of communication. Integration days are also organized each year to welcome new hires.

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.

Diversifying hiring sources and techniques coupled with buoyant internal mobility (62 employees moved within the Company in 2013) allowed the Group to satisfy its personnel needs. 188 permanent hires were made, of which 43% were for Rue du Commerce. Individual guidance is provided for Managers and key profiles. The 99 promotions granted in 2013 demonstrate 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, retail, 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 also provides a way to anticipate and hedge these risks.

Moreover, the Group monitors its compliance with obligations under credit agreements and with banking covenants [4].

(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 as hedging instruments to cover the interest rates on mortgages and/or corporate loans backing its property and therefore to preserve the cash flow generated by its operating assets. The instruments used are mostly fixed-/variable-rate swaps [5].

(c) 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.

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.

Rue du Commerce has implemented a data backup plan for both the 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 2014

At the time this report was being prepared, a number of actions were under way for the improvement of internal controls:

- finalizing an audit of the verification and control procedure for price grids in the residential segment, strengthening this procedure if necessary;
- continuing changes to Rue du Commerce's procedure for recruiting suppliers and merchants;
- continued strengthening of controls ensuring compliance with labor laws (training is offered the employees in question in the first quarter of 2014);
- projected audit of acquirer calls for funds in the residential segment.

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*).

The Manager can 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.

(4) See paragraph 11, Financial instruments and market risks, in the Notes to the consolidated financial statements (section 3.7 of the registration document).
(5) The list of financial instruments used can be found at paragraph 11, Financial instruments and market risks, of the Notes to the consolidated financial statements (section 3.7 of the registration document).

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, 2013, 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. The Supervisory Board also consults the Management Compensation Committee, a special committee composed of persons entirely independent of Management.

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 distributes 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 interests.

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.

Chairman of the Supervisory Board
Jacques Nicolet

8.7. STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE COMPANY'S SUPERVISORY BOARD, PREPARED IN ACCORDANCE WITH ARTICLE L. 226-10-1 OF THE FRENCH COMMERCIAL CODE

(for the financial year ended December 31, 2013)

To the Shareholders,

In our capacity as Altarea S.C.A.'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 December 31, 2013.

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 to provide 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 submit to 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:

- understanding the 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;
- understanding 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, March 21, 2014

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**

CROSS-REFERENCE TABLE

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9.3. CROSS-REFERENCE TABLE OF THE MANAGEMENT REPORT TO THE GENERAL MEETING OF SHAREHOLDERS

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